ROLE OF HR IN ORGANIZATIONAL INNOVATION AND DEVELOPMENT

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Abstract - *Human resources managers oversee the most important component of a successful business — a productive, thriving workforce. The role of human resource management in organizations is to organize people so that they can effectively perform work activities. This requires viewing people as human assets, not costs to the organization. Looking at people as assets is part of contemporary human resource management and human capital management.*

The effective execution of HRM practices in organizations is the main foundation in order to create a unique edge and it has positive relationship with the company performance. Human Resource practices that consider their employees as investment and appreciate employee contributions indicates that the organization is supporting its employees and also showed commitment to its employees there is empirical evidence showing that employees can be retained through HR practices.

While it is widely acknowledged by academics and practitioners alike, that Human Resource management has the potential to build a committed and engaged workforce, which in turn contributes to firm performance , much less has been said, until recently, on HRM's role in enhancing innovation.

This is despite the fact that, according to a recent Outlook Survey, innovation is seen as one of the top five organization challenges. Even more damningly, the survey suggests there is a clear discrepancy between what business leaders need and what HR is offering. Only a quarter of business leaders believed the 'current people strategy will help the organization achieve its future priorities

Key Words: Organizational Innovation, Organizational Development, Organizational Change.

1. INTRODUCTION

Organizational innovation means the implementation of a new organizational method in the undertaking's business practices, workplace organization or external relations. Changes in business practices, workplace organization or external relations that are based on organizational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customization, regular seasonal and other cyclical changes, trading of new or significantly improved products are not considered innovations."

"Innovation Management is about more than just planning new products, services, brand extensions, or technology inventions. It's about imagining, mobilizing, and competing in new ways," says Idris Mootee, author of Design Thinking for Strategic Innovation.

Whereas, Gartner says it is a business discipline that aims to drive a repeatable, sustainable innovation process or culture within an organization. Innovation management initiatives focus on disruptive or step changes that transform the business in some significant way.

This discipline of managing the innovation process harnesses creative ideas and uses them to build a steady pipeline of innovations that are reliable, repeatable, consistent, and profitable.

Innovation management programs for different companies will vary significantly. For instance, an emerging business is likely to be focusing on one main product, unlike a mature organization that is looking to fortify its position in the market or find new, disruptive innovations. Rapidly growing firms could be looking for ways to extend their core businesses. Deciding between developing new innovations for the future and revitalizing their existing offerings can be tricky. Finding the right balance is key

1.1 *Function and Intention of Innovation Management:*

In a turbulent and rapidly changing economy, organizations must prep themselves to innovate on a continuing basis or else their survival is seriously threatened. Innovation management helps deal with the challenges that stem from the innovation process. Broadly, the benefits of managing innovation include the following: 8

1. Improves efficiency

2. Guarantees long-term success

3. Increases market success

4. Decreases costs

5. Reduces processing time

6. Initiates the innovation process

7. Reduces risk of becoming obsolete due to competitors

8 Improves chances of survival due to better solutions spawned from newer technologies

1.2 Evolution of Innovation Management:

According to Delft University of Technology Professors J. Roland Ortt and Patrick A. van der Duin1, there are four generations of innovation management after WWII.
1. From the post-war period to the mid-1960s
2. From the mid-1960s to the late 1970s
3. From the late 1970s to the early 1990s
4. From the early 1990s to the early 2000s

2. BACKGROUND OF THE STUDY:
Organizational Innovation:
It is widely acknowledged that until recently Human Resources (HR) have never played strategic role in the

innovation for organizations. HRs is generally perceived as those responsible for hiring and recruiting in any organization. Apart from this they are supposed to do the unwanted but very important administrative paperwork for the new employees and getting them trained for their new positions. HR is supposed to manage the payrolls of the employees and most importantly they would chalk out the exit plan for the employees. This exit plan is something that cannot be ignored from the job role; it is very crucial how an HR asks an employee to leave.

But things have changed rapidly in past few years, the role of HR professionals has transformed into more of a strategic partner within the company management. Now, they are supposed to work in alliance with the company's top executives and management professionals to decide on how to merge the HR initiatives in the strategic organizational approach. Strategic role of HR focuses on people management programs with long-term solutions, organizational development interventions, achieving employee organizational fit. The basic idea is to develop and train the employee as a whole so that he can grow with the organization. It is important for an HR to support this cultural change and bring innovation; and the upcoming generation isn't going to settle for an „administrative-only" role.

Innovation brings Productivity:

Innovation is truly a product of social influence. It is not deniable that processes are not important but ideas come only through interactions which are among humans. This point has been loud and clear in many conferences that were based on improving productivity. It is the humans which are the nucleus of all the assets of the company. Brand, product, innovations or sales, everything would be nothing if you don't have right people to carry forward it.

HR Trends & Innovations:

The rate of change in the world of human resources is accelerating at an unprecedented rate. HR departments are implementing and experimenting with new HR trends, techniques, and strategies for recruitment, coaching, and performance management to ensure they are consistently bringing out the best in their people. 10

From technological innovations to reimagined employee experiences, here are the HR trends we foresee dominating the headlines and impacting the workforce and the workplace in 2018.

8 HR Trends &Innovations:

1. *Artificial intelligence (AI) in the workplace*
2. *Virtual and augmented reality (VR & AR) in the workplace*
3. *Comprehensive wellness experiences informed by people data*
4. *Investing in nutrition to boost workplace health and wellness*
5. *Focus on mental health*
6. *Improving employee performance by prioritizing sleep*
7. *Promotion of financial wellness*
8. *Diversity in the workforce*

3. Objectives:

1. To identify the HR practices and review their association with organizational innovation**.**

2. To study how can HRM nurture and constrain creativity within innovation processes.

3. To study various models of organizational development.

3. Research Methodology:

This research methodology will cover the HR aspects of an organization which takes the charge for development of organization through making innovations. This is empirical research. Empirical research is research using empirical evidence. It is a way of gaining knowledge by means of direct and indirect observation or experience.

Research Design: Empirical research design

Type of Data: Secondary Data

Sample size: 13 Research papers.

Instruments For Data Collection:

1. Internet

2. Books

3. Research papers

4. Scope of the Study:

1. This study helps to understand the practices through which an Administration can lead to development of organization.

2. The study may help to understand the innovative strategies used by organization.

3. Study may help to find out the reason where the organization is lacking.

4. The study focuses on responsibilities of organization towards employee's performance.

5. Research studies the changing pattern of organization to invest in development of employees**.**

5. Limitations:

1. The Sources available for information related with the topics are limited.

2. This research studies only by organizational perspective.

3. The research does not showcase the employee perspective.

4. The research is reliable only on secondary data; no primary data is used for this research.

6. Data Analysis & Interpretation:

A) To identify various HR practices and review their association with organizational innovation:

HR Practices And Organization Innovation :

For innovation-oriented firms, HR must be practiced with innovation enhancing HR policies. These policies may differ from conventional HR practices in stable environment. HR leaders should assume a more vital, strategic role inside their companies, rather than merely keeping busy with everyday stuff like: policies, payroll, and picnics. HR leaders should strive to build and strengthen the unique set of organizational

capabilities that give an organization its competitive advantage.

Prior studies suggested that an internally consistent HR system which emphasizes investing in human capital, compensating people for performance, and committing to team development is critical for the success of innovation oriented firms.

Organizational innovations are a combination of the creative process, person, situation, and how these components interacted together. Innovation process involve such kind of people-related issues, as exchange of information, social influence , the expression of approval or disapproval of group members, participation in decision-making.

Innovative firms treat HRM practices as the organization's strategy to encourage team responsibilities, enhance organizational culture, and build up customer relationships through participation and empowerment. In turn, it will help to create and market new products and services.

Three **sets of HR practices** have been highlighted in the literature that would support an innovation oriented HR system. They are:

1) Training-Focused -an emphasis on skills enhancement and human capital investment;

2) Performance Based Reward -an emphasis on rewarding employees „contributions and outcomes; and

3) Team Development- leadership and team-based activities are extensively developed and carried out.

IBM completed a survey of global HR leaders in 2011. The results showed an agreement among Human Resource leaders that driving creativity and innovation is their number one business challenge. 25

In a study of innovation in Indian firms looked at some more specific HR policies and practices. They are listed in the order of frequency in which they were adopted:

1. Training and development;

2. Suggestion schemes;

3. Employee recognition awards;

4. Quality initiatives;

5. Performance appraisal;

7. Performance-related pay;

8. Performance/merit-based promotion;

9. Learning organization;

10. Employee engagement initiatives;

11. Knowledge management;

12. Employee welfare schemes;

13. Empowerment;

14. Management/leadership development;

15. Profit-sharing;

16. Career development planning;

17. Recruiting creative employees; and

18. Autonomy.

Bos-Nehles and Janssen (2015) found organizational climate and eight HR policies and practices were conducive to innovation.

They are................

1. Work autonomy;

2. Task composition (variety etc);

3. Job demands (i.e. Effort required and time pressure);

4. Feedback (on performance etc);

5. Job security;

6. Job rotation;

7. Training and development; and

8. Reward.

INTERPRETATION:

The study identifies that the best way for organizations to sustain is embed innovation into their organizational culture, by hiring people of passion, out of the box thinking; by retaining their best talents not just by rewards but also recognition for their creative or novel ideas; by developing the KSAs for their talents and potential to be fully utilized which leads the organization innovation; by managing the progression of employees' careers; by implementing development oriented performance appraisal and engaging employees in a way to develop the emotional connect and committed behaviours for organization sustenance

- *Source,*

Organizational Innovation through HR Practices: A Review Based Analysis, 2018

B) To study how can HRM nurture and constrain creativity within innovation processes:

The Role Attributed To HRM:

The role by HRM in innovation processes is ambiguous, and could be contradictive. In order to understand the nature of this duality, this study suggests that the role by HRM must be problematized in its context. Therefore, let us remind ourselves about the former reasoning regarding stabilizers and destabilizers in the theoretical section.

Stabilizers are ensuring uniformity, predictability and reliability (Styhre & Sundgren, 2005). By being a representative for management and the organization, HRM have a stabilizing role. By HRM processes and procedures, a predictable structure and support for managers and employees are being created.

For example, HRM processes to recruit, develop and reward employees are aiming to be predictable and reliable, and are therefore stabilizing.

Destabilizers are, on the other hand, representing the dynamic and unpredictable, like a catalyst for change and behaviors. In order to affect organizational creativity positively, a balance between the stabilizer and the destabilizer is needed. The opportunity for HRM to be attributed as a destabilizer seems dependent on management, invitation by the technical organization or the engagement of individual HR-professionals.

The Contribution of HRM in Innovation Processes:

In previous researches, it has been argued that it is by affecting creativity and knowledge sharing that HRM has a crucial role in stimulating innovation processes. Regarding how HRM can nurture and constrain innovation processes is therefore dependent on how HRM can affect both creativity and knowledge sharing.

The creativity consists of the combination of the three components of,

1. Expertise,

2. Creative Thinking Skills And

3. Task Motivation.

-*Source*

The Role of HRM in Innovation Processes, 2013

INTERPRETATION:

HRM can nurture and constrain innovation processes by both creativity and knowledge sharing. The role by HRM was found to be both stabilizing and destabilizing, both of value in innovation processes and it is not either possible for HRM to ignore this duality. And the creativity consists of the combination of the three components of,

1. Expertise,

2. Creative Thinking Skills And

3. Task Motivation.

C) To Study the Models for Organizational Development:

Organizational Change, Development, and Learning Organizations:

All OD change intervention strategies may lead to some form of organizational learning such as knowledge acquisition, gaining of insight, and habit and skill learning. Unfortunately, not all intervention strategies can result in the creation of a learning organization. A learning organization is an organization that seeks to create its own future; that assumes learning is an ongoing and creative process for its members; and one that develops, adapts, and transforms itself in response to the needs and aspirations of people, both inside and outside itself.

The purpose of this review therefore, is to appraise four of the main models utilized in the field of OD to guide planned change processes, and their implications for creating learning organizations. Specifically, a brief overview of organizational change models as well as the key characteristics of the three-step model; the action research model; appreciative inquiry model; and the general model of planed change will be presented. The similarities and differences in the characteristics of the models, as well as their strengths, effectiveness and weaknesses will be analyzed with an attempt to synthesize and draw out the core and relevant components/ characteristics into a more comprehensive model.

 Models of OD:

1. The Three Step-Model of Change –by Kurt Lewin (1947)

2. The Action Research Model- by Kurt Lewin (1946)

3. The Appreciative Inquiry Model- by Cooperrider and Srivastva (1987)

4. The General Model of Planned Change- by Cummings and Worley (2009)

INTERPRETATION:

1. Lewin's three step model, the action research model, appreciative inquiry model, and the general model of planned change are implementation models that guide the process by which planned change is developed and implemented in organizations.

2. All four models overlap in characteristics such as involving participants in the change process, important differences including the focus and stages of change exist amongst them.
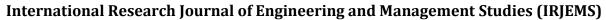
-*Source*

Organization Development Models: A Critical Review and Implications, 2015.

7. Findings:

1. The practices implemented by HR have a direct association with the organizational innovation.

2. HRM can nurture and constrain innovation processes by both creativity and knowledge sharing.

3. All four models overlap in characteristics such as involving participants in the change process, important differences including the focus and stages of change exists amongst them.

4. This study helps to understand the practices through which an Administration can lead to development of organization.

5. The study may help to understand the innovative strategies used by organization.

6. Study may help to find out the reason where the organization is lacking.

7. The study focuses on responsibilities of organization towards employee's performance

8. Conclusion

1. The practices implemented by HR have a direct association with the organizational innovation. It is truly revealed that employees and managers need to incorporate best suitable HR practices in workplace as it helps the employees to contribute more by enabling them to understand the big picture and the organization benefits as a whole.

2. Lewin's three step model, the action research model, appreciative inquiry model, and the general model of planned change are implementation models that guide the process by which planned change is developed and implemented in organizations. Whereas all four models overlap in characteristics such as involving participants in the change process, important differences including the focus and stages of change exists amongst them.

3. We have come to an understanding that integration of best HR practices at workplace is a measure weapon to unlock the creative and innovative behaviours, as it helps in

capitalizing their resources, skills and knowledge towards establishment of a better perspective for the humanity at large.

4. It is recommended that organization produce a training and development plan, the aim of which shall be to empower all employees to carry out their roles to the highest standards, and deliver high quality services to customar. In these guidelines, training and development are broadly defined as those activities aimed at raising the standards of employee practice and thus lifting the quality of the employees, and customer's learning and organization experiences.

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BIOGRAPHIES (Optional not mandatory)

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