The Role of Knowledge Sharing Behavior, Team Culture, and High Performance Work Practices in Enhancing Service Innovation Performance

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Abstract: *This study aims to examine the significant role of knowledge sharing behavior, team culture, and high-performance work practices on the service innovation performance of frontline employees in the Vietnamese hotel industry. Data collection from 303 frontline employees working at hotels across Vietnam through online platforms was used for testing the research model. All proposed hypotheses are supported by the results of structural equation modeling, showing the most significant factor influencing the service innovation performance of employees is high-performance work practices and the significance of knowledge sharing and team culture. Service organizations should concentrate on human resource practices to enhance employees' motivation to share knowledge in and among the workplace, fostering organizational performance.*

Keywords: knowledge sharing, team culture, service innovation performance, high-performance work practices.

1. Introduction

During the past decades, the service industry has globally risen and become a crucial sector that contributes to gross domestic product and economic growth in developing countries. This growth has driven the competition on service differences in the market [1] and underlined the essence of innovation to organizational survival [2]. Service innovation and its dynamic capabilities are the key factors for service organizations to leverage higher service performance, distance competitors, and sustain strategic advantages. Previous empirical studies have emphasized the fundamental role of frontline employees in service organizations [3,4] and focused on managerial tasks to encourage the creativity of employees [5–7].

The interaction of frontline employees and customers is considered "the organization's core value" [8]. Notably, employees in the hotel sector are representatives of service quality. They stimulate customer relationship improvement and build customer loyalty [9]. Moreover, customers are constantly demanding new experiences and innovative alternatives. It is essential for fostering a workplace where each individual in the frontline system of an organization can generate creativity and innovation to meet customers' requirements and outperform competitors. Previous studies have indicated the importance of individual knowledge sharing behavior among team members within an organization that affects the

innovative behavior of employees [1,10]. However, there is a question of whether employees could motivate themselves toward high innovative performance without organizational commitments.

In 2018, Vietnam welcomed 15.5 million international tourist arrivals and 80 million domestic travelers. It gets a receipt of approximately 28 billion US$ from the tourist, considered a significant contribution to the country's economic growth, especially in the hotel sector[1]. Despite the widely rising studies on service innovation, many previous studies have mostly focused on manufacturing firms. A few studies have addressed the innovation issues in different sectors. Specifically, a little research explores the Vietnamese hotel industry to test the employee performance of service innovation through the role of knowledge sharing, team culture, and high performance work practices. Hence, this paper aims to examine the impact of knowledge sharing behavior and team culture on service innovation performance in the Vietnamese hotel industry.

2. Literature review

2.1. Service Innovation Performance

Service innovation has been developed along with its emerging majority in multidimensions. The most mentioned definition of innovation was the development of new ideas, new actions, or the novel of an individual or a group [11]. Besides, according to Du Plessis [12], innovation facilitates the improvement of internal business processes/structures and the design of market-oriented products and services by creating new knowledge and ideas.

The performance of the business's innovations aimed at consumers and the creation of new services based on this performance is referred to as service innovation performance [13,14]. It measures the strategic competitive advantage extent and commercial success of a firm depending on innovative service products [15,16]. Not only support the development of organizational service skills, but the measurement also characterizes the design stages to develop the services [10].

2.2. Knowledge Sharing Behavior

Knowledge sharing is a two-way exchange process and jointly creates new knowledge [17]. The knowledge resource, which is considered the essential resource of an organization, depends on the extent of knowledge sharing. Knowledge sharing, thus, is regarded as central to successful knowledge management [18–20]. Organizations need to stimulate the best shared knowledge fostering innovation possibilities to improve their performance in the hospitality and tourism industry. Many ways may take place for knowledge sharing—for example, employees' interactions with customers and employers. Personal and direct interactions will support reliable knowledge transfer and unification in decision-making between and among employees [1]. Otherwise, in the intensely competitive environment of the hospitality industry, employees may amass their valuable knowledge due to "knowledge is power" for personal development, and knowledge sharing is not noticed within themselves. A common kind of gathering is selecting a part for sharing rather than all knowledge [21].

In empirical studies on knowledge sharing and service innovation within and by the team, a well-developed team process will improve coordination and outstanding team performance [22,23]. The hotel may use its resources more strategically to enhance its service delivery process and service innovation behavior within the workforce by encouraging good knowledge sharing behavior across the board [1,10]. Through the extensive literature review of knowledge sharing and service innovation, the current study proposes the hypothesis below:

H1: Knowledge sharing behavior positively relates to service innovation performance of the employees.

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[1] https://www.vietnam-briefing.com/news/vietnams-tourism-industry-continues-growth-2018.html/

2.3. Team culture

In the hospitality industry, teamwork is one of the crucial elements that lead to success. Team culture consists of rules shared between members based on norms, expectations, perceptions, and the roles of work [24]. The importance of a "strategic intent" of team culture enhances teamwork in innovation, encourages better communication and social interaction (formal and informal), and motivates staff [25]. A team culture consists of several rules that have been simplified to accomplish work within members' expectations, perceptions, and roles of each team member. It may enhance the work performance based on the information shared between members. These values are exchanged equally between service personnel and help them build a strong team. Still, cultural values cannot be uniformly shared as it depends on an personal beliefs of an individual. An innovative team in the hospitality sector has a strong team culture due to knowledge sharing behavior facilitating the innovative performance both of individuals and of the team. In order to successful implementing service innovation, it is depended on individual and team abilities to develop new ideas go beyond its initial state. Moreover, Front-line staff have the most direct contact with clients and can quickly detect and resolve their issues. As a result, workers' opinions and information exchange are valuable tools for hotel efficiency and improvement [26]. In another study, Hussain et al. [10] indicate that team culture and knowledge sharing behavior have a significant influence on the service innovation performance of employees working at luxury hotels in Malaysia. Based on the previous literature review, this study proposes the following hypotheses:

H2: Knowledge sharing behavior is significantly related to the team culture of the employees

H3: Team culture has a significant impact on the service innovation performance of the employees

2.4. High performance work practices

Inline the increasing emphasis on the human-centric approach of organizations, researchers have turned their central attention to high performance work practices (HPWPs). It is defined as the combination of complementary work practices comprising three broad fields, namely extensive employee involvement practices, human resource practices, and rewards and commitment practices [27]. It is significant for the success of hospitality organizations, particularly in frontline service jobs [28]. Previous studies have found that employees' capabilities to generate innovation and increase performance are impacted by the careful implementation of HPWPs in an organization [29,30]). HPWP has played an important role in promoting the service innovation behavior of hotel employees [30]. Using the set of human resource practices in the organization effectively has increased the performance of employees in terms of creativity [31] and innovation [32]. It can be asserted that promoting HPWP within the organization helps to generate innovation for employees. But there are few studies in the body of literature that have underlined the impact of HPWPs on the service innovation performance of employees in the context of the hospitality industry in Vietnam. Based on the above argument, the following hypothesis is proposed as follows:

H4: HPWPs positively relate to service innovation performance.

3. Research methodology

The study's target demographic was restricted to staff working at luxury hotels in Ho Chi Minh City, Vietnam. The survey was delivered through online platforms to the frontline employees at the selected hotels. The data was collected by using a non-probability convenience sampling approach. A total of 400 questionnaires were sent, and after eliminating incomplete answers, 303 questionnaires were usable. Out of these 303 participants, 41% were male, and 59% were female. There are a total of 30 items in the questionnaire evaluated by using 5-point Likert scale where 1 = strongly disagree and 5 = strongly agree.

Knowledge sharing behavior was measured using six items and adapted from [1]. Team culture was measured using six items and adapted from [24]. Six items were used to measure service innovation performance, adapted from [1]. HPWP is the second-order construct, including empowerment, training, and rewards. The measurement of HPWPs is adapted from [33]. Specifically, empowerment was measured using four items. Five items were used to measure training, and four items were used to measure rewards. Table of appendix presents these measures of the model constructs.

4. Results

4.1. Reliability test

To assess reliability, the authors conducted exploratory factor analysis (EFA) and calculated the Cronbach's alpha of each variable by using SPSS software version 22. All indicators of Cronbach's alpha are greater than the threshold of 0.6. Seven items (TR1, EFS4, KSB5, KSB6, TC3, TC4, and SIP3) were dropped due to the item loading of less than 0.5 [34]. To test the measurement model fit, confirmatory factor analysis (CFA) was implemented. The results showed that □2/df = 1.021; comparative fit index (CFI) = 0.999; root mean squared error of approximation (RMSEA) = 0.008. All these indicators were in accordance with the acceptance criteria [35]. Moreover, the values of average variance extracted (AVE) were greater than the threshold of 0.5, and the indicators of composite reliability (CR) were large than the 0.6 cutoff point. Therefore, the convergent validity was satisfied, and the reliability measures for all model constructs were also confirmed.

4.2. Structural equation modeling test

The testing results for the SEM are presented in Figure 1. The overall goodness of fit statistics met the cutoff points. All hypotheses were supported.
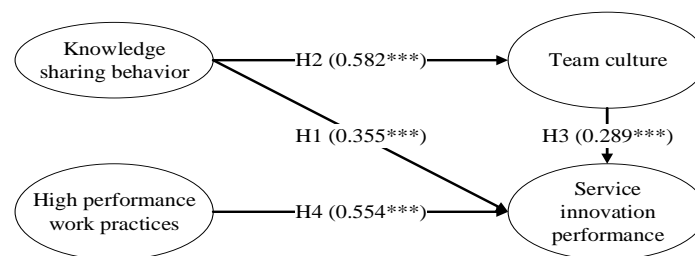

Figure 1. The research model
***p<0.001

4.3. Discussion

This paper examines the knowledge sharing behavior, team culture, and HPWP on service innovation performance. The results of the study illustrate that knowledge sharing behavior positively influences both team culture and service innovation performance of frontline employees in hotels. The findings are consistent with the previous results from [10,36]. Besides, team culture is positively associated with service innovation performance. This finding is consistent with [1]. According to recent research, the relationship between knowledge sharing behavior and team culture has been confirmed, but a few studies have looked into the frontline employees working at hotels. The hotel managers should build a strong team culture and knowledge sharing behavior to enhance the process of service innovation performance while offering better experiences for customers. As noted by the empirical result, HPWP is verified to have a positive effect on service innovation performance. HPWP has played an essential role in

stimulating the service innovation behavior of hotel employees [30]. The findings provide evidence to support that HPWP can promote innovative activities for employees within the hotel.

5. Conclusion

This paper provides new insights on the impact of knowledge sharing behavior, team culture, and high performance work practices on the service innovation performance of frontline employees working at the hotel industry in Vietnam. First, our results confirm that both knowledge sharing behavior and team culture are a positively significant effect on service innovation performance. Second, high performance work practices are positively associated with service innovation performance. Based on the findings, the hotel managers should consider developing new services in the hotel industry while the frontline employees will improve service innovation performance within their team. Third, thorough research that takes these new service development and frontline employee service innovation behavior into account as factors would be more useful in evaluating service innovation performance in the Vietnamese hotel business. Furthermore, high performance work practices within the hotel enable to create of innovation for frontline employees. In terms of the practical consequences of these results, it is clear that employee performance is influenced by a number of relative factors. The hotel managers must establish and enforce knowledge sharing behavior to attain high service innovation performance in the hotel services; also, a better team culture equals enhanced service innovation performance. The hotel employees' information sharing habit has a favorable impact on the entire team and service performance in terms of innovation potential. Managers must concentrate on individual employees, motivating and meeting all of their service demands. This will have a good influence on the hotel. Customer satisfaction will be the result of the main influence of information sharing behavior and team culture on service innovation performance.

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Table of appendix

High performance work practices (Second-order construct)		Knowledge Sharing Behaviour
Rewards	If I improve the level of service I offer customers, I will be rewarded (RW1)	I am pleased to learn and share knowledge among different teams (KSB1)
	The rewards I receive are based on customer evaluations of service (RW2)	I believe that members should help each other through teamwork to foster knowledge sharing (KSB2)
	Employees are rewarded for serving customers well (RW3)	I believe that knowledge sharing among teams can help establish my image as an expert (KSB3)
	Employees are rewarded for dealing effectively with customer problems (RW4)	I enjoy exchanging knowledge and I don't ask for anything in return (KSB4)
Training	Employees receive continued training to provide good service (TR1)	I am willing to use my spare time to help other team members (KSB5)
	Employees receive extensive customer service training before they come into contact with customers (TR2)	I would personally help other team members regardless of whether or not they ask for my help (KSB6)
	Employees receive training on how to serve customers better (TR3)	**Team Culture**
	Employees training on dealing with customer problems (TR4)	My team supports knowledge and technical information sharing (TC1)
	Employees receive training on how to deal with complaining customers (TR5)	In my organization, there is always someone to address work problems (TC2)
Empowerment	I have the authority to correct customer problems when they occur (EFS1)	During our spare time, team members socialize and hold various social activities (TC3)
	I am encouraged to handle customer problems by myself (ESF2)	Each member of this team contributes equally to our service innovation (TC4)
	I do not have to get management's approval before I handle customer problems (ESF3)	This service team possesses a fine spirit (TC5)
	I am allowed to do almost anything to solve customer problems (ESF4)	Members of this team have a strong sense of participation (TC6)
Service Innovation Performance		
At work, I seek new service techniques and methods (SIP1)		
At work, I sometimes come up with innovative and creative notions (SIP2)		
At work, I sometimes propose my creative ideas and try to convince others (SIP3)		
At work, I try to secure the funding and resources needed to implement innovations (SIP4)		
At work, I provide a suitable plan and workable process for developing new ideas (SIP5)		