

INNOVATING WORKS...

MANAGING PEOPLE FOR INNOVATION



Scottish Centre for Employment Research (SCER)

FITwork project
www.FITwork.org.uk



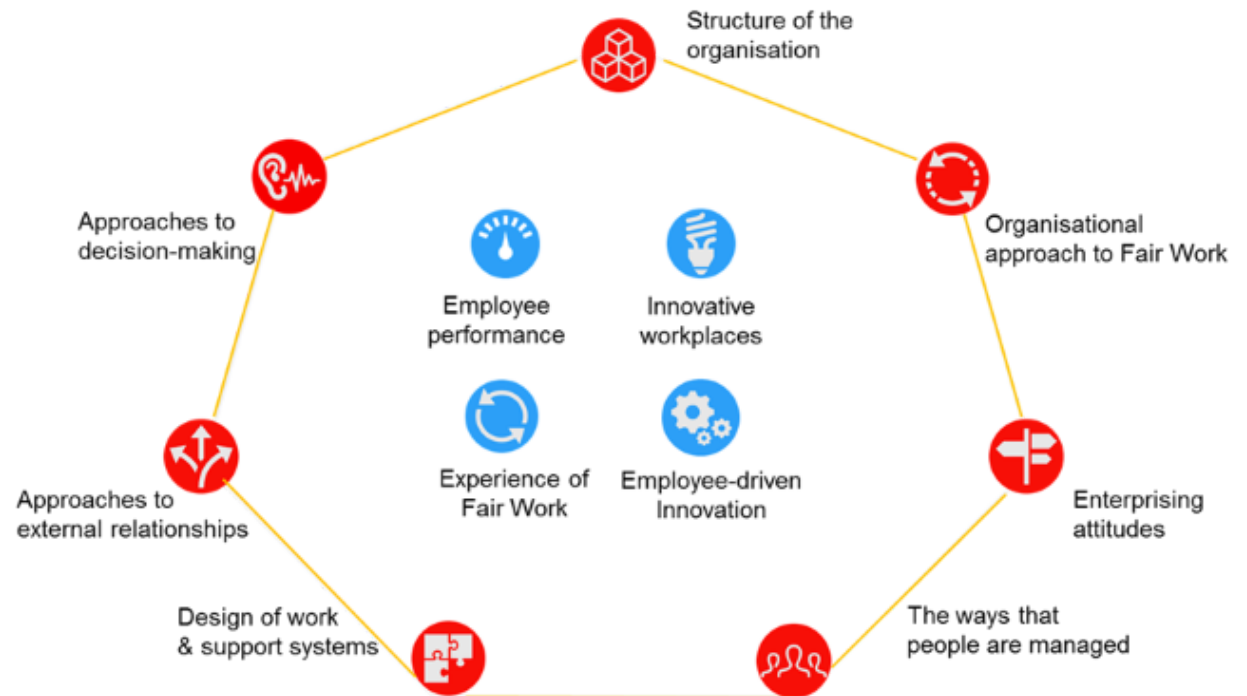
@InnovatingWorks

FITwork

The Fair, Innovative and Transformative work (FITwork) project focuses on workplace practices that enhance workers' ability, provide them with the opportunities to make an effective contribution at work, and that motivate them through the provision of fair work to deliver high performance, innovation and change.

Existing research points to key organisational features and workplace practices that are associated with higher levels of innovation. These features and practices span:

- How organisations are structured
- Approaches to decision-making
- How work and internal support systems are designed
- How people are managed
- Organisational approaches to fair work
- Organisational support for enterprising behaviours
- Approaches to external connections and networks

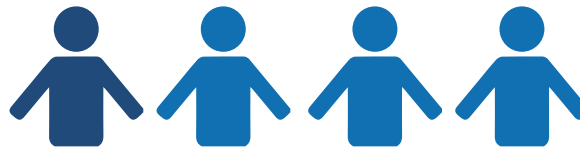


Why does people management matter for innovation?

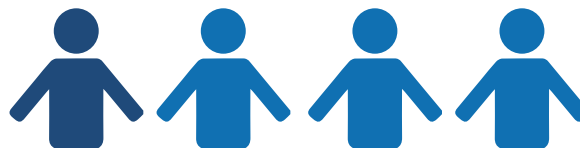
Human capital as a potential source of competitive advantage across a wide range of business models.

The importance of HR processes and practices that can better transform the promise of human capital into productive innovative potential.

Well-designed HR policies which support performance and skills development can be important in supporting the development and exploitation of knowledge, thus contributing to innovation.



New knowledge, new combinations of knowledge, expertise and problem-solving skills are rooted within individuals and teams and can be a source of employee-driven innovation, offering the potential for ongoing, sustainable solutions, to business challenges.



HR practices impact on employee ability and development, motivation and opportunity to deploy their talents, and these features are closely related to discretionary behaviours and innovative potential.

Particular HR management and employment practices can buffer the stress of innovation and change, re-framing it as an opportunity rather than a threat.

For example...
early engagement with change, supporting learning and skills to meet new demands, ensuring employment security by re-skilling and re-deployment and equipping employees to take appropriate risk and to learn from successes and failures.

PEOPLE, THEIR SKILLS & THEIR KNOWLEDGE ARE KEY FOR INNOVATION

What do we know about managing people for innovation?

HR policies and practices, and especially tailored skills development and opportunities for 'exploratory learning' on and off the job, have been identified as being associated with innovative behaviours and performance.



SKILLS UTILISATION

UK and international evidence suggests that better use of existing skills could enhance productivity, improve motivation and innovation, and ensure better returns from individual and public investments in human capital.

Employees experiencing jobs with variety and scope for learning are more innovative than where the converse is true.

Strategic HRM research has demonstrated that bundles of HR practices, labelled high performance, high involvement or high commitment practices, can be associated with a range of positive business indicators, both at unit level (e.g. productivity) as well as financial outcomes.

UK Commission's Employer Skills Survey 2013 reports that...



51% of establishments in the UK report the under-use of employee skills

17% of staff reported as over-qualified and over-skilled for their current role.





What do we know about managing people for innovation?

Different HR practices target different business priorities. Certain aspects of HR systems for example effective recruitment and selection, alongside training and development underpin employee **CAPABILITY**.

Job design, shared decision making and management support, frame the **OPPORTUNITY** structure for employee performance and innovation.

Reward, recognition and appraisal - and more broadly fair work practices support positive employee **MOTIVATION**, attitudes and discretionary behaviour.



ABILITY

Employees need to have the skills and capabilities to contribute to organisational objectives, so that organisational need to ensure that appropriate skill sets are identified and recruited, and that employees have access to appropriate formal and informal training and development. Key skills aligned to creativity. Innovation can be underpinned through recruitment, selection and training.



MOTIVATION

Employees respond positively to fair treatment and other incentives (that might range from employment security, information sharing, internal promotion opportunities, or monetary incentives) to optimise participation, performance and contribution.



OPPORTUNITY

Able and motivated employees need scope to deploy their efforts. Expansive job design, more open decision-making opportunities, underpinned by improved communications and knowledge sharing are reported.

Examples of practice

HR practices



In one family run firm providing personal services, the recruitment and appraisal of staff has involved an integrated focus on providing a caring service and improving 'noticeable little things'. Recruitment is done by focusing on the interpersonal skills of the individual, with extensive and more technical training provided once in post. The company support staff in attaining post-graduate diploma certification, but supplement this with extensive on-the-job training and mentoring. The company reports very low levels of staff turnover, and pay is above the industry norm, with an explicit recognition that delivering the best caring service requires accessing the best people.



A publishing firm has taken an innovative approach to recruitment and selection. The company focus their recruitment process on organisational fit and skills, using a 'careers day' including team problem-solving activities, lunch with employees and then an interview. Existing employees were given a greater selection, ensuring better job insights for applicants and a broader group of staff identifying applicants' competencies and fit.

Learning & Development



One engineering technology service company addressed a need to develop a more innovative and collaborative culture to drive business growth and enhance the working life of their employees by creating more opportunities for learning and development across the whole organisation. The workshops and development programmes have resulted in significantly more staff involved in delivering new activities and in developing employee-driven innovation proposals, some of which have resulted in new cross-functional collaboration.



In one small sports company, the key emphasis was on deliberately creating progression routes - by investing in training for mechanics to prepare them for team leader roles, providing mentoring, and developing succession activities for future leaders.



A family owned construction company placed significant emphasis on workforce development. Creating the right environment for early and continuing skills formation underpins the company's recent commitment to deliver bespoke on-site training to support apprentices' training and skills accreditation, to host trade training activities and provide a space for enhancing communications and dialogue.

Examples of practice



Upskilling

In one pharmacy company, automation of routine manual processes core to service delivery offered both cost efficiencies and quality/safety improvements. Automation also offered the possibility of simply eliminating routine jobs, substituting technology for labour. In the pharmacy company, however, the organisation placed a high value on retaining the tacit skills and knowledge of all staff, and faced a strategic priority to free up time for professional staff to engage in higher value activities. The organisation chose to upskill staff at all levels, rather than to eliminate routine staff and maintain the remaining skills profile. Staff previously engaged in routine tasks were re-training and upskilled to take on more advanced tasks. Staff at a higher level of skills were similarly upskilled to take on more challenging tasks, freeing up time for professional staff (by reducing their engagement with some lower level tasks) to develop new and enhanced service offerings. This produced benefits for clients, for the organisation's performance, and for staff in terms of better skills utilisation, more fulfilling work and opportunities for progression.



Supporting more secure employment & stable earnings

Many businesses with seasonal products face particular challenges in delivering secure employment and incomes. One agricultural company developed an innovative approach to delivering more secure employment and earnings in the challenging context of significant seasons variation in demand for their products. Eager to maintain staff on a year round basis to ensure appropriate skills supply, this company collaborated with other local employers with complementary patterns of seasonal demand to ensure that staff could access work throughout the year, establishing a labour supply agency to ensure ongoing employment.