Developmental Paper

The roles of high-performance work system in establishing employees' learning agility in response to pandemic-related organisational challenges

Summary: The recent pandemic calls for large-scale organisational changes, in which managers and employees need to face, adapt and maintain high performance within such context. In the face of rapidly changing work arrangements in the last two years, employees' learning agility, i.e., the ability to deal with new experiences flexibly and rapidly by trying new behaviour and making quick adjustments to past learnings deemed critical. This study specifically aims to explore the roles of a high-performance work system (HPWS) in establishing supportive employees' motivational climates toward the emergence of their learning agility. Thirty-four in-depth interviews have been conducted with senior HR leaders in Indonesia from multiple industries and scale of businesses. Currently, the data is being coded and analysed using thematic analysis. By the time of the conference, preliminary findings will be able to be presented.

Track: Human Resource Management

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> *"The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn." – Alvin Toffler, 1970*

As cited by Alvin Toffler more than 50 years ago, one's ability (and willingness) to learn, unlearn and relearn new knowledge and skills have never been so important. This is especially true during the global pandemic. An industry study conducted by CIPD (2020) with more than 1500 in-house and independent professionals across the UK and Ireland showed that pandemic-related work rearrangements had provided a number of challenges for employees and managers, such as increased demand of flexible working requests, psychological stressors of homeworking as well as the complexity of managing and redesigning jobs that are unsuitable for remote working. One of the top three "influencing trends" mentioned here is a particular calling for more agile ways of working and responding rapidly to industrial and economic change, especially within the private sectors. The speed at which it influences organisational changes is likely to be more rapid and significant. Thus, there is a pressing need to integrate agility into the organisational HR practices to deal with and mitigate future crises (ibid.). Being agile, innovative, having the ability to consider multiple scenarios in these uncertain times, dealing with complexity and managing paradoxes were noted as some of the "in-demand skills" for the next decade (Oxford Economics, 2012).

Learning agility can be defined as the ability to deal with new experiences (e.g., such as pandemic-related work rearrangements) flexibly and rapidly by trying new behaviour and making quick adjustments so new learning will be realised when one does not know exactly what to do (Burke, 2016). Since initial conceptualisation by Eichinger and Lombardo (2000), many different conceptualisations of learning agility have been offered, such as in terms of reconfiguring activities quickly to meet changing demands in the task environment (Mitchinson et al., 2012; De Meuse & Feng, 2015), learning from experience (De Meuse, 2017) as well as scanning a new situation rapidly then understanding quickly what needs to be performed (Hoff & Burke, 2017). Following Hoff and Burke's (2017) definition, 'learning' can be reflected in behavioural processes of experimenting, performance risk-taking, interpersonal risk-taking, collaborating, information gathering, feedback-seeking and reflecting and learning, and 'agility' can be reflected in cognitive processes of flexibility and speed. As a construct, "learning agility" itself was found to be positively related to current performance and potential for advancement (Bedford, 2011; Miklos, Herb & Forbringer, 2013), being identified as high potential (Dries, Vantilborgh & Pepermans, 2012) and to leadership success (De Meuse, 2017).

As a relatively new construct, the practitioner interests in learning agility have been growing very fast in the last decade beyond robust empirical substantiation (De Meuse, 2015; 2017). However, our understanding of who demonstrates learning agility, the underlying context, as well as what can be done by the organisation through its HR function is still relatively scarce. Past research (e.g. De Meuse, Dai & Hallenbeck, 2010) explored organisational implications of learning agility; however, less attention has been directed to understand the environmental factors within organisations which might support or impede the emergence of learning agility. In their conceptual paper, DeRue, Ashford & Myers (2012) focused their argument on two broad workplace environmental factors that might be related to learning agility, which is culture or climate of learning and the characteristic of the learning experience itself. Looking back to what Kurt Lewin has posited as 'Lewin's equation' in 1936, a behaviour is a function or interaction of the person

with his/her environment (i.e. captured in the formula of Behaviour = f(Person, Environment)). Thus, he believes that behaviour can only be explained interactively in relation to the person and his/her environment. This notion establishes the theoretical base for learning agility: Agile learners have a deeper appreciation of the social realities around them and pay more attention to the consequences of their behaviours, as well as how those situations affect them. Hence, the organisational context and practices within which learning agility is encouraged and manifested (or not) might be important to be explored.

This study would specifically explore the HR context and practices that might help in establishing employees' learning agile behaviours within an organisation. During the last two decades, a number of HR research has explored the linkage between HR practices and organisational performance, giving away to concepts such as High-Performance Work System (HPWS) (Posthuma et al., 2013; Marin-Gracia & Tomas, 2016). HPWS applies to a broad range of HR practices that aim to make organisations more participative and flexible in order to be able to thrive and compete better in the current environment (Huselid, 1995; Guthrie, 2001). HPWS capitalises on employees' competencies (i.e., skills, knowledge), commitment and motivation based on their discretionary effort toward improved performance and empowerment (Appelbaum et al., 2000; Guthrie, 2001; Huselid, 1995; Boxall & Macky, 2009). The implementation of HPWS in organisations was documented to contribute toward employee job satisfaction, resilience, retention and performance; as well as long-term measures of corporate financial performance, product innovation and crisis management effectiveness (Arthur, 1994; Huselid, 1995; Luthans & Sommer, 2000; Guthrie, 2001; Macky & Boxall, 2007; Wei, Liu & Herndon, 2011; Camps & Luna-Arocas, 2012; Chow, 2012; Heffernan et al., 2015; Muduli, 2015; Cooke et al., 2016; Ning et al., 2018; Rhee, Oh & Yu, 2018; Mirzapour et al., 2019).

As this study is explorative in nature, it is important to firstly acknowledge the vast range or possibilities of HR practices out there that make up the HPWS. Based on 193 peer-reviewed articles published over the past 20 years (1992-2011), Posthuma et al. (2013) classified 61 specific HR practices into nine categories of practice. These practices are hypothesised as creating a synergistic effect in which certain practices reinforce one another to increase organisational efficiency and effectiveness, i.e., the performance obtained by using a bundle of practices will be greater than the sum of individual effects achieved by applying each practice separately (ibid.). Nevertheless, Marin-Gracia & Tomas (2016) concluded that, although many researchers support that effect, there is no consensus in determining which specific practices must form the HPWS bundle nor the precise mechanism how such HR system should work to reach the organisation objectives (commonly known as the "black box" of HRM; Boxall & Purcell, 2016). The HR practices taken into consideration would be different from one organisation to another (Kroon, Van De Voorde & Timmers, 2013; Marin-Gracia & Tomas, 2016).

HR context (policies, procedures) and practices that lead to learning agility will serve as the main area of investigation as they aid employees' understanding of what behaviours are expected and rewarded (Nerstad, Roberts & Richardsen, 2013; Černe et al., 2014; 2017). As we can see in Table 1, there are several empirical pieces of research that investigate the relationship between HPWS and learning climate/culture-related constructs. Most of them yield similar results of the HR practices significantly and positively related with such constructs, such as with learning orientation (Ning et al., 2018), creativity climate (Heffernan et al., 2015), human resource development

climate (Muduli, 2015), organisational learning capability (Camps & Luna-Arocas, 2012), developmental culture (Wei, Liu & Herndon, 2011) and organisational learning culture (Mirzapour et al., 2019; Rhee, Oh & Yu, 2018; Chow, 2012). However, there were also non-significant and mixed results found by several researchers (Aman et al., 2018; Adewale & Anthonia, 2013; Chan, Shaffer & Snape, 2004). In their research within the police force population in Indonesia, Rozika, Dharma & Sitorus (2018) also failed to prove the relationship between HPWS and organisational learning culture. As this study focuses on exploring the HPWS that establishes a "supportive" learning context, the researcher believes that more clarity is needed here. As a construct, HPWS itself wasn't differentiated or detailed further in this research; hence, *how* the HR practice might establish learning agility is not clear.

Table 1

In terms of *which* HR practice of the HPWS bundle would support (or impede) learning agile behaviour, the current research also yields developing comprehension of this area. In some studies conducted around 15 years ago, e.g., Den Hartog & Verburg (2004) and Chow & Liu (2007), found that a combination of strict selection, employee development, internal promotion opportunity and overarching mission statement and HR strategy promote employees' learning, knowledge exchange, mutual trust and group cohesion; but in order to achieve required performance and productivity, the organisation also needs to emphasise on pay-for-performance, profit-sharing and performance management. Employees' collaboration effort should be considered (i.e., through group-based reward); thus, supporting their knowledge acquisition and sharing processes. A team incentive along with the appropriate context, provided a strong management tool to reward and motivate them to do the expected learning behaviours (Chow & Liu, 2007). In later studies, Chow & Liu (2009) found that the "supportive" learning context of trusting, relationship-oriented and collaborative behaviours were more related to cost containment, job-based and performance-based pay practice through narrowly defining jobs and building a stronger link between employees' effort and their pay. To establish internal competition in driving the overall team performance and entrepreneurial drive, however, self-management work team, autonomy, and task variation practises were noted more effective (Chow & Liu, 2009). Finally, in a more recent study, Úbeda-García et al. (2018) found that comprehensive training, equitable reward, and communication system build employees' creativity and innovation. These HR practices were found to promote knowledge sharing through the "bottom-up" organisational model, the removal of communication barriers and the increased willingness to help others in their learning (Úbeda-García et al., 2018).

To summarise, based on the above literature review, The researcher argues that there is a need to engage in a further academic exploration regarding how HPWS can establish a "supportive" organisational context toward the emergence of learning agility. Two themes were emerged and will be explored further in this study which are (1) the lack of clarity in *which* HR practices can establish supportive learning context and (2) the mechanism on *how* such practices could achieve a synergistic effect toward the expected performance outcome (i.e. learning agility). To address these research aims, a qualitative approach through an interview is deemed appropriate as the researcher might not have a deep intra-organisational understanding of the COVID-19 work situation and would benefit from the flexibility in exploring the vast topics of HPWS and learning

agile behaviours within a complex organisational environment. At this point, 34 in-depth interviews have been conducted with senior HR leaders in Indonesia from multiple industries and scale of businesses. Their roles involved Regional Head of HR, Chief/Country HR Officer and functional-level HR Managers (such as Recruitment, Employee and Organisational Development, Talent Management, Reward and Internal Communication Managers). The researcher utilised a non-probability purposive sampling strategy through professional network. The participants came from around 20 different industries, such as financial service, agriculture, media, banking, consumer goods, carpentry, e-commerce, energy, education, information technology, pharmacy, property development, transportation, consulting, hospitality, logistic, manufacturing, public service, retail, and others.

Aligned with constructionism epistemology, an inductive thematic approach was adopted for this research. Corroborated by the literature review, the data is currently being coded and analysed using thematic analysis. Key themes that emerged so far include *the employee learning behaviours deemed agile by the different industries*, *the organisational context and learning climates important to the emergence (or the impediment) of those behaviours*, *the combination as well as the mechanism of different HR practices in establishing agile learning behaviours*, *"agile HR practices" and new organisational forms/structures*, and finally, *vertical and horizontal alignment and implementation challenges of these HR practices.* By the time of the conference, the data will be fully analysed, and preliminary findings will be able to be presented.

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Table 1

Scholar(s) and title	Industry or organization context	HPWS under investigation	Organizational context measurement and its variable type	Relationship between HPWS and organizational context
Mirzapour et al. (2019) The strategic role of human resource management in crisis management considering the mediating role of organizational culture	225 employees of the Governorate of Tehran, Iran	**Strategic human resources management (Muli et al., 2014; Stone et al., 2015):** Recruitment, retaining, motivating and managing talents, compensation, performance appraisal, and values.	**Mediator: Organizational culture.**	**Significant and positive.** Organizational culture also significantly mediated strategic human resources management and crisis management effectiveness.
Aman et al. (2018) The impact of human resource management practices on innovative ability of employees moderated by organizational culture	151 employees of all branches of all banks in District Vehari, Islamabad, Pakistan	**Human resource management practices (Birasnav & Rangnekar, 2009):** Reward strategy, recruitment strategy, performance appraisal, career-oriented trainings, performance-oriented trainings, and career management.	**Moderator: Organizational culture.** A competing values framework, addressing the Innovation, Risk Taking, and Commitment to Innovation dimensions.	**Not significant.** Organizational culture negatively moderated the relationship between human resource management practices and innovation.
Ning et al. (2018) The direct and moderating effect of learning orientation on individual performance in the banking industry in China: Contextualization of high-performance work systems	1887 individuals from 74 work units in the banking industry in China	**High-performance work system (Bae & Lawler, 2000; Sun et al., 2007; Takeuchi et al., 2007; Searle et al., 2011; Prieto & Santana; 2012):** Reward, training and development, performance appraisal, and employee participation.	**Moderator: Learning orientation (Sinkula, Baker & Noordewier, 1997).** Learning orientation is a series of organizational values, which reflect the preference of learning and knowledge in this organization, and directly or indirectly influence the results of learning.	**Significant and positive.** High-performance work system was related more positively to performance when the learning orientation was stronger.
Rhee, Oh & Yu (2018) High-performance work systems and firm capabilities in Korea: A fit perspective with organizational culture	2094 employees in 500 companies in South Korea	**High-performance work system (Huselid, 1995):** Training, performance evaluation, incentive compensation, and participation.	**Moderator: Organizational culture (Cameron & Quinn, 2006).** A competing values framework consists of Adhocracy, Market, Clan and Hierarchy types of culture.	**Significant and positive.** High-performance work system showed significant interaction effects with Adhocracy, Market and Clan cultures on firm capabilities; but showed no interaction effect with Hierarchy culture.
Rozika, Dharma & Sitorus (2018) Servant leadership, personnel's job satisfaction: The role of organizational culture and human resources practices	358 personnel of South Jakarta Metropolitan Resort Police Force	**Human resource practices (Mansour, 2010):** Planning, recruitment, training and development, participation and engagement, and performance assessment.	**Mediator: Organizational culture (Cameron & Quinn, 1999),** consists of 6 six dimensions of Dominant Characteristics, Organizational Leadership, Management of employees, Organizational Bonding, Emphasis on Strategy and Criteria of Success.	**Not significant.** Organizational culture was not a mediator of HR practices and job satisfaction.
Heffernan et al. (2015) Exploring the HRM-performance relationship: The role of creativity climate and strategy	169 companies in Ireland	**High-performance work system (Huselid, 1995):** Employee resourcing, training and development, performance management and remuneration, communication and involvement, and family-friendly / work-life balance.	**Mediator: Creativity climate (Amabile et al., 1996).** Creativity climate captures formal and informal practices and procedures guiding and informing a supportive, self-starting and persistent approach to creative work.	**Significant and positive.** Creativity climate also significantly mediated the high-performance work system and performance relationship.
Muduli (2015) High-performance work system, HRD climate and organisational	150 employees from various work units in a power	**High-performance work system (Sun et al., 2007):** Selective staffing, extensive training, internal mobility, employment security, clear job	**Mediator: Human resource development climate (Rao & Abraham, 1986).** Human resource development climate is assumptions, values and beliefs carried by	**Significant and positive.** Human resource development climate also significantly mediated the high-performance

performance: An empirical study	company in India	description, result-oriented appraisal, incentive reward, participation, teamwork, and flexibility.	the organizational participants about a work environment conducive for the development of human resources.	work system and performance relationship.
Adewale & Anthonia (2013) Impact of organizational culture on human resource practices: A study of selected Nigerian private universities	237 respondents in selected Nigerian private universities	**Human resource development practices** consist of recruitment and selection, compensation administration, performance management, and training and development.	**Criterion: Organizational culture (Kotter & Heskett, 1992; Gordon & Cummins, 1989; Hofstede, 1990).**	**Mixed results (both positive / negative and significant / non-significant).** Significant and positive relationships between human resource development practices and organizational culture were only for the recruitment process and training programmes. Job performance management, the performance of employees, external competitiveness, pay structure and compensation administration were not significant.
Camps & Luna-Arocas (2012) A matter of learning: How human resources affect organizational performance	163 companies in Spain	**High-performance work system (Pfeffer, 1998):** Selective hiring of new personnel, self-managed teams and decentralization, extensive sharing of information, high compensation contingent on organizational performance, extensive training, employment security and stability, and reduced status distinctions.	**Mediator: Organizational learning capability.** Organizational learning capability emphasizes the importance of facilitating factors (i.e. organizational and managerial characteristics) that facilitate the organizational learning process or allow an organization to learn.	**Significant and positive.** Organizational learning capability also significantly mediated the high-performance work system and performance relationship.
Chow (2012) The roles of implementation and organizational culture in the HR–performance link	243 Hong Kong and Taiwanese firms operating in Guangdong, China	**High-performance human resource practices (Huselid, 1995; Youndt et al., 1996):** Internal recruitment / promotion, training, performance appraisal and evaluation, performance-based pay, internal equity, competitive pay, employment security, and information sharing.	**Mediator: Organizational culture (Wallach, 1983).** Three distinct organizational cultures, i.e. Bureaucratic, Supportive and Innovative types of culture.	**Significant and positive.** Organizational culture also significantly mediated High-performance human resource practices and performance relationship.
Wei, Liu & Herndon (2011) SHRM and product innovation: Testing the moderating effects of organizational culture and structure in Chinese firms	223 Chinese enterprises	**Strategic human resource management (Huselid, 1995; Zhang, 2005):** Developmental culture, flat structure, and product innovation.	**Moderator: Developmental culture (Quinn & Spreitze, 2001).** Developmental culture is a particular set of values and orientations that moulded and directed employees' behaviours toward development and innovation.	**Significant and positive.** Strategic human resource management was related more positively to product innovation when the developmental culture was stronger.
Chan, Shaffer & Snape (2004) In search of sustained competitive advantage: The impact of organizational culture, competitive strategy and human resource management practices on firm performance	82 companies representing multiple industries in Hong Kong	**High-performance human resource (Huselid, 1995),** consists of Motivations and Skills / Structure dimensions.	**Moderator: Organizational culture (Denison & Mishra, 1995).** A four-trait culture model; consists of Involvement, Adaptability, Consistency and Mission models.	**Mixed results (both positive / negative and significant / non-significant).** Significant relationships were only with Mission and Adaptability culture models. Unexpected, negative moderating effects of Involvement and Mission culture models within the high-performance human resource – market performance relationship.

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