

CHAPTER 5

CONCLUSION AND RECOMMENDATION

5.1 Introduction

After explaining the results and findings of the study, one of the most important works is to compare the findings of the current study with previous studies and discuss the results. Thus, this chapter discusses recent study findings concerning previous studies. Also, this chapter has explained the theoretical and practical implications, which may be helpful for researchers, students, managers, policymakers, or executives. Apart from this, the chapter has highlighted the limitations and relevant future directions for future researchers. Finally, this chapter concludes the entire study.

5.2 Discussion

This research has investigated the direct influence of training and direct compensation on (IWB). This study also investigated the mediation impact of (IWB) on (CA) and the moderating effects of indirect compensation. The findings of this study are similar to previous scholars; however, some relationships are specific to context and understanding.

5.2.1 First Hypothesis

The first hypothesis has suggested the relationship between training and (IWB). This hypothesis is approved and in conflict with Labrenz (2014), who described that training alone does not guarantee advancement, also with Dorjkhuu

(2013), who argued that it could be difficult to judge how employees' work manner and behavior have changed following training.

This hypothesis result is consistent with that by (Azevedo & Shane, 2019; Prieto & Pérez-Santana 2014; Bos- Nehles & Veenendaal, 2019; Aris et al., 2019).

For instance, the finding of this hypothesis is consistent with another previous study; Azevedo and Shane (2019) have developed a new framework regarding the training program and evaluated the effect of training on innovative cultural intelligence as well as (IWB). They investigated the before and after results of applying for training programs in two groups, including one group of professionals and the other group of MBA students. The findings revealed that both groups' cultural intelligence levels increased after getting training. Also, results suggested that both groups' (IWB) have increased. Apart from this, the study also evaluated that after getting training, employees' resilience level increases which may further enhance (IWB) because Phan (2019) noted that resilient employees have a high level of (IWB).

Similarly, Prieto and Pérez-Santana (2014) have adopted a holistic approach and investigated the impact of ability, motivation, and opportunity-enhancing activities on (IWB) through employees' support and organizational support. The findings present a positive association between ability-enhancing HRM practices (IWB). The ability-enhancing activities include training and job rotation, which increase employees' knowledge, skills, and understanding regarding their job, enhancing their ability to think out of the box, which is directly linked to creating a (CA) for the organization. Similarly, this study has also studied that motivation-

enhancing HRM practices and opportunity-enhancing HRM practices are positively related to (IWB).

Apart from the above, Bos-Nehles and Veenendaal (2019) conducted a study to investigate the influence of the perception of HRM practices on (IWB). Authors found that training increases employees' ability, skills, and knowledge to achieve organizational goals through innovative ways; however, this process needs innovative ways of training, which will enhance the innovative abilities of employees. Furthermore, along with training, encouragement through fair treatment is necessary to motivate employees for (IWB). Aris, et al. (2019) conducted a study on public sector organizations and found that public sector employees need more training, motivation, encouragement, and leading characters' guidance to involve in (IWB). For this purpose, leaders and managers should have entrepreneurial competencies to provide innovative training to employees to enhance (IWB).

5.2.2 Second Hypothesis

The second hypothesis of this study proposed a positive relationship between direct compensation and (IWB); however, this hypothesis is not supported. The finding of this hypothesis is conflicted with the results by (Stiles et al., 2006; Jiang et al., 2012; Ng'ang'a & Nyongesa, 2012; Bahloq, 2011; Liebowitz, 2000; Helm-Stevens et al., 2011).

Moreover, this hypothesis result is consistent with (Bos- Nehles & Veenendaal, 2019; Dorenbosch, Engen, & Verhagen, 2005; Prieto & Pérez-Santana 2014; Sanders et al., 2010; Folger & Konovsky, 1989).

When leaders compensate employees in unfair manners, other employees do not engage in (IWB); even some of this compensation may negatively influence (IWB). Furthermore, they asserted that those employees who are intrinsically motivated do not give importance to rewards and compensation; thus, the effect of compensation on (IWB) will not be significant. Apart from this, some employees also consider rewards and compensation to be a source of stress because they take stress to get rewards, which may decrease the motivation level of employees, especially when they are not rewarded according to their efforts.

Similarly, Bos-Nehles and Veenendaal (2019) conducted a study in the context of Dutch manufacturing companies. They found that employees' perception regarding the fairness of HRM practices decides whether they would be involved in (IWB) or will negatively affect those who are already involved in (IWB). Scholars noted that employees' perception of unfair treatment and rewards generates double edge loss for the organization. One loss is due to giving rewards, while the other is due to the negative impact of rewards on (IWB) because rewards are not distributed fairly among those employees who put their efforts into achieving organizational goals through innovative means. Apart from the above, Dorenbosch et al. (2005) have confirmed the adverse scenario of unfair compensation to employees' (IWB). They highlighted that only those employees are interested in rewards, which are not intrinsically motivated but need extrinsic motivation to encourage them for (IWB).

In an additional study that proposed a positive impact of direct compensation on (IWB), Prieto and Pérez-Santana (2014) investigated that both direct and indirect compensation has a positive effect on (IWB). They further asserted that compensation is adequate as employees perceive their efforts to be

valued by the organization. Thus, employees are involved in (IWB) in search of rewards and appreciation. Apart from this, it is also important to note that financial and non-financial compensation is vital to encourage employees. Lower-rank employees are usually interested in financial rewards, while higher-rank employees are generally interested in non-financial rewards like appreciation in front of subordinates or colleagues.

5.2.3 Third Hypothesis

The third hypothesis has suggested a positive relationship between (IWB) and (CA). This hypothesis is also supported; therefore, findings are consistent with previous studies (Anning-Dorson, 2018; Liu, 2017; McGrath et al., 1996; Nasifoglu Elidemir, Ozturen, & Bayighomog, 2020).

Anning-Dorson (2018) has conducted a study in India and Ghana to investigate the relationship between innovative behaviors and (CA). The study also included organizational leadership as a mediating variable between innovation and (CA). Authors have converted innovation into market innovation and employees' innovative behaviors. The results revealed that innovative behaviors have a positive impact on enhancing the overall (CA) of the organization. However, market innovation has a more substantial effect on (CA) because that is directly linked with differentiating an organization from products and services from other organizations. Also, the authors found that low power distance can further enhance the (IWB) of employees, which will increase (CA).

Liu (2017) conducted a study in the context of hotel management. Authors argued that hotel management also becomes a competitive sector, where learning new skills, services, and opportunities are essential for survival (CA). The study found a positive impact of the learning environment on (IWB). They further evaluated that this (IWB) leads to (CA). They utilized intellectual capital theory to explain the relationship. They asserted that (CA) depends upon the open-mindedness of hotel management staff to learn and accept new opportunities, skills, and services to get innovative models to apply for. Conversely, rigidity and a close-minded mentality restrict new opportunities that do not encourage (IWB); thus, reducing the (CA). Similarly, McGrath et al. (1996) and Nasifoglu Elidemir et al. (2020) have found that (IWB) leads to sustainable (CA).

5.2.4 Fourth Hypothesis

The fourth hypothesis suggests a mediation effect of (IWB) on the relationship between training, direct compensation and (CA). This hypothesis is presented and approved by the results of this study. Previous scholars have not investigated the exact mediating effect of (IWB) on the relationship between training, direct compensation, and (CA). It is observed that this mediation hypothesis has a significant positive role.

5.2.5 Fifth Hypothesis

Finally, the fifth hypothesis proposes the moderated mediation effect of indirect compensation on the mediation relationship between (IWB) and (CA). This hypothesis is presented and approved by the results of this study. Previous scholars have not investigated the exact moderating effect of indirect

compensation on (IWB) and (CA). It is significant to note here that moderating effects of IC have not only decreased the positive impact of (IWB) on (CA) but also converted into a negative. Thus, this relationship is significant to note here. As in previous hypotheses, it is mentioned that fair compensation is one of the leading components to enhance (IWB); however, unfair rewards and compensation not only decrease employees' innovative behavior but sometimes negatively impact their innovative behaviors as unfair treatment violates the leader-member exchange process.

Karin et al. (2010) proposed that compensation (both direct and indirect) often leads to increased creativity and (IWB) of employees; however, it depends on a fair distribution of rewards and appreciation of employees' efforts without favoritism. Also, the authors evaluated that employees with a lack of intrinsic motivation are interested in compensation; otherwise, employees with inherent reasons consider compensation a stress-boosting material, which reduces their flexible tension-free working environment, thus, leading to lowering (IWB). Similarly, Schuler and MacMillan (1984) found that compensation is an important tool to enhance (CA) as employees are more inclined towards adopting (IWB)s; however, as mentioned above, fair treatment is important for the effective implementation of a compensation system.

5.3 Implication

It is very significant to highlight the theoretical as well as practical implications as follows:

5.3.1 Theoretical Implication

Concerning the theoretical contribution, this study has significantly contributed to the literature concerning the effect of training and direct compensation on (IWB) and then (IWB) on (CA) in the moderation effects of indirect compensation. This literature is enhanced explicitly in the context of the Jordanian banking industry.

Thus, theoretically, this study is beneficial for future researchers and students. This study is unique compared to previous studies, where indirect compensation has never been a moderating variable in the relationship between (IWB) and (CA). Also, (IWB) was not taken as a mediator between training, direct compensation, and (CA) before. Therefore this study added value through various references and proposals that may open new horizons based on the hypotheses supported in banking and human resources regarding research, application, and implications.

5.3.2 Practical Implications

Apart from the above, this study also has some practical implications which will be valuable for managers, policymakers, or executives. First, managers must consider the proper employee training, which positively and strongly affects their (IWB). Innovation, one of the most desired qualities of employees in today's world, has a significant role in enhancing the (CA) of organizations. Islamic banks need to know how to enhance the (IWB) to improve the (CA) of the provided services, such as credit cards, mobile stickers, Ijara loans, competitive rate of return, offers and benefits, electronic protection, and phone banking

services. Thus, to get a (CA), training and direct compensation are necessary to be applied.

In practice, managers play a significant role in promoting the (IWB) of employees; for example, they must empower instead of directive leadership so that there is a positive response and reaction that makes the employee practice his work flexibly.

Also, for example, the management can stimulate teamwork by promoting training courses such as communication skills on the ground, enriching employees' knowledge of the banking sector, sharing knowledge and transferring it and not monopolizing it among each other, flexibility in daily activities and also their indirect psychological stimulation continuously, such as teaching them the English language professionally as an added value to them for life and not only for work, which enhances their (IWB), and also enhances the skills of dealing with others. Considering their complaints and suggestions on what is available or under development. Also, practical training and fair motivation push them to enhance emotional intelligence skills, which help them to make correct decisions, especially for sales employees, and this helps them in the marketing ability of products and services.

5.4 Limitations and Further Directions

The current study has some limitations which may be covered in future research studies. First, this study has collected data from only three local Islamic banks; therefore, the findings may not be generalized to employees of other banks. Second, the study used the banking industry, which limits its generalizability to other sectors. Third, this study is relevant to the Jordanian context; therefore,

findings cannot be generalized to different countries' contexts. Fourth, this study looks at the current status at the specified time points without considering previous use. Fifth, the researcher faced many obstacles with the banking policies of disclosures regarding minor issues; this study was done during the pandemic situation of Covid-19, which consumed more time and effort to finalize this work. Sixth, this study used only two HRM practices: training and compensations; therefore, the findings may not be generalized to other practices of HRM.

Future researchers should enhance the sampling frame and include more Jordanian banks to represent the wider population. Also, the current study suggests future comparative analysis research between local and international banks or even between Islamic and non-Islamic banks. Similarly, future researchers can also apply a similar model in other countries to evaluate the differences. Apart from this, future researchers can also include employees' resilience as a mediator between training and (CA) as Azevedo and Shane (2019) have investigated the relationship between training, resilience, and (IWB).

5.5 Conclusion

Nowadays, a competitive business environment ensures (CA) through many factors. Based on the current world challenges, organizations are looking for developed and sufficient variables to survive and sustain. The research aims to achieve (CA) through the role of training, compensation and (IWB). The tasks of the study are to determine the relationship between training, direct compensation, and (IWB), then to analyze the effect of (IWB) on (CA) moderated by indirect compensation. Their various methodologies are developed on how to achieve (CA). Data were collected by employing a structured questionnaire with a

deductive approach. Conducting several parts, items, or questions for such a method is essential to merge the overall hypothesis through statistical analysis, confirmatory factor analysis, and structural equation modeling. The researcher of this study chose three local Islamic banks in Jordan, which include 3203 employees. Based on the convenience technique, the sample number was 219 employees. The findings of this study indicate that training positively influences (IWB); direct compensation has no significant influence on (IWB). Apart from this, findings revealed that (IWB) positively affects (CA). In contrast, the moderating effect of indirect compensation on the mediation relationship between (IWB) and (CA) was also confirmed. However, this effect has converted the positive impact of (IWB) on (CA) to a negative.