Study On The Role Of HRM In Creativity And Innovation With Special Reference To Indian Organization- A Case Study

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Abstract
This paper aims to explore HRM activities and processes directly or indirectly responsible for nurturing creativity and ultimately innovation in Indian organizations. Some of the HRM activities within processes have been explored by means of this qualitative study possibly nurturing the creativity in the organizations on the basis of which the innovative processes in the organizations can be built.

A case study was conducted in two different multinational companies operating in a global arena, with different HRM strategies. The major three roles through which a Human Resource Manager interacts most with the employees and hence the chances to enroot innovation and creativity is identified as recruiting or Staffing, Organizing & Motivating.

Despite of different strategies, the cases was found to have several similar opportunities for HRM to nurture creativity and hence innovations. The empirical material was based on interviews with employees, line managers and HR professionals employed in the two companies. Although Hrm department has no clear process for developing creativity and innovation, it has been found to nurture creativity and hence innovation.

Keywords: Activities, processes, HRM strategies

Introduction
Today in globalized world companies are operating in intensified competition, which demands that they have to transform themselves on a regular basis for their survival and growth. In such circumstances the companies needs to be flexible and adaptive in response to the environmental changes. According to Mumford in, 2000 the creativity hosted by the company become a crucial resource i.e. their capability to generate idea that is both useful and new and can be implemented to solve a novel and significant problem. According to JIANG 2012 creativity is of great significance and includes the implementation of ideas into products, processes or procedures which will benefit the organization, the work team, or the Individual which can be radical or Incremental Innovation. Radical innovation means major change or something brand new whereas incremental change means slight changes or improvement in existing products, processes or procedures. According to Mumford 2000, The likelihood of innovation can be enhanced by management practices, but it is the individuals that are part of the firm that are seen as the source of the new ideas Individuals are the ones who develop ideas, and who propose and implement the ideas. According to Jiang et al., 2012, Creativity is therefore argued to be the root to innovation.

According to the study done by Li, Zhao & Liu 2006, Human Resource Management has a crucial function in stimulating innovation processes in companies, by effecting creativity and knowledge sharing. To develop something new requires more then the existing knowledge. Their ability to combine and reorganize information and knowledge in order to develop new understandings or new conceptual systems is a key to creative thoughts that hence also influence creative problem solving (ibid.). According to Amabile, 1997, HRM then has to care for the intrinsic motivations that often drive creative individuals.

In other words, HRM practices become crucial to how organizations influence and shape attitude, behavior and skills of individuals, of importance to whether organizations deliver innovations that corresponds with their goals. According to Boxall & Purcell, 2011, the role of HRM has dual role in Organization. On the one hand, HRM concerns policies and practices for organizing and managing work, which includes the fundamental structure of the work organization, on the other hand, HRM also encompasses policies and practices to employ and manage people which includes both individual management activities as for example recruiting, motivating, developing and retaining employees, and also processes to inform, consult and negotiate with individuals and groups.

Previous studies have contributed to an extensive understanding of the positive relationship between HRM practices and firm performance, but studies regarding the role of HRM in innovation processes and the relationship between HRM, employee creativity and innovation are very few especially with empirical perspective.
Considerations For Present Study

Since my study is explorative and empirical in nature a valid theoretical premise is required concerning creativity and how an organization can support and stimulate creativity is needed to serve as tools for explaining the findings.

According to Lounsbury & Crumley, 2007, Activities means the actions and interactions between different actors when they perform in their daily roles where as Practices, mean patterns of activities across actors which provide tools for ordering social life and activities in an organization. Practices are fundamentally shaped by cultural frameworks as classifications, frames, categories and other belief systems.
According to Boxall & Purcell, 2011, strategy, refers to the characteristic way HRM acts to cope with the strategic problems of the firm which in both studied cases are to generate innovations. The strategy can also be linked to the culture, which HRM try to affect by practices that nurture creativity in the innovation context. culture, refers to the basic pattern of assumptions, norms and beliefs that has been learned and are perceived as the accurate way to perceive, feel and think in order to improve creativity and innovations in the company.

The componential theory of creativity consists of three major components of creativity on individual or group level: domain-relevant expertise, creativity-relevant skills and task motivation, whereas each component is necessary for creativity.

Amabile, 1997 determine that the components expertise and creative thinking skills determine what a person is capable of doing, whereas the component of task motivation will determine what the person will actually do and will determine to what extent the person will engage his expertise and creative thinking skills in the creativity performance.

Challenges include matching the right people with the right assignments. This match refers to the combination of the person’s expertise, the skills in creative thinking and intrinsic motivation and based on this combination; challenge the ability of the individual in a balanced way. Freedom is referring to giving employees autonomy regarding the process in itself, the means to perform a work task but not necessarily the end. Clear goals may rather enhance individual’s creativity.

Research Design
Present research is a qualitative research aimed at exploring the role of HRM in creativity and innovation and how it is actually done in a organizations sustaining in competitive environment. The data is empirical in nature collected by meant of Interview with Hr Managers, Line managers and employees working in two organizations taken for the study.

The two cases under study are from two different organizations operational in two different in different sectors. Both organizations are operating with a global focus where technological innovations are pioneers for its survival and competitive edge.

In Company one, the role by Human Resource Management in innovation processes can be both direct by actively introducing and managing initiatives as well as indirect in order to change the company culture to be more innovative, this can be understood clearly from the goal of the management. In Company two, the role played by Human Resources Management in innovation processes is mainly indirect through the formal HRM processes and by supporting and challenging managers in their role to improve the conditions for innovation processes.

Data Analysis:
Since the purpose of this study is to explore how HRM practices can nurture and constrain creativity in the innovation context of an organization, a theoretical departure concerning creativity and how an organization can support and stimulate creativity is needed to serve as tools for explaining the empirical findings.

Findings:
The exploratory research findings that have emerged after analyzing the pattern of answers obtained from the interview replies are presented in a systematic way. Three major themes of practices where HRM is contributing to innovation processes, by nurturing creativity, emerged in the empirical findings which were labeled as

a) Organizing practices
b) Staffing practices
c) Motivating Practices.

Under the organizing practices, the administrating and governing activities are included In the staffing practices, different activities to attract, recruit, develop competences and retain employees were found and in the motivating practices, different factors in the work place as the work climate, work group and leadership were found to be of importance for creativity.

Organizing Practices:
Those processes are labeled under organizing practices which actually govern HRM. The aspects studied for assessing the role of HRM in nurturing creativity are:

a) Strategy
b) Role by HRM
c) Demanding Innovation
d) Setting and achieving Goal
e) Knowledge Sharing

Strategy
The analysis indicates that the Innovation is clearly focused in the strategy of the company. There is however a basic difference in the HRM strategy for the innovation processes involved which has the impact on the focus of HRM in the activities for effecting innovation in the organization.

Company one has a clear and stated goal from the management resulting in the initiative towards the direction to change the culture of the organization.
Company Two has no clear goal for changing the culture to be more innovative, but for nurturing the conditions for innovations is perceived as important act of HRM. The line managers and employees agreed on the need for working together with HR professionals in their job role to support the function. Therefore, an individual HR professional participate in different innovation related activities and supports it from HRM perspective.

| Line Manager | Innovation is an aspect which is cross-functional and we try not to work isolated. HRM cannot do anything isolated, HR and line managers works in collaboration in order to make it happen. | I think collaborating with HRM in these questions is extremely important |
| Hr Professionals | It is important that everyone works with it. People in Research and development department, in finance and the reception. Otherwise you won’t get enough power in it. It is not working if it’s just one team that works with it, since it is all about a culture and a mindset that we need in this company | The target group for the activities aiming to nurture creativity is in comparison specific and consists of employees who work as research engineers in research and development and product development at certain departments |

**Role of HRM**

The basic difference in the strategies specified in the two cases that were described above, indicates the role by HRM to be more or less directly or indirectly involved in innovation processes.

| Employees | The employees perceive their knowledge in the areas of innovation, leadership and behaviors as good, and thus it is of great value to transfer within the organization. | The approach by HRM is highly to support managers in their job roles to manage and support employees to be creative and innovative, no only by means different activities and practices but also to support creativity and innovation processes by the existing HRM processes |
| Hr Professionals | The HR professionals in these organizations described the approach as being both directly involved in changing the culture and indirectly involved in the projects focusing on finding new product and in supporting the line managers. | Hr is involved in innovation processes all the time in their job since HRM concerns securing the engagement of employees and to utilize the best talent |

**Demanding Innovation:**

One of the important question asked to the respondents was, whether the innovations can be demanded, directed, governed or not. The responses were as per their varied perceptions due to different role in the organization.

| Hr Professional | Here the goal of being innovative is divided into goals regarding the numbers of ideas and innovations to come up, which are thereafter delegated from line managers to employees. | They do not have formal demands regarding innovations. It is difficult to demand someone to come up with something, radical and exceptional bi-annually. It does not work that way |

**Setting And Achieving Goal:**
The findings on the Goals revealed that most of the line managers perceive goals as a means to direct innovation and creativity. The managers and line managers described the goal as motivating and contribute several positive benefits for the creative and innovative processes. The importance of the shared and communicated goals for different functions in an organizations, job roles and departments was expressed as positive for contributing to innovations.

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<tr>
<th>Company one</th>
<th>Company two</th>
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<tbody>
<tr>
<td><strong>Line Manager</strong></td>
<td>chosen to have a shared goal in the team and not only individual goals and not keeping your ideas to yourself, rather elaborate on each other’s ideas</td>
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<td><strong>Hr Professional</strong></td>
<td>secure the quality in this process. This process will be a part of driving innovations, if we follow up the quality to make sure that it has been done and that it is not just a tick off, that you have done the process properly</td>
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**Knowledge Sharing:**

Another aspect which is highly valued in the process of innovation and creativity is knowledge sharing. In order to get the environmental external knowledge and influence, Company two is participating in different research projects by means of enabling conditions for collaborations with external networks; HRM is involved in directing the innovation processes, therefore participating in different collaborating projects with other competitors, universities and institutes. These projects give an opportunity of learning create brand new ideas and to take part of great feedback on ideas from other participants that have a high degree of competence, which is perceived by the employees as very positive for creativity and hence innovations.

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<tr>
<td><strong>Line Managers</strong></td>
<td>We sometimes have a semi-open innovation. If everyone here knew what we worked on and are looking for, we would have many more people that kept their eyes open for solutions instead of just the employees in this division</td>
</tr>
<tr>
<td><strong>Hr Manager</strong></td>
<td>We allow different perspectives and the diversity of opinions as one definition of innovation in the core behaviors. In the meanwhile, the team working on innovations consists of only internal employees. The expressed barrier for using open innovation for idea generation is the perceived risk for competitors to use the ideas and the knowledge and develop products themselves</td>
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**Staffing Practices:**
The staffing practices like attracting the employees, recruiting them and to develop competency in them have elements that can be supportive in nurturing creativity. These practices encompasses different HRM practices and activities made by HR professionals directly or in collaboration with line managers in order to attract, recruit, develop and retain the employees that will contribute to the competitive advantage of the company by working on innovations.

**Attract Employees**
To attract and retain the right and talented future employees who have the right personality, education and drive was revealed as important for creativity and innovations in the empirical findings.

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<td><strong>Line Manager</strong></td>
<td>If the communicated employer brand is not connected to the actual culture of the organization, the new people in the company will think that the company is in one way when it actually is in another way. That means, you will get wrong kind of people over and over again into the company and by this, the company culture will change to something else</td>
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<tr>
<td>Innovations are not just about bringing the best product to the market but also about attract young and brilliant workforce. The most popular companies to apply for a job at have a strong innovation brand.</td>
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**Recruiting And Staffing**
The empirical data revealed that for innovation processes, not only attracting the right employee is important but also to recruit and to employ the right employees to work creatively on innovations is of great relevance.

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<td><strong>Line Manager</strong></td>
<td>To affect creativity and innovation, the organization should clarify the common picture of what kind of behavior we want regarding this.</td>
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<tr>
<td><strong>HRM</strong></td>
<td>We must not look at basic capabilities or core capabilities and competitive capabilities, you also have to look for future capabilities, Not just here and now to keep status quo, rather to focus on the future</td>
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<td>Maximum times HR needs to argue a lot to the managers to get them to look for alternative educational backgrounds also, it is not always necessary that the applicant has studied at a certain university, rather ask questions to recruit another category, or another gender or another background</td>
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**Developing Capabilities And Competences**
The future orientation is also considered as highly important aspect for creativity and innovation in the HRM activities and practices for developing the capabilities and competences of the employees. This has a direct connect to the fact that the environment is constantly changing, and therefore a future perspective regarding which competencies that are needed in the future is important.

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<td><strong>HR Professional</strong></td>
<td>Taking a lots of initiatives on weekly monthly and yearly like: Monthly open seminars, workshops and innovation days at the factories wherein everyone from the head quarter participated and everyone was invited</td>
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<td>succession plan for employees who are about to take the next step as a scientist, a project manager, are becoming a leader or a specialist is a strategic nature of HRM; these career paths are motivating, we try to find suitable career paths for those who work with innovations and development</td>
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**Motivating Practices**
Motivating practices including activities that are perceived as important for being motivated to work creatively, but also HRM activities and practices that impact the motivation among employees. Empirical findings reveal this as high relevance process. The results showed that the motivating practices are mainly dependent on the leadership practices, the work group, the work content and the perceived support from the seniors’ supervisor and management.

Matching Work Task
Match between the individual employee and the work tasks were perceived as important motivator for creativity. Employees have describe themselves as motivated for being innovative and creative because the content of the work tasks is of interest to them and challenging at the same time which also include problem solving, trial and error approaches and the fact that the finalized innovations make a difference in the society were described as motivators.

Empowering and Trusting:
The empowered employees feel trusted by the line managers and other representatives of the organization. Almost all the respondents agrees on the climate of trust as crucial. The value of being responsible is agreed upon by many respondents and the limiting responsibility is perceived as risk for constraining creativity and innovation. The HRM heads in both the cases, described the awareness of the employees to be responsible as crucial and thus the principle of delegating responsibility rather than work tasks was communicated as a key question in the leadership development programmers.

Supporting
The Support and commitment from top management is clearly spoken as top required for managing innovation processes and to change the culture to be more innovative in present study. Also the top management commitment was described to be especially important when focusing on new and radical innovations.

Work Climate
The empirical findings also revealed the importance of the work climate in the work group in order to be able to be creative and innovative. The climate aspects that was found to be of importance for creativity and hence innovations were almost same in both Company one and Company two. Some of them are as follows:
- concerned openness,
- feeling safe,
- being able to express,
- test and discuss ideas and to elaborate on each other’s ideas.

Recognition:
The study clearly revealed the perceived role of HRM, both by recruiting managers and also by supporting and developing them in order to be aware of the importance of giving feedback and also to do it in a stimulating way, during formal meetings as performance appraisals or informally. Recognized for being creative among the employees, the importance for the leaders to be aware of the need for innovations in the company was seen as a prerequisite in both the cases.

Conclusions
This study has explored by means of the empirical findings that the role by hr in innovations processes and has shown that the role by hr in innovation processes is complex and is dependent on different conditions. HRM in Company one was given freedom and a great mandate to operate on different levels in the organization because of the clear indication of developing the culture of innovation. With unclear goal to change the culture or to work to improve innovations, the role by HRM in Company two was attributed as a valuable participant in innovation processes and activities. The role by HRM was also interwoven to individual HR professionals, who have identified the need for HRM to contribute to innovation processes and who also have the knowledge and competence about the field, as well as the courage to challenge the traditional role of HRM and to act differently. In this aspect, the role by HRM could be more or less active. The creativity and knowledge sharing are found prerequisites for innovations to occur and by affecting these factors, HRM can nurture innovation processes. Despite of the fact that the studied cases have different strategies for HRM to nurture creativity and hence contribute to innovation processes, this study found that there are similarities in the opportunities for HRM to nurture creativity. These opportunities can be assumed to be possible for HRM to contribute with in general to affect creativity and innovation in organizations. This study also found differences between the cases, which might be connected to the different settings that the different strategies provided.

Suggestions For Future Research:
Previous studies done at globally operating Indian organizations in this area have been mainly qualitative so the gap is filled by this qualitative approach, this study provides a deeper understanding of the role by HRM in innovation processes and its role in creativity. Since both the organizations are global and having many sites of operation where the present study is not done and also the study is done on two cross sector organizations. Many other sectors can be explored for the insight.

References: