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## Influence of High-Involvement and High-Commitment HRM Practices on Innovation: The Mediating Role of Knowledge Sharing

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### ABSTRACT

Given the important role of HRM practices and knowledge resources for firms to pursue innovation, the purpose of this study is to investigate the influence of high-involvement and high-commitment HRM practices on the innovation capability of firms via mediating role of knowledge sharing. This study has developed a proposed research model and applied Structural Equation Modeling (SEM) to test proposal hypotheses using data collected from 211 participants in 65 Vietnamese firms. The findings of this study support the significant impacts of both high-involvement and high-commitment HRM practices on innovation capability directly or indirectly through the mediating role of knowledge sharing. Especially, the empirical findings reveal that high-involvement HRM practices induce greater effects on innovation compared to the effects of high-commitment HRM practices. The findings of this study have significantly contributed to increasing the insight of the link between specific forms of HRM practice and innovation capability. Moreover, it provides an effective solution for Vietnamese firms to pursuit and foster innovation capability.

### INTRODUCTION

Due to the unpredictable technology change, competitive pressure, and diversity of customer needs, improving innovation capability is regarded as an optimal strategy for firms to achieve competitive advantages and overcome key rivals (Yang *et al.*, 2018; Le, 2020; Lei *et al.*, 2021). Innovation capability has become the main driving force for firms to attain competitive advantages (Kaya & Patton, 2011; Ha *et al.*, 2019; Lei *et al.*, 2021) and bring firms success in the dynamic markets in long term (Le & Lei, 2019; Sengphet *et al.*, 2019; Le & Tran, 2020; Le *et al.*, 2020). However, it is not easy for firms to develop innovation properly due to lack of understanding on HRM practices and appropriate processes that facilitate innovation (Lei *et al.*, 2021; Cao *et al.*, 2022; Son & Phong, 2023). To fill these theoretical gaps, this study will develop a proposed research model to examine the impacts of high-involvement and high-commitment HRM practices on the innovation capability of firms based on the mediating role of knowledge-sharing activities of employees in organizations.

This study is expected to significantly expand the HRM theory and bring valuable insight of innovation management by following reasons.

First, knowledge and human resources are widely accepted as the key and valuable assets for firms to create value and sustain competitive advantage in the rapidly changing environment (Chen & Huang, 2009; Le & Lei, 2018; Than *et al.*, 2021; Siddiqua *et al.*, 2022; Marhil *et al.*, 2023). HRM practices are generally accepted as the primary means for firms to shape and develop employees' skills, attitudes, and behavior by which they can successfully innovate and achieve organizational goals (Chang *et al.*, 2011; Cao *et al.*,

2022; Than *et al.*, 2023). However, little empirical research has explored the potential effects of high-involvement and high-commitment HRM practices on innovation capability (Camelo-Ordaz *et al.*, 2011; Alikaj *et al.*, 2020; Le & Le, 2023 a, b; Than *et al.*, 2023). Moreover, Haneda and Ito (2018) indicated that the possible differential influences of HRM practices on innovation have not yet been sufficiently examined in previous works. Accordingly, to clarify how high-involvement and high-commitment HRM practices affects innovation capability, this study proposed the first research question (RQ).

### RQ1. Do high-involvement and high-commitment HRM practices induce different influences on innovation capability?

Second, knowledge sharing (KS) activities are seen as one of the most essential ingredients to enrich organizational knowledge resources for fostering innovation capability and key outcomes (Le & Lei, 2018; Le & Lei, 2019; Phong & Son, 2020; Lathong *et al.*, 2021). However, little research has examined antecedents or conditions that encourage KS processes of employees for innovation (Le & Lei, 2019; Than *et al.*, 2021). In addition, although several studies indicated the importance of HRM practices in the creation of an appropriate climate for KS activities, little to no study has investigated the concurrent effects of different HRM models on KS activities of employees. Given the importance of HRM practices and the theoretical gaps with respect to its influence on KS process, this study attempts to bring the answers for the second research question.

### RQ2. Do high-involvement and high-commitment

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### HRM practices significantly affect knowledge sharing?

Third, literature highlighted the necessity of HRM practices to encourage employees to ready share more individual knowledge and expertise for innovation (Camelo-Ordaz *et al.*, 2011; Le & Le, 2023 a, b). This implied that HRM practices enable firms to enhance employees' capability of generating knowledge within their sphere of influence, and maximize the effects of shared knowledge for organizational innovation (Tan & Nasuridin, 2011; Lei *et al.*, 2021; Than *et al.*, 2023). Especially, Than *et al.* (2023) stressed the need of advancing the comprehension of how HRM practices connect with KS processes to stimulate innovation capability for firms. Against such background, to bridge the theoretical gaps and provide deeper understanding on mediating mechanism of KS process on HRM practices-innovation relationship, this study attempts to shed a light on third research question.

### RQ3. Do KS behaviors mediate the influence of high-involvement and high-commitment HRM practices on innovation capability?

To fill research gaps addressed above, this study develops an integrated research model to estimate the effects of high-involvement and high-commitment HRM practices on innovation capability of Vietnamese firms via mediating role of KS activities. This study applies structural equations modeling (SEM) to examine the correlation between the latent variables in the proposal research model based on the data collected from 211 participants in 65 manufacturing and service firms in Vietnam. This study is expected to provide theoretical and practical initiatives on HRM practices and KS to pursuit and improve innovation capability for Vietnamese firms.

## LITERATURE REVIEW AND HYPOTHESIS

### The Influences of HRM Practices on innovation capability

Innovation has been recognized as an important factor for firms to create value and have a great influence on competition (Mintzberg, 1994; Son & Phong, 2023). Innovation is fast becoming a crucial factor in firm performance and survival as a result of the evolution of the competitive environment (Hui *et al.*, 2018; Le & Le, 2021; Gui *et al.*, 2022). The literature revealed that there are many different definitions of innovation capability in the current research (Baregheh *et al.*, 2009; Le & Lei, 2019; Le, 2021; Nguyen *et al.*, 2022). However, it is defined as the process of the introduction and implementation of new ideas, products, services, procedures, technology, organizational structures, plans and programs, to increase organizational performance and achieving organizational success (Rujirawanich *et al.*, 2011; Van *et al.*, 2018; Le & Lei, 2019; Lathong *et al.*, 2021).

The HRM literature offers two basic approaches that an organization can utilize to manage relationships with its employees. On the one hand, high-involvement HRM

practices emphasize the mutual long-term exchange relationships (Camelo-Ordaz *et al.*, 2011). It is considered as a management approach focusing on employee involvement and a strong instrument of practices to foster the development of employee's knowledge, skills, and motivation (Rubel *et al.*, 2017; Yasir & Majid, 2020). On the other hand, high-commitment HRM practices refer to management approach focusing on encouraging employees to identify organizational goals, and working hard to enhance productivity and efficiency. Therefore, these firms attempt to obtain talented employees and encourage employees to reach innovative goals (Chiang *et al.*, 2011; Than *et al.*, 2023). Previous studies argued that firms adopting high-commitment HRM practices can create a high-commitment and motivation among employees such as employment practices, appraisal, competitiveness, fair compensation, comprehensive training and development (Camelo-Ordaz *et al.*, 2011; Chiang *et al.*, 2011; Than *et al.*, 2023). The remarkable deliberation on consequences of HRM practices indicated that organizations might increase their innovation capability and sustain competitive advantages through applying HRM practices (Than *et al.*, 2023). Thus, this study investigates the effect of high-involvement and high-commitment HRM practices on innovation capability.

Regarding the relationship between HRM practices and innovation, previous studies have shown the positive and significant impacts of HRM practices on innovation capability. Indeed, Chen and Huang (2009) claimed that strategic HRM practices can affect and alter employees' attitudes, capacities, and behaviors to attain organizational goals. This assists in nurturing and creating the necessary conditions and catalysts for employees to develop innovation activities. De Winne and Sels (2010) justified that a wide range of HRM practices is more beneficial for innovation compared with low human capital in start-ups. Laursen and Foss (2014) have critically discussed the literature and indicated the positive relationship between HRM practices and important outcomes of innovation. Diaz-Fernandez *et al.* (2017) noted that HRM practices served as antecedent of innovation by which firms should invest in HRM practices to effectively use available resources for arousing innovation. Aman *et al.* (2018) argued that the purpose of HRM practices is to provide an environment which is conducive enough to develop employees' skills and competencies for innovation. In particular notes, recent studies supposed that high-involvement and high-commitment HRM practices are primary tools for improving firms' innovation outcomes due to its capabilities of transforming and obtaining innovative behaviors from employees (Yasir & Majid, 2020; Than *et al.*, 2023). Above arguments support positive effects of HRM practices on innovation capability, so following hypotheses are posed (see Figure 1):

H1a. High-involvement HRM practices positively affect innovation capability.

H1b. High-commitment HRM practices positively affect innovation capability.



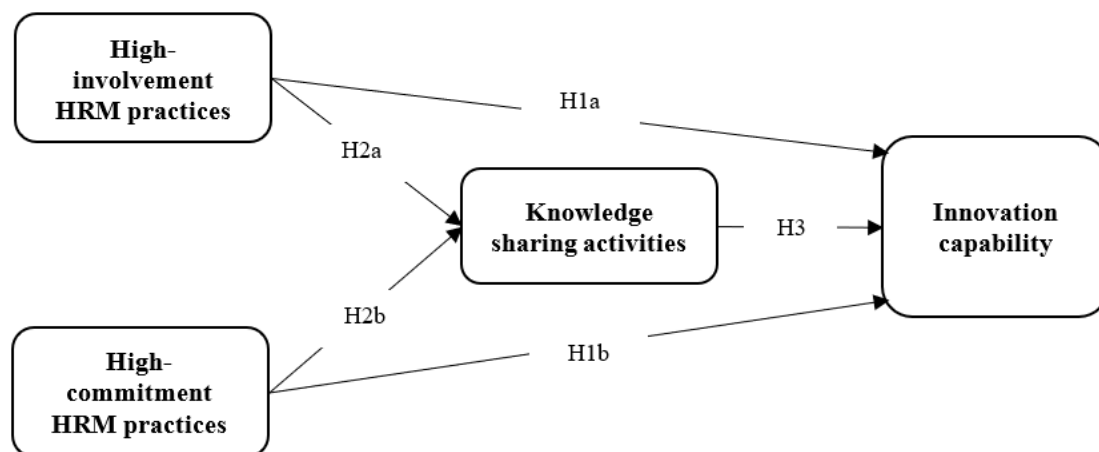


Figure 1: Proposed research model

### The influences of HRM practices on knowledge sharing

Knowledge is well known as the invisible and valuable resource of an organization (Son *et al.*, 2020). Le and Lei (2019), supposed that the effectiveness in the process of sharing knowledge is the determinant of an organization's success. As a result, organizations need to pay great attention to improving knowledge sharing activities in their firms. KS is defined as processes of exchanging information and know-how among employees for the accomplishment of specific tasks in organizations (Le & Lei, 2019; Le & Nguyen, 2023). Literature revealed that successful extent of initiatives of knowledge management mainly depends on the effectiveness of knowledge sharing activities in an organization (Le & Lei, 2018; Yang *et al.*, 2018; Le & Nguyen, 2023). As a result, KS activities have a great potential and benefits for firms to follow and enhance innovation capability.

HRM practices are regarded as the primary approaches to evoke and reinforce organizational knowledge resource that firms need for meeting their key goals (Chen & Huang, 2009; Than *et al.*, 2023). Soliman and Spooner (2000) highlighted the strategic role of HRM practices in identifying knowledge gaps and ensuring the success of knowledge management programs directed at capturing, using and re-using employees' knowledge. They argued that HRM practices help to create a favorable culture encouraging the free flow of knowledge for meeting organizational goals. Chiang *et al.* (2011) found that HRM practices induces positive effects on employees' KS behaviors directly or indirectly by its impacts on their willingness to devote themselves to an organization. According to Jimenez-Jimenez and Sanz-Valle (2013), HRM practices are critical antecedents of generating an appropriate and beneficial culture for encouraging processes of acquiring and sharing knowledge in an organization. Adopting a qualitative research method based on a multiple case study, Gope *et al.* (2018) showed the evidence on the positive relationship between HRM practices and organizational knowledge resource due to significant impacts of HRM practices on the motivation

and retention of employees for process of acquiring and sharing knowledge. Recently, Than *et al.* (2023) argued that HRM practices contribute to the creation of an organizational social climate where employees are willing to share their knowledge. There finding showed that HRM practices are significantly associated with processes of sharing knowledge among employees. To clarify the influence of high-involvement and high-commitment HRM practices on KS, this study proposes the following hypotheses:

H2a. High-involvement HRM practices positively affect knowledge sharing.

H2b. High-commitment HRM practices positively affect knowledge sharing.

### The influences of knowledge sharing on innovation capability

Prior researches highlight KS as an important precursor of innovation capability (Yang *et al.*, 2018; Le & Lei, 2019; Phong & Thanh, 2023). Specifically, Podrug *et al.* (2017) pointed out that the willingness of employee to donate and collect knowledge significantly contributes to improving innovation capability for organization. Yang *et al.* (2018) asserted that KS among employees may help firms to have superior innovation capability because firms can only perform effectively manage knowledge if employees are willing to sharing their knowledge with the others. Le and Lei (2019) supposed that promoting KS practices among individuals might be optimal solutions for firms to increase its capability of generating new ideas and developing new business opportunities, and consequently facilitating innovation activities. Previous studies argued that capability in transforming and applying knowledge determines a firm's degree of innovation (Lei *et al.*, 2019a, b). KS processes can serve as the main drivers that enhance organizational capability for radical and incremental innovation (Le *et al.*, 2020; Shehzad *et al.*, 2021). Some recent studies also justified that fostering processes of sharing key information, knowledge and resources among employees is a prerequisite and optimal solution for increasing creative ideas and innovation

capabilities of firms (Le *et al.*, 2020; Than *et al.*, 2023). These arguments support positive effects of KS on innovation capability. So, This study proposed following hypothesis:

H3. Knowledge sharing activities positively predict innovation capability.

Above discussions show that HRM practices positively affect KS, which in turn significantly affect innovation capability. Additionally, prior research showed that KS is an important mediating variable between HRM practices and innovation (Cao *et al.*, 2022; Than *et al.*, 2023). We, therefore, proposed that:

H4a: KS mediates between High-involvement HRM practices and innovation capability

H4b: KS mediates between High-commitment HRM practices and innovation capability

## METHODOLOGY

### Sample and data collection

This study employs survey method for data collection. The paper used convenient sampling method to collect data from medium and small firms in some major cities of Vietnam such as Hanoi, Danang and Hochiminh. We communicated with representatives of these firms who mainly worked in departments of HRM by phone or make personal visits to explain the purpose of the research, and ask for their assistance in collecting data. The respondents need to be vice managers, head of departments, team leaders to ensure having full understanding on firm's

business situation. We used the measurement items that adapted from existing scales in the literature to develop the initial list of items. We then conducted a pilot test based on in-depth interviews with five outstanding academic scholars and 35 participants from three firms to refine the questionnaire and align with the Vietnamese context. In the formal data collection, this study sent 375 questionnaires to the representatives of 65 firms and received 233 ones, among which 211 ones are valid, with a 56.2% valid rate.

### Variable measurement

To ensure the validity and reliability of the study, the variables were measured using items developed and employed in previous studies. All items were measured via five-point Likert-type scales ranging from "1" (strongly disagree) to "5" (strongly agree) or from "1" (strongly unwilling to) to 5 (strongly willing to). This study used six items adapted from the study of Camelo-Ordaz *et al.* (2011) and seven items adapted from the study of Kang and Kang (2016) to measure individuals' perception of high-involvement HRM and high-commitment HRM practices in their firms respectively. This study used 10 items adapted from the study of Yang *et al.* (2018) to measure the KS activities in organizations. For measuring innovation capability, this study used 6 items adapted from the research of Nguyen *et al.* (2019) to measure firm's capabilities of creating new products, services and processes (Table 1).

**Table 1:** Scale of factors in the proposal research model

Factors	Items	Source
High-involvement HRM practices (I-HRM)		
IHRM1	My firm emphasizes promotion from within	Camelo-Ordaz <i>et al.</i> (2011)
IHRM2	Performance appraisals include developmental feedback	
IHRM3	Selection process assesses the ability to collaborate and work in a team	
IHRM4	Training activities focus on team building and interpersonal relations	
IHRM5	Appraisals are based on team performance	
IHRM6	Appraisals focus on employees' ability to work with others	
High-commitment HRM practices (C-HRM)		
CHRM1	My firm often strives for employment security	Kang and Kang (2016)
CHRM2	My firm often hires employees based on their aptitude and specialty	
CHRM3	My firm often grants employees the authority necessary to perform their work	
CHRM4	My firm often compensates employees fairly based on their performance	
CHRM5	My firm often provides employees with fair opportunities for training	
CHRM6	My firm often treats employees without any discrimination	
CHRM7	My firm often shares extensively financial and performance information with employees	
Knowledge sharing (KS)		
KS1	Usually, I do my best and offer suggestions while discussing work-related matters with my colleagues	Yang <i>et al.</i> (2018)
KS2	I am usually willing to share my knowledge and experience with others	
KS3	I am willing to answer the questions of my colleagues as well as I can.	
KS4	I usually record as much as possible when I am writing a document or a report.	

KS5	If something is hard to explain, I gladly give my colleagues a demonstration	
KS6	I am willing to offer less-experienced colleagues opportunities to perform	
KS7	When my colleagues are in need, I do my best to offer them needed information and documents	
KS8	I tell colleagues where to look for support if I can't help them with their problems	
KS9	I encourage my colleagues when they are facing difficulties at work	
KS10	When I teach my colleagues, I express my ideas in a way in which they can be fully understood	
<b>Innovation capability (IC)</b>		
IC1	Our firm frequently tries out new ideas	Nguyen <i>et al.</i> (2019)
IC2	Our firm seeks new ways of doing things	
IC3	Our firm is creative in its operating methods	
IC4	Our firm is frequently the first to market new products and services	
IC5	Innovation is perceived as too risky in our firm and is resisted (reversed coded)	
IC6	New product introduction in our firm has increased during the last five years	

## RESULTS

### Measurement model

A series of tests are performed to assess the validity and reliability of the constructs (Table 2). Specifically, to assess the reliability of the latent variables, basing on suggestion of Nunnally and Bernstein (1994), this study used the Cronbach's alpha coefficients of each one that require

greater than the level of 0.7. Confirmatory factor analysis (CFA) to test for the convergent validity; and comparing the squared correlations between the latent variables and square root of average variance extracted (AVE) to test the discriminant validity of measures (Fornell & Larcker, 1981).

Results in Table 2 showed AVE, CR, mean, standard

**Table 2:** Descriptive statistics and average variances extracted from constructs

Construct	AVE	CR	C $\alpha$	Mean	SD	IHRM	CHRM	KS	IC
High-involvement HRM (IHRM)	0.60	0.91	0.91	3,37	0.66	0.77			
High-commitment HRM (CHRM)	0.72	0.94	0.94	3.36	0.49	0.69	0.84		
Knowledge sharing (KS)	0.70	0.95	0.95	3.41	0.58	0.55	0.59	0.83	
Innovation capability (IC)	0.67	0.92	0.92	3.67	0.59	0.59	0.54	0.72	0.81

Note:  $Ca \geq 0.7$ ;  $CR \geq 0.7$ ;  $AVE \geq 0.5$ ; Diagonal elements (in bold) are the square root of the AVE.

deviation (SD) and C. These results have provided the evidence for the evidence on the reliability of scales as well as the convergent validity of constructs.

In addition, to evaluate the discriminant validity of latent constructs in the proposal model, the paper used the squared correlations among the latent factors to control whether they are smaller than each latent variable's square root of AVE or not. Table 2 also points out that

the squared correlations among the latent factors are lower than square root of AVE of each one (diagonal elements in bold).

Thus, according to Fornell and Larcker (1981), the results have provided significant support for the scales' discriminant validity. Fit indices of the measurement model obtained from CFA model show that the model fits the data (see Table 3).

**Table 3:** Overall fit index of the CFA model

Fit index	Scores	Recommended value
<b>Absolute fit measures</b>		
CMIN/df	1.657	$\leq 2a$ ; $\leq 5b$
GFI	0.832	$\geq 0.90a$ ; $\geq 0.80b$
RMSEA	0.056	$\leq 0.8a$ ; $\leq 0.10b$
<b>Incremental fit measures</b>		
NFI	0.900	$\geq 0.90a$ ;
TLI	0.950	$\geq 0.90a$ ;
CFI	0.954	$\geq 0.90a$ ;

Notes: a Acceptability: acceptable; b Acceptability: marginal

## Findings

The paper applied Structural equation model with procedures of maximum likelihood estimation to examine the proposal hypotheses. The findings indicated that the fit indices of the proposal model are satisfactory

( $\chi^2=611.603$ ;  $df = 369$ ;  $RMSEA = 0.056$ ;  $GFI = 0.832$ ;  $CFI = 0.954$ ;  $TLI = 0.955$ ). The results show that the correlation among latent factors fit the data. The main findings of this study are shown in Table 4 and Figure 2.

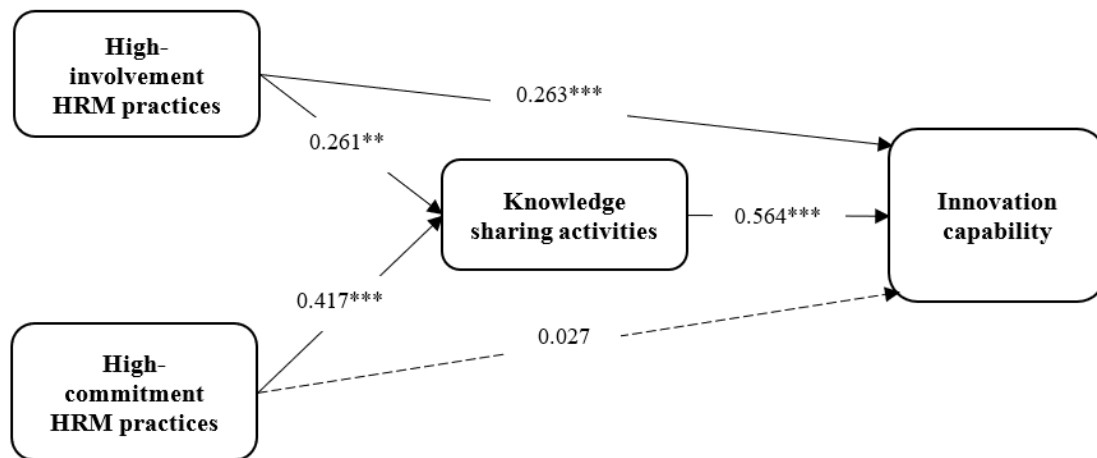


Figure 2: Results of the structural equation model

## Direct effect analysis

As shown in the Table 4 and Figure 2, the empirical findings revealed that influences of high-involvement innovation capability are statistically significant (= 0.263;

$p < 0.001$ ), favoring for hypothesis H1a. In contrast, the results indicated that the impacts of high-commitment HRM practices on innovation capability (= 0.027;  $p > 0.1$ ) is not significant. So H1b is not supported.

Table 4: Structural model results

Hypotheses	Effect	Estimate	t-value	Results
H1a. High-involvement HRM Innovation capability	+	0.263***	3.315	Supported
H1b. High-commitment HRM Innovation capability	+	0.027	0.318	Not supported
H2a. High-involvement HRM Knowledge sharing	+	0.261**	2.998	Supported
H2b. High-commitment HRM Knowledge sharing	+	0.417***	4.554	Supported
H3. Knowledge sharing Innovation capability	+	0.564***	7.627	Supported

Notes: \*\*\* $P < 0.001$ ; \*\* $P < 0.05$ .

Hypothesis H2a.b relating to the influence of high-involvement and high-commitment HRM practices on KS activities are statistically significant and quite large. So H2a.b is supported. Specifically, the results showed that the impacts of high-commitment HRM practices on knowledge sharing (= 0.417;  $p < 0.001$ ) is more significant than influence of high-involvement HRM practices on knowledge sharing (= 0.261;  $p < 0.05$ ).

The findings in Table 4 also confirmed the positive effect of knowledge sharing activities on innovation capability (= 0.564;  $p < 0.001$ ). Accordingly, H3 is supported. This finding revealed that knowledge sharing significantly predict organizational capability for innovation.

## Indirect effect and total effect

The paper does not just give evidence about the direct influences of high-involvement and high-commitment HRM practices on innovation capability. It also demonstrates how knowledge sharing activities mediate the relationship between specific models of HRM practices and innovation capability.

According to the recommendation of Preacher and Hayes (2008), to show the evidence for the mediating role of knowledge sharing between HRM practices and innovation capability, the paper has applied procedure of bootstrap confidence intervals with 3,000 iterations to examine and assert the indirect effects' immensity and

Table 5: Test for indirect effects

Path	Direct effects	Indirect effects	Total effects	Bias-corrected confidence intervals	
				Lower confidence level	Upper confidence level
IHRM KS IC	0.263***	0.147**	0.410***	0.049	0.255
CHRM KS IC	0.027	0.235***	0.262**	0.236	0.365

Note: \*\*\* $P < 0.001$ ; \*\* $P < 0.05$ ; \* $P < 0.1$ .

statistical significance. The results are shown in the Table 5. Table 5 showed indirect effects of high-involvement HRM practices ( $= 0.147$ ;  $p < 0.05$ ) and high-commitment HRM practices ( $= 0.235$ ;  $p < 0.001$ ) on innovation capability are statistically significant and lies in the confidence interval. Consequently, hypothesis H4a.b is significantly supported. In other words, the empirical result has firstly confirmed that employees' knowledge sharing activities significantly mediate the effects of high-involvement and high-commitment HRM practices on innovation capability.

## DISCUSSIONS

The extant literature emphasizes that innovation is a key driver for firms' ability to survive in dynamic and intensely competitive environments (Le & Lei, 2019; Nguyen *et al.*, 2022; Than *et al.*, 2023). Accordingly, improving innovation capability has been recognized as a crucial factor for firms to cope with the challenges of uncertainty, increasingly competition, and attain competitive advantage in the context of the rapid changes of business environment, industrial revolution, pursuing globalization, digitalization and free trade agreements (Le & Lei, 2018; Ha *et al.*, 2019; Nguyen *et al.*, 2019; Le, 2021). Thus, how to successfully improve innovation capability for firms is always a top concern of scholars and practitioners. By investigating and highlighting the roles of specific models of HRM practices and knowledge sharing activities as the important determinants of innovation capability, the paper has considerably contributed to advancing the development of theories of HRM, knowledge management and innovation management as following reasons.

First, due to the important role of HRM practices in fostering innovation capability, scholars emphasized the need of examining this relationship which have not been explicitly studied (Cao *et al.*, 2022; Than *et al.*, 2023). By investigating the effects of high-involvement and high-commitment HRM practices on innovation capability, the paper significantly contributes to filling the theoretical gaps, and highlights that high-involvement HRM practice is one of the most optimal solutions for firms to stimulate innovation capability. Specifically, contrary to the effect of high-commitment HRM practices on innovation capability which is not statistically significant, the empirical findings reveal that influences of high-involvement HRM practices on innovation capability is significantly and positively. The findings imply that CEOs and managers of Vietnamese firms should pay much attention to practicing high-involvement HRM for strongly stimulating its capability for innovation.

Second, an important contribution of this study is that providing deeper insight on the relationship between knowledge sharing activities of employees and innovation capability. The empirical findings have verified the correlation among latent variables in the proposal model and confirmed the key role of knowledge sharing in stimulating innovation capability of firms in the context of firms in developing market like Vietnam. Generally,

the findings on relationships between these constructs have brought many specific and useful guides for firms to enhance innovation capability. The findings revealed that to pursuit innovation capability, firms should focus on fostering the willingness of employees toward knowledge sharing activities such as encouraging employees to discuss work-related matters, share their knowledge and experience with others, answer the questions of colleagues as well as they can, record as much as possible in writing a document or a report, offer colleagues the needed information and documents as their demands, and show the colleagues how to solve their problems or tell them where to look for assistance.

Finally, although literature has paid attention to addressing the relationship between HRM practices and innovation outcomes, the insights and causal mechanisms of this link is not yet fully understood. This study has, therefore, contributed to addressing these issues based developing a proposal research model to examine the potential mediating mechanism of knowledge sharing between two specific models of HRM practices (high-involvement HRM and high commitment practices) and innovation capability. The findings of this study have verified the mediating effect of KS behaviors and revealed that both forms of HRM practices can be appropriate choices for firms in the developing nations to nurture innovation capability directly or indirectly through its effects on KS activities of employees.

## CONCLUSION

Beside significant contributions, the paper still has some certain limitations. First, the paper used cross-sectional design, thus it might expose the cases that causal correlations might alter in the long-run. Therefore, longitudinal studies are necessary to surpass this restriction and confirm the findings of this study. Second, the paper is only performed in the circumstances of medium and small firms, so the future work should examine the relationship among the latent factors in the broader circumstances to provide more meaning for firms. Finally, in the emerging and developing countries, frugal innovation is one of the reasonable and optimal strategies for firms to face with the context of resource-constraints and environmental turbulences (Le, 2021; Lei *et al.*, 2021; Le *et al.*, 2022). Originating from the undeniable influence of HRM practices and KS processes on innovation, this paper calls future studies for examining the potential mediating mechanisms of KS processes between specific forms of HRM practices and frugal innovation. Overall, the paper has shown the empirical evidence to spotlight that HRM practices and employees' KS activities significantly contribute to foster innovation capability for firms in developing markets.

The paper has significantly advanced the innovation management theory by offering an integrative model and effective pathway for pursuing innovation capability via practicing high-involvement and high-commitment HRM to stimulating KS of employees in organizations.



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