



# The Interplay of Human Resource Practices and Employee Innovative Behavior in Employee Performance

Ami Fitri Utami\*<sup>1</sup> and Catra Aryasatya<sup>2</sup>

## Abstract

The COVID-19 pandemic greatly affected the global economy with lockdown measures and reduced economic activity. This study investigates the relationship between employee innovative behavior, HR practices implementation, and performance at one of the biggest car distributors in Indonesia. The study determines the impact of employee's innovative ideas in daily work activities and changes in HR practices on the company's recent performance improvements. The research uses a quantitative approach by using a questionnaire of 120 employee respondents and applying the PLS-SEM (Partial Least Square – Structural Equation Modeling) to analyze the data. The result shows that employee's innovative behavior and HR practices significantly influence employee performance.

**Keywords:** Automotive Company, COVID-19, Employee Innovative Behavior, Human Resource Practices

**JEL:** M12

## 1. Introduction

---

<sup>1</sup> International Business, Binus Business School, Bina Nusantara University, Indonesia; autami@binus.edu

<sup>2</sup> International Business, Binus Business School, Bina Nusantara University

The COVID-19 pandemic prompted companies to adapt their policies to government regulations and changing consumer behavior (Ahmed, 2021). In the automotive sales industry in Indonesia, there was a significant 44.7% decrease in automobile sales in 2020 compared to 2019 (Maskur, 2021). However, Toyota remained the leading car manufacturer, selling 182,665 units in 2020 (31.6% of the market). However, the industry showed signs of recovery in 2021, with a 49.3% increase in sales compared to 2020 (Andrianto, 2022). The industry continued to rebound in 2022, experiencing an 18% increase in sales (Kompas.com, 2022). The outlook for the automotive industry is improving post-pandemic, making it a sector with potential for business growth.

Company "A" is a large automotive company and a renowned car distributor in Indonesia. It is a company that operates car dealerships of Toyota cars in Riau, Bengkulu, Jambi, and Bali. Currently, their performance regarding sales is fluctuating. They had a score of 3.0 productivity per salesman during 2019, meaning an average salesperson could sell three cars per month during 2019. COVID-19 made their productivity considerably lower, with an average of 2.4 in 2020, with the lowest point at 1.0 in May 2020. In 2021, they experienced a surge in sales, leading to an increase in average productivity for each employee. This surge demonstrates their ability to improve sales performance compared to previous years. Based on our interview, it can be concluded that there were several changes in HR practices and employee behavior during that year. For example, various changes in the training and development process, recruitment, and regulations toward employee wellbeing. On the other hand, employees are also practicing new methods and approaches to completing their duties, such as using social media platforms like TikTok to promote Toyota products and employing video conferencing platforms like Zoom to engage customers in discussion. In line with company policies, these innovative approaches contributed to higher efficiency at Company "A."

Employee innovative behavior refers to employees generating ideas and implementing innovative practices to improve work processes within their company. This behavior involves introducing new methods to aim at a particular outcome (Lawande, 2023). According to Firdaus & Sakinah (2022), employee innovative behavior has a positive relationship with business performance, as it brings forth new ideas and innovative practices. Fostering employee innovative behavior and implementing effective HR practices can also influence employee performance. Employee innovative behavior is associated with increased performance, as it involves employees initiating innovations and fresh ideas to solve problems and complete tasks (Leong & Rasli, 2013). By this, an employee's innovative behavior entails idea generation from the employee and includes actions that might influence one's performance (Lawande, 2023).

On the other hand, HR practices, such as management support, also positively affect employee performance. HR practices provide resources and support that contribute to fostering employee performance. Diamantidis and Chatzoglou (2017) concluded in their research that management support is one of the influential factors for employee performance. This finding further emphasizes the role of HR practices in enhancing employee performance.

This research aims to investigate employee innovative behavior and HR practices able to influence employee performance. Previous research, such as Lawande (2023), contended that organizations should intervene in managing employees' innovative behavior through human resources practices. This research examined how both HR practices and innovative behavior altogether have an impact on employee performance.

## **2. Literature Review**

Innovative work behavior represents an action that introduces new methods for accomplishing particular outcomes (Lawande, 2023). Employee innovative behavior is vital for driving innovation within organizations. It involves employees generating and implementing new ideas and contributing to adopting innovative practices throughout the company. This behavior positively impacts employee performance, enhances workplace well-being, and fosters healthy competition. (Amo, 2005; Gonzales-Roma & Hernandez, 2016; Zuhelmi et al., 2018). On the other hand, employee performance are the productive capability of employees as quantified alongside their achievements according to company needs and goals (Prasetya, 2018). Likewise, HRM practices represent Policies deliberately chosen and used strategically to maintain strong organizational boundaries to promote high levels of organizational and professional identity; more specifically, it encourages staff retention in a highly competitive industry (Grobler et al., 2019).

Innovative behavior positively impacts employee performance by enhancing creativity, motivation, and job capabilities. Innovative behavior helps employees focus on their work-related roles, reducing the influence of non-working roles and promoting commitment to tasks and goals (Leong & Rasli, 2013). Moreover, innovative behavior strengthens the relationship between company owners and employees, as employees who contribute innovative ideas gain appreciation and foster a positive working environment (Ausat et al., 2022). Innovative behavior also directly improves job capabilities by encouraging employees to find new and effective ways of performing their tasks, leading to increased performance and effectiveness (Zuhelmi et al., 2018). Lastly, innovative behavior indirectly increases psychological ownership, as employees feel a sense of belonging and invest in the company, which motivates them to perform better (Karabay, 2021).

Hypothesis 1: Innovative behavior of an employee will influence their performance.

HRM practices have multiple relationships with employee performance. Through effective employee training, HRM practices indirectly improve performance by enhancing employees' skills and adaptability (Terng & Ahmad, 2021). Moreover, improved recruitment and selection processes result in hiring high-performing employees, indirectly influencing performance (Nor, 2018). Thirdly, HRM practices indirectly impact performance by creating a positive work environment that fosters job satisfaction. With good management, human relations can be cohesive, and problems can be alleviated, improving workplace situations in the company. Therefore, with a better workplace situation, company employees can be satisfied with their jobs and work better (Mira et al., 2019). Better HRM practices will allow better employee performance due to employees are more inclined to increase their efforts in pursuing company goals. HRM practices directly and positively influence performance by encouraging increased efforts and fostering a sense of employee appreciation. Wood, 2000).

Hypothesis 2: HRM practices will influence employee performance

## **3. Research Methodology**

Data for this research were collected through an online questionnaire with 5 Likert scale answers from strongly disagree to agree strongly. Survey methods toward all populations were being done, resulting in all 120 respondents. In developing the measurement, double-back translations were done from English to Indonesia and back to English to ensure language bias. In measuring employee innovative behavior, the research uses items developed by De Jong & Den Hartog (2010), while HRM Practices are measured through scales developed by Grobler et al. (2019), and employee performance is also measured through Koopmans et al. (2013).

The data analysis method will be using the PLS-SEM method. PLS-SEM method or Partial Least Squares Path Modeling is a form of modeling to understand the relations between constructions or variables. Two models used in this research are the inner model and outer model test. The inner model is used to analyze the relationship between latent variables that are based on theoretical substance. The outer model analyzes the relation between the latent variable and indicators (Hair et al., 2011).

#### 4. Research Findings

The score of CA (Cronbach's alpha) and CR (Composite Reliability) used to measures the realibility, where it is achieved if scored higher than 0.60 (Bagozzi & Xi, 1988). From the analysis (Table. 1) it can be seen that both CR and CA for each variables are exceeding 0.60 which means that the constructs are reliable. On the other hands, convergent validity was tested by using AVE (Average variance extracted), where score should be higher than 0.50 (Fornell & Larcker, 1981). The result in Table.1 also shows that AVE score are higher than 0.50 which means convergent validity was achieved. Moreover, discrimant validity is also achieved as the average cross loading value is above 0.70 or seen from the value of each other variable indicator is higher than the correlation between indicators on each other variable (Table.2).

Table 1. Convergent Validity & Reliability

<b>Variable/ item</b>	<b>Outer Loading</b>	<b>AVE</b>	<b>CA</b>	<b>CR</b>
<b>Employee Innovative Behavior</b>		<b>0.631</b>	<b>0.927</b>	<b>0.939</b>
Idea generation 1	0.821			
Idea generation 2	0.814			
Idea generation 3	0.855			
Idea exploring 1	0.786			
Idea exploring 2	0.866			
Idea championing 1	0.877			
Idea championing 2	0.885			
Idea implementation 1	0.860			
Idea implementation 2	0.827			
Idea implementation 3	0.860			
<b>HR Practices</b>		<b>0.618</b>	<b>0.972</b>	<b>0.974</b>
Job design 1	0.870			
Job design 2	0.817			
Job design 3	0.880			
Participation and autonomy				
Participation and autonomy 1	0.765			
Participation and autonomy 2	0.783			

<b>Variable/ item</b>	<b>Outer Loading</b>	<b>AVE</b>	<b>CA</b>	<b>CR</b>
Participation and autonomy 4	0.706			
Participation and autonomy 5	0.758			
Participation and autonomy 6	0.739			
Recruitment and selection 1	0.878			
Recruitment and selection 2	0.901			
Training 1	0.910			
Training 2	0.906			
Development				
Development 1	0.809			
Development 2	0.845			
Development 4	0.706			
Development 5	0.843			
Development 6	0.842			
Development 7	0.837			
Employment security 1	0.915			
Employment security 2	0.890			
Teamwork 1	0.896			
Teamwork 2	0.758			
Teamwork 3	0.865			
Teamwork 5	0.878			
Reward 1	0.888			
Reward 2	0.789			
Reward 3	0.820			
Reward 5	0.805			
Reward 6	0.881			
<b>Employee Performances</b>		<b>0.574</b>	<b>0.938</b>	<b>0.946</b>
Task performances 1	0.764			
Task performances 2	0.745			
Task performances 3	0.717			
Task performances 4	0.716			
Task performances 5	0.800			
Adaptive performances 1	0.767			
Adaptive performances 2	0.810			
Adaptive performances 3	0.727			
Adaptive performances 5	0.774			
Adaptive performances 6	0.809			
Contextual Performances 1	0.809			
Contextual Performances 2	0.722			
Contextual Performances 3	0.788			
Contextual Performances 4	0.750			
Contextual Performances 5	0.799			
Contextual Performances 6	0.751			
Contextual Performances 7	0.785			
Contextual Performances 8	0.769			

Table 2. Correlation

Item	AP	CP	D	ES	IC	IE	IG	II	JD	PA	RS	R	TP	TW	TR
AP1	<b>0,767</b>	0,614	0,471	0,411	0,339	0,306	0,449	0,386	0,371	0,356	0,363	0,446	0,607	0,493	0,438
AP2	<b>0,810</b>	0,608	0,500	0,435	0,472	0,423	0,502	0,507	0,388	0,430	0,442	0,480	0,688	0,551	0,520
AP3	<b>0,727</b>	0,745	0,572	0,504	0,495	0,424	0,511	0,485	0,500	0,430	0,457	0,581	0,737	0,567	0,539
AP4	<b>0,727</b>	0,745	0,572	0,504	0,495	0,424	0,511	0,485	0,500	0,430	0,457	0,581	0,737	0,567	0,453
AP5	<b>0,730</b>	0,686	0,471	0,402	0,490	0,454	0,568	0,510	0,408	0,423	0,395	0,466	0,662	0,476	0,449
AP6	<b>0,774</b>	0,615	0,500	0,457	0,445	0,432	0,464	0,483	0,406	0,430	0,417	0,448	0,671	0,458	0,468
CP1	0,622	<b>0,809</b>	0,597	0,596	0,467	0,461	0,552	0,549	0,549	0,552	0,507	0,554	0,720	0,604	0,531
CP2	0,638	<b>0,722</b>	0,539	0,477	0,470	0,451	0,480	0,523	0,462	0,447	0,459	0,533	0,689	0,512	0,517
CP3	0,662	<b>0,788</b>	0,535	0,432	0,567	0,421	0,523	0,469	0,448	0,416	0,406	0,493	0,703	0,486	0,598
CP4	0,562	<b>0,750</b>	0,653	0,534	0,611	0,540	0,622	0,649	0,584	0,604	0,555	0,609	0,683	0,621	0,643
CP5	0,700	<b>0,799</b>	0,563	0,530	0,529	0,540	0,557	0,530	0,523	0,510	0,484	0,558	0,751	0,615	0,563
CP6	0,587	<b>0,751</b>	0,511	0,489	0,473	0,403	0,528	0,520	0,410	0,478	0,427	0,424	0,701	0,504	0,494
CP7	0,646	<b>0,785</b>	0,565	0,450	0,620	0,490	0,565	0,581	0,509	0,457	0,428	0,551	0,724	0,530	0,543
CP8	0,636	<b>0,769</b>	0,522	0,474	0,458	0,483	0,527	0,480	0,472	0,513	0,445	0,501	0,706	0,539	0,488
D1	0,508	0,571	<b>0,809</b>	0,619	0,675	0,563	0,642	0,644	0,656	0,639	0,612	0,687	0,534	0,698	0,696
D2	0,556	0,638	<b>0,845</b>	0,720	0,636	0,590	0,644	0,600	0,703	0,655	0,680	0,722	0,615	0,789	0,738
D3	0,478	0,530	<b>0,706</b>	0,576	0,470	0,559	0,451	0,502	0,585	0,641	0,615	0,598	0,500	0,596	0,645
D4	0,526	0,590	<b>0,843</b>	0,718	0,665	0,600	0,624	0,643	0,682	0,722	0,709	0,771	0,560	0,727	0,684
D5	0,498	0,650	<b>0,842</b>	0,786	0,546	0,632	0,647	0,628	0,742	0,685	0,622	0,793	0,626	0,757	0,741
D6	0,551	0,563	<b>0,837</b>	0,692	0,541	0,510	0,569	0,556	0,593	0,656	0,614	0,721	0,523	0,694	0,665
ES1	0,507	0,613	0,821	<b>0,915</b>	0,571	0,619	0,594	0,603	0,719	0,706	0,681	0,739	0,587	0,759	0,717
ES2	0,489	0,548	0,696	<b>0,890</b>	0,560	0,549	0,582	0,551	0,648	0,652	0,613	0,655	0,513	0,687	0,557
IC1	0,466	0,602	0,653	0,542	<b>0,877</b>	0,604	0,699	0,731	0,631	0,638	0,547	0,651	0,572	0,581	0,631
IC2	0,504	0,593	0,623	0,561	<b>0,884</b>	0,661	0,704	0,708	0,646	0,583	0,597	0,545	0,581	0,632	0,588
IE1	0,344	0,449	0,542	0,505	0,532	<b>0,758</b>	0,517	0,573	0,563	0,583	0,627	0,586	0,352	0,516	0,489
IE2	0,462	0,556	0,622	0,566	0,647	<b>0,887</b>	0,711	0,713	0,725	0,631	0,611	0,583	0,545	0,604	0,618
IG1	0,526	0,634	0,592	0,512	0,607	0,534	<b>0,821</b>	0,641	0,550	0,506	0,549	0,558	0,575	0,606	0,538
IG2	0,462	0,562	0,616	0,548	0,706	0,687	<b>0,814</b>	0,732	0,646	0,602	0,530	0,556	0,528	0,570	0,551
IG3	0,492	0,563	0,622	0,560	0,666	0,657	<b>0,855</b>	0,690	0,644	0,580	0,490	0,605	0,556	0,611	0,632
II1	0,514	0,581	0,620	0,539	0,622	0,665	0,722	<b>0,861</b>	0,601	0,525	0,547	0,617	0,533	0,608	0,582
II2	0,511	0,653	0,632	0,532	0,754	0,652	0,719	<b>0,827</b>	0,629	0,596	0,589	0,574	0,594	0,627	0,603
II3	0,444	0,537	0,613	0,559	0,702	0,684	0,672	<b>0,860</b>	0,649	0,632	0,547	0,570	0,541	0,630	0,631
JD1	0,479	0,551	0,711	0,659	0,616	0,693	0,651	0,601	<b>0,870</b>	0,660	0,646	0,750	0,496	0,681	0,624
JD2	0,427	0,568	0,685	0,654	0,578	0,634	0,601	0,666	<b>0,817</b>	0,657	0,596	0,629	0,549	0,672	0,698
JD3	0,438	0,528	0,689	0,638	0,667	0,698	0,649	0,632	<b>0,880</b>	0,646	0,621	0,684	0,513	0,713	0,665
PA1	0,430	0,571	0,617	0,594	0,656	0,625	0,637	0,640	0,679	<b>0,769</b>	0,532	0,606	0,515	0,558	0,524
PA2	0,349	0,493	0,689	0,649	0,597	0,564	0,583	0,544	0,616	<b>0,757</b>	0,637	0,621	0,438	0,659	0,571
PA3	0,315	0,384	0,487	0,430	0,436	0,473	0,383	0,413	0,436	<b>0,793</b>	0,513	0,384	0,382	0,419	0,382
PA4	0,325	0,378	0,527	0,401	0,420	0,471	0,369	0,378	0,424	<b>0,724</b>	0,558	0,424	0,369	0,392	0,401
PA5	0,408	0,498	0,607	0,558	0,419	0,454	0,408	0,480	0,526	<b>0,747</b>	0,557	0,569	0,503	0,522	0,481
PA6	0,378	0,476	0,632	0,618	0,483	0,615	0,544	0,531	0,622	<b>0,724</b>	0,655	0,634	0,444	0,572	0,588
R1	0,546	0,599	0,764	0,678	0,600	0,576	0,567	0,583	0,636	0,611	0,588	<b>0,888</b>	0,579	0,679	0,673
R2	0,446	0,554	0,766	0,702	0,519	0,537	0,590	0,561	0,682	0,609	0,562	<b>0,789</b>	0,476	0,741	0,647
R3	0,555	0,567	0,713	0,611	0,569	0,633	0,591	0,566	0,658	0,643	0,618	<b>0,820</b>	0,565	0,662	0,688
R4	0,458	0,568	0,678	0,573	0,575	0,598	0,528	0,576	0,669	0,629	0,654	<b>0,805</b>	0,530	0,624	0,631
R5	0,519	0,575	0,762	0,672	0,578	0,593	0,611	0,607	0,723	0,654	0,634	<b>0,881</b>	0,564	0,695	0,649
RS1	0,446	0,502	0,651	0,594	0,544	0,638	0,538	0,575	0,628	0,677	<b>0,878</b>	0,605	0,414	0,640	0,563
RS2	0,472	0,563	0,745	0,681	0,609	0,678	0,580	0,600	0,661	0,721	<b>0,901</b>	0,688	0,540	0,701	0,626
TR1	0,538	0,607	0,796	0,657	0,607	0,598	0,621	0,611	0,698	0,639	0,607	0,723	0,607	0,713	<b>0,910</b>
TR2	0,602	0,680	0,752	0,632	0,649	0,631	0,636	0,685	0,705	0,597	0,609	0,702	0,665	0,760	<b>0,906</b>
TP1	0,776	0,689	0,503	0,460	0,483	0,469	0,539	0,515	0,471	0,462	0,426	0,478	<b>0,764</b>	0,584	0,508
TP2	0,678	0,695	0,561	0,469	0,478	0,423	0,492	0,467	0,463	0,467	0,456	0,541	<b>0,745</b>	0,543	0,572
TP3	0,568	0,663	0,442	0,448	0,466	0,342	0,462	0,550	0,388	0,429	0,338	0,395	<b>0,717</b>	0,460	0,461
TP4	0,605	0,663	0,446	0,337	0,565	0,403	0,480	0,435	0,437	0,431	0,319	0,417	<b>0,716</b>	0,435	0,496
TP5	0,634	0,732	0,610	0,560	0,470	0,445	0,516	0,491	0,502	0,478	0,466	0,579	<b>0,800</b>	0,597	0,578

Item	AP	CP	D	ES	IC	IE	IG	II	JD	PA	RS	R	TP	TW	TR
TW1	0,551	0,636	0,801	0,679	0,592	0,591	0,672	0,643	0,727	0,612	0,648	0,783	0,600	<b>0,896</b>	0,751
TW2	0,558	0,585	0,645	0,647	0,528	0,542	0,522	0,613	0,622	0,517	0,553	0,555	0,604	<b>0,758</b>	0,658
TW3	0,542	0,578	0,716	0,649	0,604	0,564	0,617	0,600	0,665	0,639	0,641	0,667	0,608	<b>0,865</b>	0,663
TW4	0,556	0,635	0,802	0,757	0,619	0,620	0,621	0,641	0,720	0,687	0,721	0,743	0,594	<b>0,878</b>	0,688

AP (Adaptive performance), CP (Contextual performance), D (Development), E (Employment security), I (Idea championing), IE (Idea exploring), IG (Idea generation), II (Idea implementation), JD (Job design), PA (Participation autonomy), R (Reward), RS (Recruitment and selection), TR (Task performances), TW (Teamwork), T (Training).

Table 3. Inner Model Test Result

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values
Innovative Behavior -> Employee Performance	0,370	0,319	0,173	2,133	0,033
HR Practice -> Employee Performance	0,444	0,475	0,163	2,718	0,007
Employee performance	R-Square	0.605	R-Square Adjusted		0.598
HR Practice	F-Square = 0.159				
Employee innovative behavior	F-Square = 0.111				

In structural or inner model testing, the R-Square value is the benchmark. The R-square value is useful for knowing how much ability the independent variables have to explain the dependent variable in this study. In table above the R-square value contained in the adjusted R-square is 0.598 which means that the employee innovative behavior and HR practice variables have a strong influence on employee performance variables by 59,8% and the remaining 40,2% are influenced by factors others outside the research model. On the other hands, F square analysis is a method for determining the degree of the influence of independent variables on the dependent variable in the model. Based on the result of F square (Table.3) as can be observed, the HR practices variable has 0,159 effect on employee performance, but the employee innovative behavior variable has a 0,111 effect on employee performances. The F square value reveals the strength of each independent variable's relative influence on the dependent variable in the model. These findings show that HR practices have a stronger influence on explaining variances in employee performances rather than innovative behavior.

In testing the hypothesis of this study using bootstrapping calculations on the SmartPLS software to see the magnitude of the T statistic. The bootstrapping method was developed as a form of non-parametric estimation method, which means it can interpret the parameters of a distribution. The significance values used (two-tailed) t-values are 1.65 (significance level = 10%), 1.96 (significance level = 5%), and 2.58 (significance level = 1%). In this study using a significance level of 5% so that the t-statistic value that must be fulfilled by the relationship between variables is 1.96. Based on the table 4.2, it can be seen that job innovative behavior has a positive effect on employee performance, this is because the original sample value is 0.370, which has a positive value, and the hypothesis is accepted because the t-statistics is 2,133 which value is bigger than

1.96. Innovative behavior also significantly affects employee performance because the p value is 0.033 or less than 0.05 (5%). HR practice also has a positive effect on employee performance, this is because the original sample value is 0.444, which has a positive value, and the hypothesis is accepted because the t-statistics is 2,718 which value is bigger than 1.96, and has a significant effect on employee performance because the p value of HR practice is 0.007 or less.

## **5. Discussion and Implications**

According to the findings of the path coefficients analysis, employee innovative behavior has a significant impact on employee performance. This demonstrates that employees' innovative conduct contributes positively and significantly to their performance in this organization. Employees who are very innovative can produce new creativity in their activities and duties. Employees who are inventive have the necessary knowledge and abilities to do their tasks effectively and efficiently. This can increase their capacity to perform jobs efficiently and meet sales targets set by the organization.

Previous research contended that innovative behavior was widely regarded as one of many elements that could boost performance (Zuhelmi et al., 2018). Innovative behavior arises from employees' own creativity, which causes them to be more creative at work, perhaps improving their performance. Those who are inventive are thought to be more motivated than those who are not innovative, due to their willingness to come up with new ideas for the benefit of the firm. Lastly the research conducted by (Ausat et. al., 2022). Innovative behavior improved employee performance through building better ties between the company's owner and its employees. Employees with new ideas will be considered greater assets to the organization and will endear themselves to the company's owners. Furthermore, owners who can detect innovative people and allocate resources to adopt and promote employee innovation will be able to retain more capable personnel. As a result of this element, a strong working atmosphere with solid relationships between capable owners and employees was created, causing employees to perform better than previously.

On the other hands, the HR Practices variable has significant impacts on employee performance. The p-value of 0.003, which is less than the specified level of significance, demonstrates this. These data demonstrate that the company's HR practices favorably and significantly influence employee performance. These results emphasize the importance of developing and enhancing a Human Resource policy that promotes high development, appropriate training, and values that align with the company's goals and strategy.

Strong and positive HR Practices generate a work environment that encourages and motivates individuals to achieve their full potential. Previous research was conducted by (Terng & Ahmad, 2021). HRM practices that improve employee performance indirectly rely on strong employee training. Good HRM practices include effective training approaches that enable employees to obtain the skills required for peak performance. The more skilled an employee is, the better they are at their job and the easier it is for them to adjust to changing working situations. As a result, HRM practices indirectly improve employee performance through better employee training. Lastly, the research conducted by (Mira et. al., 2019) revealed that, HRM strategies indirectly influenced employee performance due to higher job satisfaction. Job satisfaction is defined as an employee's positive attitude toward their workplace condition. Because of a better awareness of employee requirements and human interactions within the organization, good HRM practices will



enable managers to effectively handle work situations. Human relations can be cohesive, and difficulties can be addressed with good management, improving the workplace situation inside the organization. As a result of a better office environment, firm employees can be more content with their jobs and perform better. As a result, job satisfaction enhanced employee performance, which cannot occur without strong HRM practices.

This research had limitations regarding real time data of employee performance during different times. Therefore, it is difficult to understand deeply how human resources policies and employee innovative behavior could be able to consistently influence employee performance in different times. On the other hand, further research should be done to investigate which forms of HR Practices will influence the employee's performance, and what kind of activities will enhance employee's innovative behavior

## References

- Ahmed, M., 2021, COVID-19 impact on consumer behaviour, demand and consumption. *International journal for innovative research in multidisciplinary field*, 7(1), pp.63-67.
- Amo, B. W., 2005, *Employee innovation behavior*. Bodø: Lundblad Media Bodø AS.
- Andrianto, R., 2022, "2021: Otomotif Bangkit!", *CNBC Indonesia*, 14th January. Available at: [https://www.cnbcindonesia.com/market/20220114051025-17-307211/2021-otomotif-bangkit#:~:text=Jumlah%20mobil%20terjual%20sepanjang%202021,5%25%20di%20industri%20otomotif%20nasional.\(Accessed 21st April 2023\)](https://www.cnbcindonesia.com/market/20220114051025-17-307211/2021-otomotif-bangkit#:~:text=Jumlah%20mobil%20terjual%20sepanjang%202021,5%25%20di%20industri%20otomotif%20nasional.(Accessed 21st April 2023))
- Ausat, A., Widayani, A., Rachmawati, I., Latifah, N. & Suherlan., 2022, The Effect of Intellectual Capital and Innovative Work Behavior on Business Performance. *Journal of Economics, Business, & Accountancy Ventura*, 24(3), pp. 363-378. <https://doi.org/10.14414/jebav.v24i3.2809>
- Bagozzi, R. P., & Yi, Y., 1988, On the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 74-94. <https://doi.org/10.1007/BF02723327>
- De Jong, J., & Den Hartog, D., 2010, Measuring innovative work behaviour. *Creativity and innovation management*, 19(1), pp. 23-36. <https://doi.org/10.1111/j.1467-8691.2010.00547.x>
- Diamantidis, A. & Chatzoglou, P., 2017, Factors affecting employee performance: an empirical approach. *International Journal of Productivity and Performance Management*, 68(1), pp.171-193. <https://doi.org/10.1108/IJPPM-01-2018-0012>

Firdaus, A. and Sakinah, S., 2023, Relationship between Innovative Work Behavior, Competitive Advantage and Business Performance. *J-MAS (Jurnal Manajemen dan Sains)*, 7(2), pp.1386-1390.

<https://doi.org/10.33087/jmas.v7i2.982>

Fornell, C., & Larcker, D. F., 1981, Structural equation models with unobservable variables and measurement error: Algebra and statistics. *Journal of Marketing Research*, 18(3), pp.382-388.

<https://doi.org/10.1177/002224378101800313>

Gonzales-Roma, V. & Hernandez, A., 2016, Uncovering the dark side of innovation: the influence of the number of innovations on work teams' satisfaction and performance. *European Journal of Work and Organisational Psychology*, 25(4), pp.1-13.

<https://doi.org/10.1080/1359432X.2016.1181057>

Grobler, A., Grobler, S. & Marthafena, R., 2019, Measurement of the perceptions of human resource practices in a seemingly collectivistic culture. *SA Journal of Human Resource Management*, 17(0), pp.1069.

<https://doi.org/10.4102/sajhrm.v17i0.1069>

Hair, J. F., Ringle, C. M., & Sarstedt, M., 2011, PLS-SEM: Indeed a silver bullet. *Journal of Marketing Theory and Practice*, 19(2), pp.139-152.

<https://doi.org/10.2753/MTP1069-6679190202>

Karabay, M., 2021, Job performance, Innovative Work-behaviour, Job Satisfaction and Psychological Ownership: Evidence from Insurance Sector. *International Journal of Management Studies and Social Science Research*, 3(3), pp.372-385.

Koopmans, L., Bernaards, C., Hildebrandt, V., De Vet, H. & Van der beek, A., 2013, Measuring Individual Work Performance - Identifying and Selecting Indicators. *A Journal of Prevention, Assessment & Rehabilitation*, 45(3), pp.62-81

<https://doi.org/10.1037/e604062012-229>

Kurniawan, R. & Ferdian, A., 2023, "Penjualan mobil di Indonesia tembus 1 juta unit selama 2022, Kompas.com, 11th January. Available at:

<https://otomotif.kompas.com/read/2023/01/11/160126015/penjualan-mobil-di-indonesia-tembus-1-juta-unit-selama-2022> (Accessed: 21st April 2023)

Lawande, N., 2023, Understanding the Association Between Constructive Nonconformity and Innovative Work Behavior: an Employee Perspective. *Australasian Accounting, Business and Finance Journal*, 17(1), pp.83-96.

<https://doi.org/10.14453/aabfj.v17i1.07>

Leong, C. & Rasli, A., 2013, The Relationship between Innovative Work Behavior on Work Role Performance: An Empirical Study. *Procedia - Social and Behavioral Sciences*, 129, pp.592 - 600.

<https://doi.org/10.1016/j.sbspro.2014.03.717>

Maskur, F., 2020, " Penjualan Ritel Mobil 2020 Anjlok 44,7 Persen, Ini Capaian Tiap Merek". *Bisnis.com*, 23rd January. Available at:  
<https://otomotif.bisnis.com/read/20210123/275/1346729/penjualan-ritel-mobil-2020-anjlok-447-persen-ini-capaian-tiap-merek>. (Accessed: 21st April 2023)

Mira, M., Choong, Y. & Thin, C., 2019, The effect of HRM practices and employees' job satisfaction on employee performance. *Management Science Letters*, 9(6), pp.771-786.

<https://doi.org/10.5267/j.msl.2019.3.011>

Nor, A., 2018, Enhancing Employee Performance Through Human Resource Management Practices: A Review of Literature. *European Journal of Human Resource Management Studies*, 2(1), pp.87-96.

Prasetya, A., 2018, Analysis Of Factors That Influence Employee Performance. *Jurnal Profit*, 12(1), pp.1-12.

<https://doi.org/10.21776/ub.profit.2018.012.01.1>

Terng, L. & Ahmad, N., 2021, The Relationship Between Human Resource Management Practices and Employee Performance. *Research in Management of Technology and Business*, 2(1), pp.123-136.

Zuhelmi, Muchtar, B. & Abror., 2018, The Impact of Innovative Behavior, Commitment, Organizational Culture, and Ethical Leadership on Performance. *Advances in Economics, Business and Management Research*, 64, pp.446-855.