

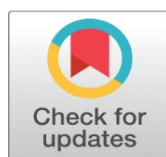
DOES UNIQUENESS OF HUMAN CAPITAL PREDICT INNOVATIVE PERFORMANCE? TESTING THE MODERATING ROLE OF INTRINSIC MOTIVATION IN THE HANDICRAFTS SECTOR OF KASHMIR

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ABSTRACT

This study investigates the unique human capital and innovative performance link and the intrinsic motivation as a moderator in this relationship. We obtained exciting results while testing hypotheses by applying Structural Equation Models and the Hayes Approach to the data collected from 196 respondents from the Kashmiri Handicrafts industry. The findings show that innovative performance is enhanced through unique human capital. Moreover, this relationship is significantly moderated by the intrinsic motivation of employees'/ sales persons. Thus, the interactive effect of outstanding human capital and inherent reason can enhance innovative performance by ensuring attractive avenues to enrich unique skills, knowledge, and the like among employees/salespersons. This paper attempted to unveil these relationships that have implications for theory and practice; further, some valuable detections were made under the veil.

Keywords: Innovative Performance, Unique Human Capital, Intrinsic Motivation, Handicrafts, Competitive Edge, Unabated Innovation

1. INTRODUCTION

Management research has given tremendous impetus to the unique human capital and intrinsic motivation in the past two decades, given the invaluable contribution of theory and practice. Although extensive research is available on these variables, there needs to be more research focusing on both variables in a combined framework. Human capital, as an organizational asset, attains uniqueness

through a variety of processes and practices, including knowledge [Lepak and Snell \(2002\)](#), [Subramaniam and Youndt \(2005\)](#), social capital and human resource management practices, including empowerment and employee selection based on learning potential and interpersonal abilities [Cabello-Medina et al. \(2011\)](#). The uniqueness

of human capital brings innovation in organizational performance. However, the relationship between these two variables highly depends on the organization's status in the marketplace [López-Cabrales et al. \(2011\)](#). For example, the relationship mentioned above is not the same in high and low-innovative Organisations. This implies that the unique human capital (H.C.) plays a central role in ensuring innovative performance.

The existing works have appropriately offered the conceptualization and measurement of innovative performance [Hagedoorn and Cloodt \(2003\)](#), which, as per other studies, is the result of many human resource management practices [Cabello-Medina et al. \(2011\)](#), [Cabrera \(2011\)](#), [Lopez-Cabrales et al. \(2009\)](#), [Sung and Choi \(2018\)](#). One of the significant considerations of HRM processes and practices is to bring uniqueness to the human capital to attain a competitive edge. In this background, it becomes imperative to examine how an organization's investment in human capital pays off. Specifically, whether an organization's focus on producing unique human capital brings favorable outcomes. Similarly, the researcher examined whether unique human capital influences an organization's innovative performance.

The literature also confirms innovative performance as the product of intrinsic motivation [Coelho et al. \(2011\)](#), [Frey et al. \(2011\)](#), [Li et al. \(2015\)](#). So, unique human capital and intrinsic motivation separately contribute to innovative performance. However, the interactive effect of unique human capital and intrinsic motivation on innovative performance remains unexplored. Hence, the present study investigated the individual and interactive effect of unique human capital and intrinsic motivation on innovative performance. Both variables significantly enhance the innovative capability and performance of an organization. For instance, on the one hand, the unique human capital serves as the basis for the innovative practices of an organization. On the other hand, intrinsic motivation encourages employees/salespersons to excel in innovative ideas, eventually facilitating innovative performance. The unique human capital and motivation of employees/salespersons are based on the cost, which needs to be less than the benefits for the success of an organization. The cost is incurred in terms of conducting training, time, and the like for inculcating motivation and uniqueness in the human capital (knowledge, skills, and abilities). The researchers are of the view that organizations need to tailor strategies in a way that innovation and efficiency are ensured simultaneously [Raisch and Birkinshaw \(2008\)](#), thereby keeping in check the cost factor and ensuring innovativeness at the same time.

The existing literature exhibited the need for more work concerning the interaction between the uniqueness of human capital and intrinsic motivation and their combined impact on innovation.

Performance. Though the literature confirms the relationship among the above variables, the examination in a joint framework is surprisingly rare. Most studies have examined their relationships in separate frameworks. This creates room for adopting a combined framework to examine the interactive effect of the uniqueness of human capital and intrinsic motivation in a joint framework and examine their combined effect on innovative performance. The main question of this empirical

research study is: "Does intrinsic motivation moderate the uniqueness of human capital and innovative performance relationship?". The detailed description of the study variables and hypotheses is below:

2. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

The efficiency and effectiveness of a group or an organization are essential for enhancing its performance. Organizational performance indicates the fate of an organization. Positive performance can bring favorable outcomes; however, negative performance can wipe off an organization from the competition. Organizations are using several interventions to uplift their performance to withstand the competition [Adamik \(2019\)](#), [Bhardwaj \(2019\)](#). The modern-day competition demands organizations to produce either unique products or perish. Organizations cannot stick to their strategies framed long ago to attain a competitive position in the market; instead, competition demands them to be adaptive to changing situations. The above facts have compelled organizations to change their outlook by inculcating robustness and uniqueness in the human capital to outweigh the competition. Now, the question arises: Why only human capital? Human capital is the best capital of an organization, which ensures better implementation of strategies and enhances the efficiency of other resources of an organization [Marshall and Alexander \(2006\)](#). The existing literature has found a significant impact of human resources on innovation and competitiveness. However, their contributing capacity varies. For example, [Barney and Wright \(1998\)](#) and [Wright et al. \(2001\)](#) posited that human resources possessing valuable, rare, unique, and organized qualities add to the competitive edge of an organization.

On the contrary, the employees performing secondary and repetitive activities do not generate any value for the organization. This highlights that organizations should focus on outstanding employees to generate and attain the advantages of human capital [Boxall \(1996\)](#). Again, these findings are in sync with the resource-based view and knowledge-based view. Human resources can become a source of competitive edge only when they possess inimitable knowledge, skills, and abilities [Prahalad and Hamel \(2006\)](#). The human capital of an organization, which is composed of knowledge, skills, and abilities, contains all the attributes. They are required to attain a competitive advantage [Subramaniam and Youndt \(2005\)](#). The knowledge, skills, and abilities that innovate the processes and practices of an organization are embedded in human capital [McKelvie et al. \(2006\)](#), [Foss \(2013\)](#). Therefore, innovation is the result of many factors. Most important among them is the human capital, which enhances the capacity of an organization to manufacture new products and tap the emerging needs of customers [Bakar and Ahmad \(2010\)](#), [Hannachi \(2015\)](#). Though many works have been conducted related to innovative performance, research needs to be more conclusive about the innovative performance indicators [Hagedoorn and Cloodt \(2003\)](#). However, the unique human capital has been usually labeled as a significant contributor to innovative performance [Alpkan et al. \(2010\)](#), [Cabello-Medina et al. \(2011\)](#), [Halim et al. \(2014\)](#), [Sun et al. \(2020\)](#). The attribute that makes human capital unique from other resources of an organization is its ability to embed novelty and utility in the products and services. As a result, these products become a boon for an organization to attain a unique place in the market.

Moreover, the extant literature signifies that innovative performance should contain two things to be successful in dynamic business conditions: novelty and utility [Alegre et al. \(2006\)](#). So, the uniqueness of human capital helps an organization attain a unique marketplace through innovative products [Taggar \(2002\)](#). The

knowledge and expertise enable employees to produce innovations by generating novel ideas [Anand et al. \(2007\)](#). The uniqueness of human capital empowers an organization to attain competitive parity [Snell et al. \(1999\)](#), [Lengnick-Hall and Lengnick-Hall \(2002\)](#), [Lengnick-Hall and Lengnick-Hall \(2006\)](#).

Similarly, this research study investigated the impact of the uniqueness of human capital on innovative performance. Uniqueness gives employees matchless and distinctive characteristics and, eventually, organizations with unique knowledge, skills, and abilities [Barney \(1991\)](#). The unique human capital is the primary factor contributing to the competitive edge of the organization [Barney \(1995\)](#), [Snell et al. \(1999\)](#). The uniqueness of products is the result of employee (KSA) knowledge, skills, and abilities [James \(2002\)](#). The employees possessing KSA are called 'rainmakers' that differentiate the business from the competition [Amar \(2002\)](#).

The organizations need to promote a conducive atmosphere for upbringing the uniqueness in human capital, which eventually will ensure sustainable corporate innovativeness [Rothwell \(1975\)](#). The overall spirit to benefit from the volatility of the business environment by encouraging the uniqueness of human capital would be possible only if the organization provides a congenial atmosphere for creativity and innovation [Garavan et al. \(2001\)](#), [Santos-Rodrigues et al. \(2013\)](#), [Halim et al. \(2014\)](#). When these efforts are implemented in letter and spirit by the organization, these endeavors will provide a competitive edge through unique human capital, practices, processes, products, and services [Hornsby and Benson \(2002\)](#), [Fleisher et al. \(2010\)](#), [Bornay-Barrachina et al. \(2012\)](#). The existing literature also states that innovative performance is a crucial result of the uniqueness of human capital [Halim et al. \(2015\)](#), [Kehoe and Tzabbar, \(2015\)](#), [Halim et al. \(2016\)](#). Given the higher volatility due to globalization, modern-day businesses are concerned about the ways and tactics to enhance overall performance, whether business or non-business. As a result, many studies were conducted by businesses and academics to find suitable ways to tackle the volatility of businesses. The existing literature exhibited that there can be many tactics or ways of enhancing the effectiveness and performance of organizations. Organizations need different tactics in different environments. Even an effective strategy of one organization may prove less effective or ineffective for other organizations operating in different or the same environment [Galbraith \(1973\)](#). Thus, it glorifies a contingency approach for organizations [Pateli and Giaglis \(2005\)](#); [Jiang and Li \(2008\)](#), [Stock et al. \(2013\)](#). However, the factors, mainly cost and time, do not allow the organization to go for a contingency approach at all times [Hull \(2003\)](#), [Härenstam and MOA Research Group. \(2005\)](#). Hence, organizations need specific resources (s) that could work out in different situations. Human resources is a critical asset that helps an organization to adapt to volatile environments [Bryant and Allen \(2009\)](#). The knowledge, skills, and performance attained by an individual through the investment in schooling, education, and training, which enhances the mental capacities of an individual, the profitability of an organization, and societal benefits, is human capital [Nafukho et al. \(2004\)](#). It also implies the skills, knowledge, and expertise possessed by employees of an organization by education and work experience [Joia \(2000\)](#), [Dakhli and De Clercq \(2004\)](#).

A suitable milieu for enhancing the uniqueness of human capital ensures creativity and novelty in all the processes and practices of the business [Martins and Terblanche \(2003\)](#), [Moultrie et al. \(2007\)](#), [Krot and Lewicka \(2011\)](#), which eventually enhances the sustenance of an organization [Ruff \(2006\)](#). Organisations should focus on Training, transfer, and retention to enhance human capital as it is

more important than tangible capital to attain higher efficiency, productivity, and eventually competitive edge [Petty and Guthrie \(2000\)](#), [Hitt et al. \(2001\)](#), [Ahammad et al. \(2016\)](#), [Papa et al. \(2020\)](#).

The uniqueness of human capital endows a plethora of benefits to the organization. Improved innovative performance is one of the essential benefits of the uniqueness of human capital [Cabello-Medina et al. \(2011\)](#). Innovative performance has no substitute in the business or non-business world. It helps an organization to sustain competition by offering unique products that endow delight to the customers [Lokshin et al. \(2009\)](#), [Al-Abbadi et al. \(2019\)](#).

The extant literature positively links the uniqueness of human capital with firm performance across the sectors, for example, in young audit firms [Santos-Rodrigues et al. \(2013\)](#), the automobile sector [Mujtaba et al. \(2018\)](#), the service sector [Munir et al. \(2019\)](#). Especially a firm's innovative performance is argued to be the critical outcome of unique human capital [Bornay-Barrachina et al. \(2012\)](#). The innovative ability of low-tech industries is exclusively the result of unique human capital [Martinez et al. \(2017\)](#). The updated knowledge and skills of high-tech employees are essential for enhancing innovative ability [Anker \(2006\)](#). Another study in Nigeria posits the importance of unique human capital in attaining innovative performance in SMEs [Naala \(2016\)](#). Recent studies assert that innovative performance is an organizational attempt, especially highlighting the role of the employees' unique human capital [Bentley and Kehoe \(2020\)](#); [Sun et al. \(2020\)](#). Accordingly, we propose:

H1: The Uniqueness of human capital positively affects innovative performance

Intrinsic motivation refers to the behavior wherein the locus of control lies within the individual [Deci \(1971\)](#). [Woodworth \(1918\)](#) suggested this concept, and was later popularized by [White \(1959\)](#). They posited that an individual's curiosity and self-protection drive his/her perceptions, which reinforcement theory cannot explain. External rewards or punishment cannot arouse intrinsic motivation. A set of intrinsic propulsions arising from inspiring work practices that determine the method, course, effort, and span of the work refers to intrinsic motivation [Ambrose and Kulik \(1999\)](#).

We assume that employees' intrinsic motivation is positively related to innovative performance. Intrinsic motivation can influence the cognition, behavior, and emotions of Employees' which eventually affects their work performance. [Ryan \(1995\)](#) marked that an employee's intrinsic motivation can bring more stability and persistence in his/her actions, eventually improving his/her satisfaction and performance. [Muchinsky and Tuttle \(1979\)](#) claim that intrinsic motivation improves job satisfaction and suppresses separation/turnover rate and absenteeism, eventually uplifting firm performance. Besides, [Baard et al. \(2004\)](#) confirmed that self-determined work motivation stimulates work performance. Given this, we propose:

H2: Intrinsic motivation positively impacts innovative performance

Intrinsic motivation refers to performing an activity for its innate enjoyment rather than for some external influence [Gumusluoglu and Ilsev \(2009\)](#). The extant literature suggests that higher intrinsic motivation among employees ensures innovative and inventive performance [Klaeijssen et al. \(2018\)](#), [Fischer et al. \(2019\)](#). The main motivational driver behind the innovative capability of an organization is

intrinsic motivation [Amabile \(1983\)](#), [Hüttermann and Boerner \(2011\)](#), [Chen et al. \(2013\)](#). Intrinsic motivation of employees magnifies the returns from the investments in human resource development in terms of innovative products, services, creativity, and overall performance [Dewett \(2007\)](#), [Kuvaas, & Dysvik, \(2009\)](#), [Wang et al. \(2016\)](#). Hence, intrinsic motivation is key for ensuring higher performance of an organisation. It acts as a catalyst in ensuring the higher performance of an organization. The work conducted in Ankara exhibits that creativity highly depends on the multi-faceted reasoning ability of intrinsically motivated employees, which eventually enhances the innovative performance of an organisation [Fidan and Oztürk \(2015\)](#). Another study highlights the importance of innovative work behavior for attaining a unique position in the marketplace, which is ensured by intrinsic motivation [Devloo et al. \(2015\)](#). The existing literature has suggested a positive link between intrinsic motivation and innovative performance. For example, [Li et al. \(2015\)](#) emphasize that intrinsic motivation ensures organizational innovation by inspiring employees to work effectively [Tu and Lu \(2016\)](#) mentions that ethical leadership and performance are significantly moderated by intrinsic motivation. [Dysvik et al. \(2010\)](#) confirm that intrinsic motivation plays a catalyst role in trainee program reactions - work performance link. An empirical study conducted in Pakistani software firms confirms that transformational leadership and employee creativity is moderated by intrinsic motivation [Shafi et al. \(2020\)](#).

The radical, innovative capability of an organisation is enhanced by the multiplicative effects of human capital and social capital [Subramaniam and Youndt, \(2005\)](#). The human capital and entrepreneurship is quintessential for attaining regional economic growth [Taylor and Plummer \(2003\)](#). It was concluded in a follow-up study that the interaction between human capital and enterprise plays a vital role in enhancing regional economic growth [Plummer and Taylor \(2004\)](#). In both the studies, the authors have propounded the significance of the interactive capacity of human capital with other factors for attaining the desired goals.

Figure 1

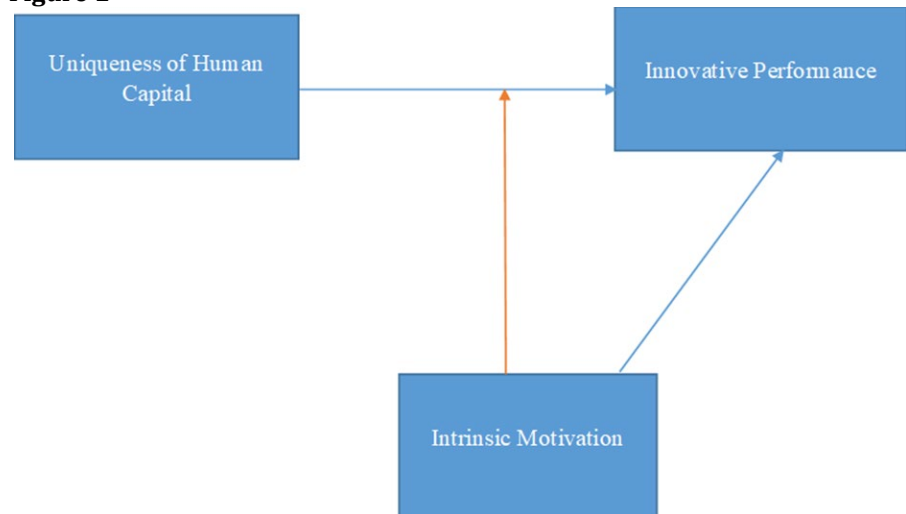


Figure 1 Study Model

Moreover, high intrinsic motivation makes work meaningful to the employees [Chalofsky and Krishna \(2009\)](#). Similarly, employees high on intrinsic motivation take a proper interest in innovation [Fischer et al. \(2019\)](#). It is more likely that

intrinsically motivated employees take an active interest in innovating the practices and processes when an organization invests in human resource development. Job involvement and goal attainment are high among the employees high on intrinsic motivation [Gagné and Deci \(2005\)](#). Given the literature, we sense that intrinsic motivation may play a moderator role between the uniqueness of human capital and innovative performance. Here we may argue that if intrinsically motivated employees get sufficient support from their organization in terms of investment in the uniqueness of human capital, their innovative performance will create a better environment for innovativeness. Accordingly, we propose:

H3: The intrinsic motivation moderates the effect of the uniqueness of human capital on innovative performance such that the relationship between the uniqueness of human capital and innovative performance is strengthened when intrinsic motivation is high and vice versa.

3. METHODS

3.1. RESEARCH CONTEXT

The dying handicrafts sector of Kashmir has witnessed a slight rise in the recent past. Besides, it happens to be one of the important sectors in Kashmir that provides employment to a significant chunk of population. Any improvement in the products of this sector may change the status of the J&K's economy which majorly depends on agriculture, tourism and horticulture. To attain the aforementioned aim/s, the handicraft sector of J&K needs to come up with innovative ideas and products. The innovation will ensure consistency in demand for its products, which would eventually help in sustaining competition. The unique human capital is supposed to be the great contributor of the innovativeness of an organisation. But we know that motivation is needed for everything. So, here we investigated the interactive effect of the uniqueness of human capital and intrinsic motivation on the innovative performance of the handicrafts sector in J&K, India.

3.2. PROCEDURE FOR SAMPLING AND DATA COLLECTION

This study examined a multi-variable framework- the uniqueness of human capital, intrinsic motivation, and innovative performance, from the viewpoint of handicrafts firms/units of J&K, India. From the past two decades, the handicrafts sector of Jammu and Kashmir was dying due to the lack of competitive talent. However, recent times have seen some advancement in the skills of employees related to this sector. Given this, our study unveiled how intrinsically motivated employees strengthen the unique human capital and innovative performance link. Therefore, the questionnaires were filled by firm owners and salespersons associated with handicraft sector of Kashmir, India. Two questionnaires were framed to elicit the required information from employees (salespersons) and owners of the respective firms. The information regarding intrinsic motivation was obtained from salespersons/ employees, and the firm owners filled out questionnaires related to the uniqueness of human capital and innovative performance. 189 was chosen as the sample size based on the Krejcie & Morgan Table [Krejcie and Morgan \(1970\)](#). The questionnaires were distributed among 217 respondents. The distribution of extra questionnaires was done, keeping in view the unengaged and incomplete responses. The response rate was 96.64%, i.e., 210 out of 217 questionnaires were received back. However, only 196 questionnaires were found fit for the analysis. Thorough information about the sample is presented in Table 1. The table exhibits that females were less 38 (19.28%) compared to males

158 (80.72%) among employees (salespersons). Young people dominated the sample belonging to the age group of 18- 35 years.

Moreover, most of the participants possessed degrees above graduation. Similarly, for the firm owners, the sample was dominated by males, 30-50 years of age group, and postgraduates. Before the primary analysis, the data was checked for missing data, outliers, linearity, normality, multicollinearity to contain the bias in results. After checking for the above conditions, the primary analysis was done using SEM and Hayes Process.

3.3. VARIABLE MEASUREMENT

The present study employed reliable and validated scales. The questionnaire for employees (salespersons) contained five items relating to a moderating variable, namely intrinsic motivation. These items were adopted from [Amabile \(1983\)](#). The questionnaire for firm owners is composed of two constructs, namely the uniqueness of human capital and innovative performance. The uniqueness of human capital was measured by employing five items from the scale of [Subramaniam and Youndt \(2005\)](#). The second construct, namely, the innovative performance, was measured by using five items from [Antoncic and Hisrich \(2001\)](#), [Hagedoorn and Cloudt \(2003\)](#), [Meeus and Oerlemans \(2000\)](#), [Neely and Hii \(1998\)](#). All the items were measured using a five-point Likert scale wherein 1 stands for 'Strongly Disagree, and 5 represents 'Strongly Agree.' The SPSS 23 was used to perform EFA and CFA to understand the underlying structure of the collected data. Then, the data was exposed to structural equation modeling for hypothesis testing. The hypothesis related to moderation was tested by using Hayes Process [Hayes \(2017\)](#).

3.4. PRELIMINARY ANALYSIS

Since the instrument was adapted from various sources, the pilot survey was done to confirm its reliability and validity. The pilot study was done on 80 respondents. The data was analyzed using SPSS 23. The application of EFA resulted in three factors, namely the uniqueness of human capital, intrinsic motivation, and innovative performance. The researcher carried forward all the items for use in the main study as the data converged with three factors and all the items loaded on their respective constructs. The internal consistency of the study constructs was measured through Cronbach's alpha. The value for Cronbach's alpha for all the study variables ranged from 0.916-0.957, exceeding the minimum cut-off value of 0.70 [Nunnally \(1978\)](#), thereby, confirming the internal consistency of the study questionnaire.

The questionnaire was valid as the KMO value for each scale came out between 0.793-0.887, and Bartlett's test of sphericity was also statistically significant ($p < 0.01$) [Table 1](#). The composite reliability (C.R.) was also used to confirm the questionnaire reliability. The C.R. values ranged between 0.821-0.927. The standard loading estimates were also good for all the study variables [Table 2](#). The high value of C.R. and significant loadings exhibit good convergent validity of the instrument.

The discriminant validity of the questionnaire was also assessed for ensuring the validity of the instrument. [Fornell and Larcker criterion \(1981\)](#) was used to evaluate discriminant validity wherein the correlation coefficient between study constructs was compared with their respective average variance extracted. [Table 3](#) depicts diagonal values are higher than off- diagonal correlation values for corresponding constructs, which signifies discriminant validity. Again [Ngo and](#)

O’Cass (2012) was employed to confirm discriminant validity wherein the C.R. was compared with the correlation between any two respective constructs. The higher C.R. value confirmed the discriminant validity.

Table 1

Table 1 Sample Profile		
Profile of Sales People	%	Cumulative %
Gender		
Male	80.72	80.72
Female	19.3	100
Total	196	
Age group (In years)		
18-35	67.82	67.82
35-50	29.22	97.04
50 & Above	2.94	100
Total	196	
Experience (In years)		
Up to 5 years	52.81	52.81
5-10 years	27.07	79.88
10 years & Above	19.83	100
Total	196	
Profile of Firm Owners		
Gender		
Male	76.66	76.66
Female	23.33	100
Total	196	
Age group (In years)		
18-30	16.66	16.66
30-50	73.33	89.99
50 & Above	10	100
Total	196	
Experience (In years)		
Up to 5 years	10	10
5-10 years	86.66	96.66
10 years & Above	3.33	100
Total	196	

Table 2

Table 2 Means, Standard Deviations, and Correlations.					
Variable	Mean	SD	UHC	IM	IP
UHC	3.67	0.016	1		
IM	3.75	0.02	.367b	1	
IP	3.88	0.042	.418b	.328a	1

a Indicates the significance of Correlation at the 0.05 level (2-tailed).
 b Indicates the significance of Correlation at the 0.01 level (2-tailed).

Table 3

Table 3 Constructs and Measures							
Construct	Cronbach's Alpha	KMO	Bartlet's Test of Sphericity			Eigenvalue	Percentage of Variance Explained
			Approx. Chi-Square	Df	Sig.		
Uniqueness of human capital	0.957	0.861	1035.137	10	0	3.554	88.858%
Intrinsic motivation	0.943	0.887	1057.718	10	0	4.086	81.726%
Innovative performance	0.916	0.793	1056.683	10	0	3.765	75.309%

The absence of common method bias was confirmed by employing several methods. Firstly, the Harman single-factor method was used on all the previously validated questionnaire items, which depicted fair results. Again, EFA was conducted to check for the variance explained. The results exhibited that no single factor has more than a 50% variance. Therefore, there is no problem of common method bias [Podsakoff et al. \(2003\)](#).

4. RESULTS

Data was analysed at two stages, firstly, the relationship between innovative performance and

- 1) The uniqueness of human capital and 2) intrinsic motivation was tested using structural equation modelling (SEM). Secondly, Hayes Process, 2017 was used to test the moderating effect of intrinsic motivation.

The SEM was deemed to be appropriate for examining the link between innovative performance and 1) the uniqueness of human capital and 2) intrinsic motivation, after establishing ample validity and reliability of the measurement model. Further, the data-model fit indicates the appropriateness of path analysis. The fit between the model and the data was assessed by employing both the goodness and badness measures of fit. The goodness measures of fit exhibited values closer to 0.9, thereby depicting a good-fit. Similarly, the badness measures of fit showed values close to 0, thus again drawing a good-fit.

Table 4

Table 4 Evaluation of Measurement Model					
Constructs	Items	Factor loadings	CR	AVE	Discriminant Validity (HTMT)
Uniqueness of human capital	UHC1	0.741	0.821	0.627	Ensured
	UHC2	0.813			
	UHC3	0.797			
	UHC4	0.778			
	UHC5	0.8			
Intrinsic motivation	IM1	0.941			
	IM2	0.754			
	IM3	0.915			
	IM4	0.723			

Innovative performance	IM5	0.712	0.89	0.657	Ensured
	IP1	0.896			
	IP2	0.87			
	IP3	0.821			
	IP4	0.898			
	IP5	0.809	0.927	0.713	Ensured

Table 2 presents means, S.D.'s and correlations related to the study variables. The structural equation modeling results depicted a significantly positive impact of the uniqueness of human capital on innovative performance. Hence, it supports hypothesis H1, which signifies a positive relationship between the uniqueness of human capital and innovative performance. Similarly, SEM results supported hypothesis H2 as the results depicted the significantly positive impact of intrinsic motivation on innovative performance.

Table 5

Table 5 Hypotheses Testing Status					
Hypothesis	From	To	(β) value	T- Value	Results
H1	Uniqueness of human capital (UHC)	Innovative performance (I.P.)	0.23	3.951***	Supported
H2	Intrinsic motivation	Innovative performance (I.P.)	0.531	8.511***	Supported

Note 1: *** signifies $p < .001$

Figure 2

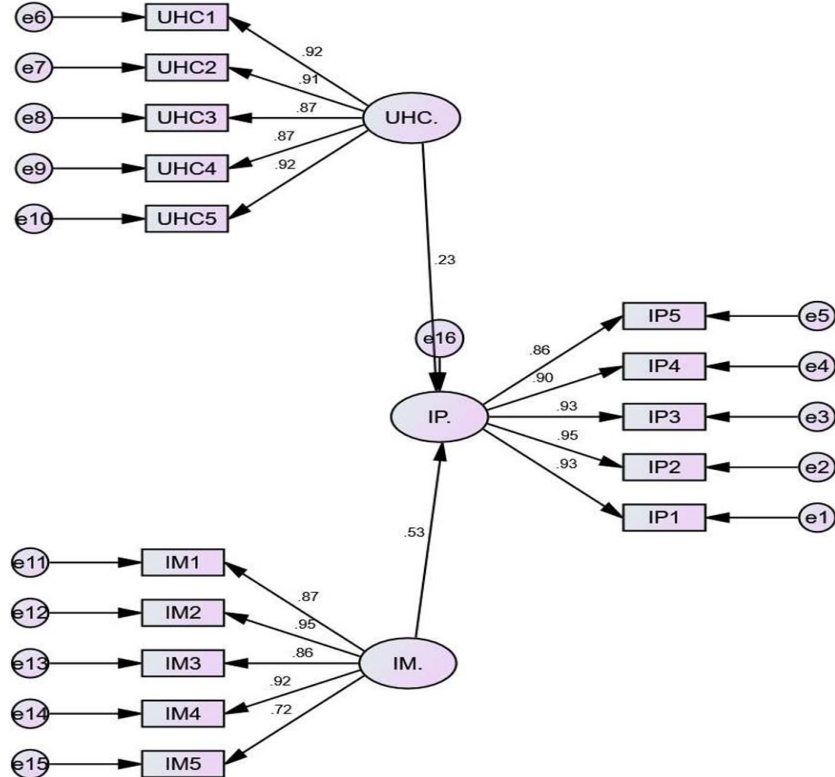


Figure 2 Structural Model

In the next stage, the role of intrinsic motivation in the uniqueness of human capital and innovative performance link was examined by employing the [Hayes approach \(2017\)](#). Some impressive results were brought forward by the moderation results. The results exhibited a significantly positive moderating effect of intrinsic motivation on the relationship between the uniqueness of human capital and innovative performance. The below-given [Table 4 & Table 5](#), and [Figure 3](#) shows the moderation results.

Table 6

Table 6 Model 1 Summary			
R	R-sq.	F	P
0.6061	0.3674	42.5843	0
Outcome Variable: Innovative Performance			

Table 7

Table 7 Model 1			
	Coefficient (β)	t	P
Constant	7.3422	1.4319	.0358
UHC.	.8020	2.9812	.0032
I.M.	1.1988	4.0891	.0001
Int_1	.0309	2.1158	.0355

Note 1: Product terms key: Int_1: UHC x I.M.

Note 2: Outcome Variable: Innovative Performance

Note 3: $p < .05$

Figure 3

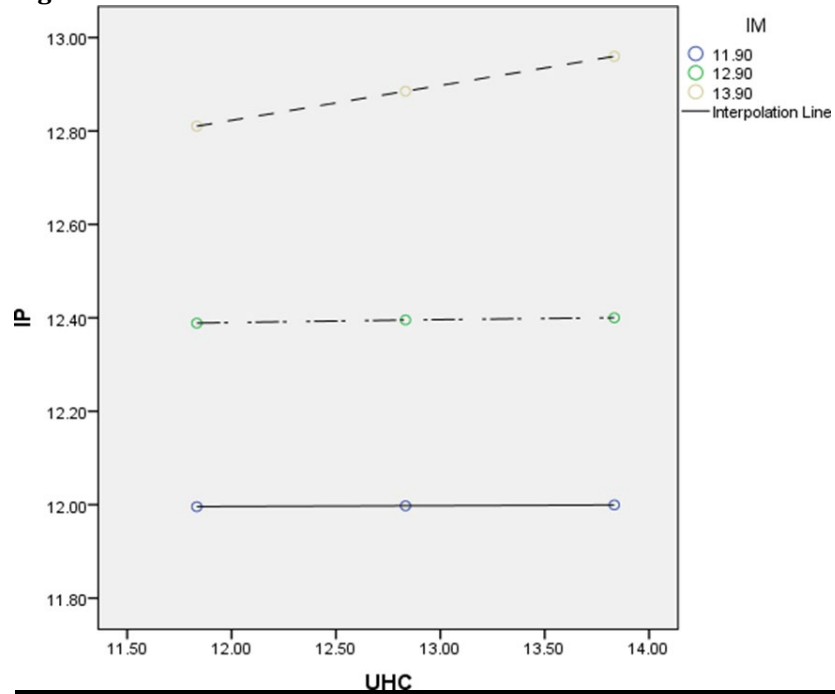


Figure 3 Moderating Effect of Intrinsic Motivation on the Uniqueness of Human Capital – Innovative Performance Relationship

Note: UHC= Uniqueness of human capital, IM= Intrinsic motivation, and IP= Innovative performance

The above table depicts that intrinsic motivation significantly moderates the impact of the uniqueness of human capital on innovative performance ($\beta = .0309$, $t = 2.1158$, and $p < .05$).

Further, the graphical presentation in Figure 3 signifies that higher intrinsic motivation among employees/salespersons strengthens the impact. Again, Figure 3 makes clear that the association between the uniqueness of human capital and innovative performance is stronger when intrinsic motivation is high, and vice-versa. Hence, supporting hypothesis (H3).

5. DISCUSSION AND IMPLICATIONS

The present study has a three-fold purpose: first was to investigate the impact of the uniqueness of human capital on innovative performance, the second was to examine the impact of intrinsic motivation on innovative performance, and the third was to examine the moderating effect of intrinsic motivation on the link between the uniqueness of human capital and innovative performance.

The findings of the present study exhibited a significant and positive link in the uniqueness of human capital and the innovative performance of an organization. These findings support the existing literature on the subject (Cabello-Medina et al. (2011), Halim et al. (2014), Han and Li (2015)). The positive relationship between the above variables is the result of many factors, including knowledge sharing practices (Hsu (2008)), rare skills and knowledge (Halim et al. (2015)), quest for acquiring new skills (Halim et al. (2016)), among others. Nowadays, there is a cut-throat competition for every product offering. The product needs to differentiate itself from the competition for attaining higher demand (Zelentsova and Tikhonov (2020)). But eventually, the product innovativeness depends on the uniqueness of human capital (Basit and Medase (2019)). As such, it creates a strong need for organizations to attain and retain unique human capital. For attaining this goal, organisations need to keep their human capital updated by conducting different human capital development practices (HCDPs) from time to time. It sustains the unique status of an organization in the marketplace. Moreover, it is a well-known fact that an innovative product of one time may become obsolete at another moment as the needs and tastes of customers keep changing constantly. So, the uniqueness of human capital is a great asset for an organization, which should be the priority for every organization, especially organizations dealing in manufacturing, like handicrafts, because of higher competition (Galle (2019), Bos (2020)).

The findings also reveal that intrinsic motivation positively impacts innovative performance. It also supports the existing literature (Frey et al. (2011), Devloo et al. (2015), Fischer et al. (2019), Malik et al. (2019)). The extant literature review signifies intrinsic motivation as the product of various factors, including reward and recognition (Danish and Usman (2010)), healthy workplace practices (Azeez et al. (2019)), self-compassion, body surveillance, and body appreciation (Cox et al. (2019)) among others. Intrinsic motivation keeps the working environment alive by creating work engagement among the employees (Putra et al. (2017)). Creating engagement among the employees towards assigned work is essential for enhancing the productivity of an organization. For example, when employees feel psychological attachment towards work, their productivity enhances subsequently. It also lowers down the cost of organisation by reducing turnover, and supervision needs as the psychologically attached employees need lesser supervision. Moreover, it enhances team goal commitment among the employees which is a good indication for

enhanced productivity and innovative performance (West et al. (2003); Han et al. (2018); Ng and Allen (2018). So, the uniqueness of human capital and intrinsic motivation are essential predictors of innovative performance.

From the results of the present study, it can be posited that the firms dealing in handicrafts should focus on attaining and retaining the unique human capital and ensuring intrinsic motivation to enhance innovative performance. It will ensure the overall development of an organization by enhancing the intrinsic motivation of unique human capital and innovating the company offerings. Organisations can attain a unique position in the dynamic business environment by sticking to intrinsic motivation and uniqueness of human capital. While considering the individual impact of the uniqueness of human capital and intrinsic motivation on innovative performance in the present study, intrinsic motivation surely has an edge (See Table 5). Therefore, intrinsic motivation demands more impetus than the uniqueness of human capital on the part of the organization to innovate offerings.

In contemporary times, competition is the name of the game. The companies which were once leading the market are no longer in competition due to lack of consistency in innovativeness. For example, if we talk about mobile phone manufacturing, Nokia was the market leader, but its inefficiency to keep pace with the game left it nowhere in the competition. Though Nokia's claimed to attain one of the top three positions in smartphone selling manufacturers in Egypt in 2018 (Daily News Egypt, 2018), yet the results are not favorable, and even in India, it was at 4th place Nokiamob (2019). So, to sustain the competition, organizations need to be consistent with their innovative outlook. Organizations can continue their creative perspective by sticking to inculcating unique skills, knowledge, abilities, and intrinsic motivation among employees.

The present study has high relevance to the handicrafts sector— one of the interesting findings of the present study is of the confluence between innovative performance and the uniqueness of human capital and intrinsic motivation. The findings highlight that intrinsic motivation has a major impact on innovative performance than the uniqueness of human capital. So, it becomes imperative for organizations to take proper care of employees' intrinsic motivation along with the unique human capital for ensuring innovative performance. Handicrafts organizations can draft strategies in such a way that intrinsic motivation is given the central place to attain the unique human capital, which will eventually ensure innovative performance.

The key finding of this study is that intrinsic motivation acts as a quasi-moderator. It is a quasi-moderator in that both the main and interaction effect of intrinsic motivation was significant. Still, the moderating role of intrinsic motivation is valid Sharma et al. (1981). The moderating effect of intrinsic motivation in the present study has unfolded some interesting findings. While intrinsic motivation may enhance the unique human capital of an organisation, on the one hand, lack of intrinsic motivation, on the other hand, may result in wastage of time and money as it will not serve the purpose of conducting different human capital development practices. The motivation of an educator is necessary for the success of any learning Christophel (1990). Hence, it supports the author's argument regarding intrinsic motivation as a moderating mechanism. Moreover, the interaction effect was found to be varying across different levels of intrinsic motivation. So, it signifies that the moderating effect of intrinsic motivation on the uniqueness of human capital-innovative performance tie-ups may not remain linear across different levels of intrinsic motivation. For example, the moderating effect was low, when intrinsic motivation was low.

On the contrary, the moderating effect came out to be higher, when intrinsic motivation was high (See [Figure 3](#)). Therefore, intrinsic motivation functions as a moderating mechanism in such a way that the effect is higher on the uniqueness of human capital- innovative performance relationship when intrinsic motivation was high and vice-versa. By accentuating the impact of intrinsic motivation in strengthening the uniqueness of human capital and innovative performance relationship, the present study theoretically linked the uniqueness of human capital, intrinsic motivation, and innovative performance. To put in simpler words, it means that the uniqueness of human capital complemented by intrinsic motivation can do wonders in enhancing the innovative performance of a handicrafts organizations.

6. CONCLUSION

The present study investigated the the effect of unique human capital and intrinsic motivation on innovative performance and assess the moderating role of intrinsic motivation in the handicrafts sector of Kashmir, India. The objectives mentioned above were assessed by data collected from owners and salespersons working with handicraft firms in Kashmir, India. Factor analysis resulted in three factors for the study constructs, which was discussed earlier. The study results depict significantly positive impact of the uniqueness of human capital and intrinsic motivation on innovative performance. Further, the present study exhibited the moderating role of intrinsic motivation in the uniqueness of human capital and innovative performance link. For example, intrinsically motivated employees can effectively attain unique skills, knowledge, and abilities, which enhances innovative performance and, thereby, provides a competitive edge to the organization.

7. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The present study included only the handicrafts organisations operating in J&K area, thereby limiting the generalisation of findings to that particular area. Sampling was another limitation. Though the optimal sample size was elicited by employing a multi-method approach, yet explicit conclusions cannot be made about the study variables. So, an exhaustive study is needed to verify the findings of the present study.

The cross-sectional nature of the present study limited the generalization of findings, and the appropriate inferences among the study variables may not be drawn from the findings. It would be worthwhile to employ longitudinal data for attaining more vibrant results. Moreover, we included a sample from the single-sector, i.e., the handicrafts sector, which can be taken care of by adding other sectors.

CONFLICT OF INTERESTS

None.

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