
11. Characteristics and behaviours associated with innovative people in small- and medium-sized enterprises

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INTRODUCTION

As a result of changes in markets and the competitive strategies of large organisations, there is increasing pressure on small- and medium-sized enterprises (SMEs) to focus on innovation, innovation capabilities and innovation management (McAdam et al., 2004). Shortening product lifecycles and accelerating technological changes have generated a particular innovation imperative as well as opportunities for SMEs (O'Regan et al., 2005, cited in Hotho & Champion, 2011). Enhancing innovation in SMEs remains at the heart of policy initiatives for stimulating economic development at the local, regional, national and European levels (Jones and Tilley, 2003).

We believe that psychological research on innovation is particularly important, since innovation at work ultimately involves human behaviour. Thus, examining innovation from individual-, group-, and organisational-level applied psychological perspectives may offer a unique perspective on innovation theory and practice. SMEs need to create and sustain conditions relevant to innovation, which broadly relate to facilitating conditions (so that people can innovate) and motivating conditions (so that people are willing to innovate) (Angle, 1989). Moreover, current research evidence indicates that organisations need to understand how to identify the characteristics and behaviours of innovative people and, consequently, how to promote and encourage innovative working within organisations. Although research on human capital is increasingly taking into account social factors, evidence on the psychological determinants of human capital remains a research gap that needs to be filled (Marcati, Guido & Peluso, 2008).

In this chapter, we have identified the people-relevant resources for innovation to occur in organisations (see Figure 11.1). Following a review of the definitions of innovation, the main part of this chapter discusses the roles of employee cognition, personality, motivation, knowledge, behaviour, and mood state, before focusing on psychological characteristics of the owner/leader within SMEs. Practical implications for interventions in small businesses are examined, and future research directions relating to corporate and governmental policy are presented.

DEFINITION OF INNOVATION

Researchers tend to agree that an individual's ability to innovate at work is influenced by several factors: individual-level factors, group-level factors, and organisational-level factors. A key problem within the research literature stems from the inherent difficulty