

# Driving Innovation in the Textile Industry: The Importance of Hr Practices and A Supportive Climate in the Textile Industry.

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## ARTICLE INFO

## ABSTRACT

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The research examines how South India's textile sector employees perceive HR practices as drivers for their innovative work behavior (IWB). Through a cross-sectional study, we investigated how compensation systems, employee development programs, information sharing practices, supportive supervision, and job autonomy levels influenced innovative work behavior using data collected from 320 employees. We applied Confirmatory Factor Analysis and moderation analysis to examine construct validity and the innovative climate's moderating influence. Positive HR practice perceptions boost IWB performance and result in additional benefits from a creative environment. The research findings demonstrate that innovation thrives when companies provide fair wages and continuous training, with transparent information sharing and supportive management, while allowing employees autonomy.

**Keywords:** Innovative Work Behavior (IWB); Human Resource Practices; Compensation Systems; Training and Development; Information Sharing; Supportive Supervision.

## 1 INTRODUCTION

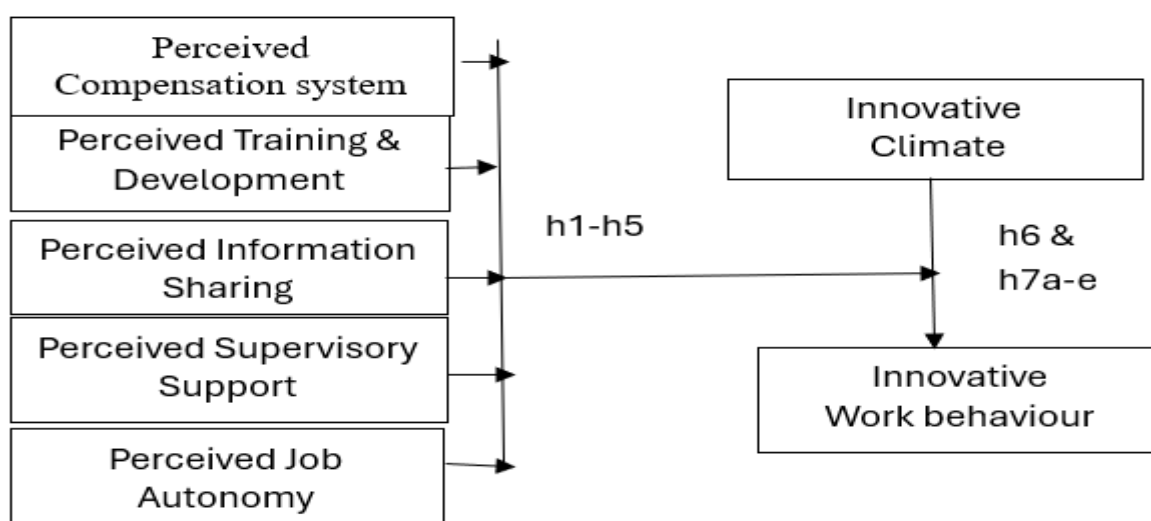
Organizational success depends heavily on innovation within South India's dynamic textile industry, which stands out for its heritage and economic significance. According to recent research, effective human resource management has emerged as a crucial factor for driving innovation (Seeck & Diehl, 2017). Earlier research typically focused on organizational innovation through intellectual capital, but current studies focus on HR methods that shape individual innovation, particularly through innovative work behavior (IWB). Innovative work behavior, including creating and executing new ideas and practices, is critical for organizational adaptability (Kleysen & Street, 2001; Yuan & Woodman, 2010). Through the analysis of five HR practices—compensation systems, training and development, information sharing, supportive supervision, and job autonomy—the study investigates their effects on innovative work behavior (IWB). The study draws from social exchange theory (Blau, 1964) and signaling theory to demonstrate how employee innovation depends on perceived organizational support and communicated values. Fair compensation motivates individuals to engage in IWB, but its effectiveness relies heavily on the person's intrinsic motivation. Employee capabilities and trust strengthen through training and development programs, and transparent information sharing improves collaboration and organizational goal alignment with employees. Supportive supervision promotes experimentation and autonomy, as well as enhances both intrinsic motivation and creative behavior. An innovative climate moderates these relationships by demonstrating organizational commitment to innovation (Scott & Bruce, 1994; Ekvall, 2017). This research enhances academic literature by

presenting data-driven observations about HR practices that boost IWB within the textile sector of South India through a gender-equal workforce.

## 2 REVIEW OF LITERATURE

Organizational success relies heavily on Innovative Work Behavior, which involves employees intentionally creating and executing valuable new ideas. The application of these behaviors substantially impacts the improvement of products as well as organizational processes and practices. The importance of Innovative Work Behavior (IWB) is recognized, yet there is scarce knowledge about how to motivate this behavior appropriately. Human Resource practices are essential tools that develop employee behaviors and attitudes and encourage them to achieve innovation. Based on Social Exchange Theory (Blau, 1964), employees tend to participate in discretionary behaviors such as IWB when they sense strong organizational support. According to signaling theory (Spence, 1973), HR practices are organizational tools that communicate fundamental values and expectations that direct employees' innovative activities. Compensation systems stand out among HR practices because they strengthen value recognition and motivate innovation. When fair and transparent compensation systems are in place, employees are more inclined to respond through creative contributions (Cheng & Yang, 2021; Bos-Nehles et al., 2017). Despite Self-Determination Theory's warning that external rewards may diminish internal motivation, especially in naturally driven employees, Self-Determination Theory (Deci & Ryan, 1985) advises caution. Yet, research shows structured reward systems can promote IWB (Chandler et al., 2000). Organizational commitment is demonstrated through training and development programs, which build employees' innovative capabilities. Training programs prioritizing design effectiveness help employees build confidence while developing their problem-solving abilities and encouraging proactive actions (Knol & van Linge, 2019; Benson et al., 2004; Thangaraju, 2024). Information sharing creates a transparent workplace where employees understand their organization's objectives and feel motivated to suggest innovative solutions.

Open communication lowers employees' fears about negative consequences, enabling essential knowledge exchange throughout all phases of innovation (Franke & Shah, 2003; Qin et al., 2022). Supportive supervision remains essential because supervisors function as innovation facilitators. Under supportive leadership, employees can take risks and experiment with new ideas. Humphrey et al. (2018) show that job autonomy boosts intrinsic motivation by enabling employees to discover and apply new concepts freely, increasing innovation levels. The existence of an innovative organizational climate fortifies these relationships by indicating that creativity and risk-taking are appreciated behaviors (Scott & Bruce, 1994; Ekvall, 2017). Integrating various HR practices into a unified high-performance system boosts their effectiveness through synergistic interactions, which sustain innovative work behavior (IWB). Organizations that synchronize their HR practices with strategic objectives create an environment that fosters innovation and supports sustained success.



**Figure 1 presents a model incorporating all the hypothesized relationships.**

### 3 METHODS

This study's data came from ten sizable textile factories in Tamil Nadu, South India, which were surveyed from January through April 2023. Researchers chose Tamil Nadu as their study location because its dense textile industry presence and substantial economic impact provided an ideal setting to investigate innovative work behavior (IWB). These companies do not directly aim for innovation but stimulate IWB across all employee levels, such as shopfloor workers, professionals, and middle managers. The research used stratified random sampling to attain equal numbers of male and female participants (160 each), which allowed for the inclusion of diverse job roles and department perspectives. The study obtained 256 usable responses from 320 distributed structured written questionnaires, representing an 80% response rate. The survey consisted of 65 questions, which evaluated employees' views on HR practices and organizational climate and IWB using established measurement scales. The research assessed employee perceptions of various HR aspects, like compensation systems, while drawing on the framework developed by Jiang et al. (2012). The scale by Kleysen and Street (2001) evaluated IWB, while the study applied Malik and Wilson's (1995) scale to measure innovative climate. Our research method provided dependable and valid data to examine the effects of HR practices and organizational climate on IWB within the South Indian textile industry.

### 4 DATA ANALYSIS

The study's data analysis required a multi-step procedure to confirm the research findings' robustness, reliability, and validity. The initial demographic analysis provided essential insights about the sample through its balanced gender distribution, young workforce, and high shop floor worker percentage, which helps understand innovative behavior in the South Indian textile industry. The researchers performed Exploratory Factor Analysis (EFA) followed by Confirmatory Factor Analysis (CFA) as part of the study. Exploratory Factor Analysis (EFA) showed strong item loadings between 0.75 and 0.88, while Confirmatory Factor Analysis (CFA) validated the measurement model with all factor loadings exceeding 0.70. The model fit assessment revealed satisfactory results across all indices, including Chi-square, CFI, TLI, RMSEA, and SRMR, which met recommended standards (CFI = 0.92, TLI = 0.91, RMSEA = 0.05, SRMR = 0.07), demonstrating a good fit for the model. The reliability assessments showed high internal consistency through Cronbach's alpha scores above 0.89 and Composite Reliability exceeding 0.79. AVE values ranging from 0.555 to 0.773 alongside HTMT ratios below 0.85 demonstrated convergent and discriminant validity. The constructs, including Perceived Compensation Systems, Supportive Supervision, Training and Development, Information Sharing, Job Autonomy, and Innovative Climate, demonstrated robust psychometric properties. Testing hypotheses showed significant positive connections between perceived HR practices and Innovative Work Behavior (IWB), and the moderation analysis revealed that an innovative climate substantially enhanced these connections. The results show that HR practices positively affect IWB when employees experience supportive work environments. The findings reveal organizational innovation benefits from combining effective HR practices with a supportive organizational climate at all employee levels.

#### 5.1 Result of the study

The results of this investigation demonstrate how perceived HR practices function as a vital component for fostering innovative work behavior among textile employees in South India. Employees who viewed the compensation systems, training and development opportunities, information sharing practices, supportive supervision approaches, and job autonomy positively displayed higher levels of innovative work behavior. Each of the practices demonstrated significant positive effects: compensation systems ( $\beta = 0.29$ ,  $p = .004$ ), training and development ( $\beta = 0.23$ ,  $p = .006$ ), information sharing ( $\beta = 0.28$ ,  $p = .013$ ), supportive supervision ( $\beta = 0.26$ ,  $p = .004$ ), and job autonomy ( $\beta = 0.27$ ,  $p = .011$ ). Cronbach's alpha measurements for all constructs exceeded the threshold of 0.88, indicating high reliability. The impact of HR practices on IWB was intensified by innovative climate (ICL) which served as a significant moderator as demonstrated by positive interactions between PCS and ICL ( $\beta = 0.14$ ,  $p = .034$ ) and between PSS and ICL ( $\beta = 0.15$ ,  $p = .023$ ) indicating a supportive environment increases HR practice effectiveness. Businesses must develop strategic HR practices while simultaneously building an innovative environment that enables employees to create and execute new ideas, helping maintain a competitive edge.

## 5.2 Discussion

The study shows how employees in South India's textile industry develop innovative work behavior (IWB) through the perception of HR practices. Employees' positive views about compensation systems, training and development opportunities, information sharing practices, supportive supervision, and job autonomy all demonstrated significant links to enhanced IWB, which aligns with previous research by Jiang et al. (2012). Fair pay generates innovation by creating reciprocal feelings among employees (Blau, 1964), and ongoing training develops learning skills and creative abilities. Information sharing enhances transparency and idea exchange according to Vera & Crossan (2005), and supportive supervision empowers employees through encouragement and resource provision. Autonomy allows workers to demonstrate initiative and search for new methods according to Amabile and colleagues (1996). The research demonstrated that an innovative organizational atmosphere intensifies existing relationships by showing that support from the organizational environment enhances HR practices' effectiveness on IWB (Scott & Bruce, 1994). The research highlights organizations' need to apply strategic HR practices while fostering an innovative organizational climate. To increase innovation, organizations must blend fair pay with skill advancement and transparent communication alongside supportive leadership, while providing employee autonomy in a workplace culture that supports creative experimentation.

## 5.3 Managerial implications

The research provides essential guidance for managers to improve innovative work behavior (IWB), focusing on the textile sector. Managers must maintain transparent and fair pay structures to drive innovation and provide ongoing training for skill enhancement. When organizations promote open communication and information sharing, they align employee initiatives and company objectives. Through feedback and resource provision, managers create a supportive environment that encourages innovation when they encourage their teams. When organizations grant employees the freedom to decide about their work, they unlock creative problem-solving abilities and exploration potential. The development of an innovative environment plays a crucial role in boosting the performance of HR practices. These strategies enable organizations to boost their innovative potential while staying competitive amid changing industrial environments.

## 5.4 Limitations and scope for further research

This study presents strong evidence but includes multiple limitations. Self-reported data usage can cause common method bias, but using supervisor ratings or objective measures in future studies could help reduce this issue. The cross-sectional nature of this study restricts causal conclusions while underscoring the necessity for longitudinal research. Research focused on South India's textile industry limits its general applicability, which requires broader investigations across multiple sectors and cultural contexts. The study did not investigate potential mediation factors, including job satisfaction and employee engagement, which require further examination. The analysis did not take into account individual differences, including personality traits. Research should examine how digital HR practices alongside remote work affect innovative behaviors within dynamic work settings.

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