

Title of Symposium

Supporting innovation in the workplace: Evidence from theory and practice

Aims and objectives of symposium

The objective of the symposium is to explore how psychological theory and research can be applied in an evidence based approach to support innovation in the workplace. The aims are to:

- present examples of research that have utilised a variety of methodological approaches (eg survey based, case study based) to understand what is required to effectively support innovation in the workplace
- provide an overview of current trends and management practices for supporting innovation, particularly in the context of the recession
- consider the role that managers play in supporting employee innovation
- illustrate one case example of integrating concepts of innovation within an employee development programme
- consider how psychology contributes to the broader inter-disciplinary research and practice agenda on innovation
- provide an international perspective through the contribution of the discussant

Review of the literature

Even in the current economic climate, there is evidence of the increasing importance of innovation *“During economic downturns innovation is the single most important condition for transforming the crisis into an opportunity”* (<http://www.nesta.org.uk/economic-downturn>). The UK government white paper ‘Innovation Nation’ (2008) provides an ambitious new direction for UK innovation policy. Organisations and managers need to understand how to promote and encourage innovative working within organisations. Occupational psychology is well placed to contribute to the research and practice in this area.

In view of today’s economic climate, increasing global competition, and rapidly changing organisations, an organisation’s ability to innovate is regarded as a key factor for success (Shipton, West, Dawson, Birdi, & Patterson, 2006) and often for mere ongoing survival (Oldham & Cummings, 1996). Whilst the notion that firms need to innovate dates back to the early 1930s (Schumpeter, 1934), governments and organisations are now acutely aware that firms face the challenge of developing new products, systems and processes on a systematic basis. The

UK's ability to innovate is especially relevant for service and products firms which have to differentiate themselves from competitors, which offer low cost products from India, China and elsewhere. Similarly, the importance of innovation in the public sector in order to develop new solutions to old problems; more effectively use resources and meet needs; and refine strategies and tactics (IDeA, 2005).

The realisation that innovation in organisations is a necessity has led to an explosion of activity ranging from academic papers on theoretical models and the fundamentals of innovation, to government white papers, to organisational policy documents and to countless consulting firms offering to enhance innovation in the workplace. Organisations recognise that creating new processes, products and procedures is vital for productivity and growth in all sectors. With more dispersed and virtual working, role innovation is essential, since clearly defined job descriptions for employees no longer exist for many job roles. There is now a general recognition that the innovative potential of an organisation resides in the **knowledge, skills, and abilities of its employees**. This view emerged in the late 1980s/early 1990s, where “*people, not products, are an innovative company's major assets*” (Gupta & Singhal, 1993; Van de Ven, 1986; Vrakking, 1990). There is growing recognition that the organisational context and support from leaders and managers play a crucial role in enhancing employees' motivation and in the development and implementation of innovation. Specifically, organisations indicated that problems with skill levels (**managerial skills particularly**) and motivation hampered innovation (Tether, Mina, Consoli, & Gagliardi, 2005). Whilst governments are responding to the emphasis on greater innovation and the need to tackle skill shortages with a focus on education, the link between what we know on the skills of individual innovators and how they relate to the **management practice** and the wider organisational context is still not clear.

This symposium contains four papers which each address the research question of how to support innovation in the workplace but from different perspectives:

Paper 1: “*Managing Innovation in the Recession: Results from a UK wide Management Survey*”

Paper 2: “*Investigating the role of proactivity, innovation potential and leader-member exchange in employee innovation*”

Paper 3: “*Encouraging Innovation in the Civil Service: Innovation Workshops as part of a high potential development programme*”

Paper 4: “*The benefits of a cross-disciplinary approach to supporting innovation at work*”

Discussant – Professor Neil Anderson (Amsterdam University)

The first paper “*Managing Innovation in the Recession: Results from a UK wide Management Survey*” reports on a unique survey carried out in partnership between the National Endowment for Science Technology and the Arts (NESTA), Chartered Management Institute (CMI), City University and Work Psychology Group. Following on from a recent literature review on characteristics and behaviours of innovative people in organisations, this survey focuses on the management of innovation. The objective of the survey is to complement other indicators and understanding of innovation by providing *new insights* into how the economic climate is affecting organisational approaches to managing innovation.

The survey content was drawn from literature and designed around effective working practices for innovation. The survey reports on 5 key sections. 1) Corporate strategy for innovation & the impact of the recession; 2) Working practices; 3) Barriers and catalysts to innovation; 4) Organisational resources for innovation; and 5) Innovation generation and implementation. The survey was administered to 15,000 members of the CMI and 850 responses were collected. Key findings from the survey data are that across all sectors there has been a greater emphasis on innovation in the last 12 months. The results also suggest that while respondents state that enhancing innovation is a key priority, the practical reality of this remain problematic. A lack of clarity in how to change working practices may be a key challenge facing managers. Encouragingly, the top three employee behaviours reported by respondents as supporting innovation (openness to ideas, problem solving and motivation), reflect findings from the psychological and management literature review. This triangulation of research and practice evidence can help to guide policy and practice in this area. Further analysis of differences between public and private sectors in responses will help contribute to public policy and practice in promoting innovation and well as further understanding of links between working practices and organisational outcomes for innovation.

The second paper focuses on management practices associated with supporting employee innovation. It presents a study which investigates the influence that management behaviours have on employee innovation across a number of organisations and whether impact of their behaviour is different for employees who are more or less innovative. This is particularly interesting given the potential for high innovators to be harder to manage (Zibarras et al., 2008). Leader-member exchange theory (LMX) is used to examine manager behaviours, and how LMX interacts with both innovation potential and proactive personality to influence employee innovation.

Next a case study of a workshop designed to develop individual innovation and to encourage innovative activities in the civil service is presented. Although innovation is typically associated with the private sector and the creation of new products and services to ensure profitability, innovation is also a priority for the public sector (Mulgan & Albury, 2003). Government and public services can and do innovate, for example to develop new solutions to old problems, more effectively use resources, and refine strategies (IDeA, 2005). Grounded in established theory, the practical workshop was based around the stages of the innovation process; idea generation, exploration and implementation. Post-workshop analysis shows that delegates saw the workshop as relevant, applicable to their job roles and had increased confidence that they could contribute to innovation in their job. As a consequence of this success, further work is underway to embed innovation theory more widely in the Home Office.

The last paper explores the added value of a cross-disciplinary approach to supporting innovation at work. Psychologists are not alone in being interested in and working in the areas of innovation and creativity. We are often encouraged to work collaboratively, across disciplines, and learn from our colleagues with other areas of expertise. In this paper, key contributions to the understanding of innovation at work across a range of academic fields are highlighted in this presentation, summarising the main focus of analysis and particularly where there are similarities and differences to the typical approach taken by occupational psychologists. By doing so we aim to review how researchers and practitioners in other fields have approached innovation and how these different areas of expertise might usefully be provide support for innovation in the workplace.

Finally the discussant, Prof Neil Anderson, will aim to provide an international perspective by comparing the UK findings presented here with current research and practice across Europe.

References

Gupta, A.K., & Singhal, A. (1993) Managing Human Resources for Innovation and Creativity. *Resource Technology Management*, 36, 41-48.

IDeA (2005). Innovation in Public Services report. Retrieved from <http://www.idea.gov.uk/idk/aio/1118552>

Oldham, G.R., and Cummings, A. (1996). Employee creativity: Personal and contextual factors at work. *Academy of Management Journal*. 39, pp.607-634.

Mulgan, G., & Albury, D. (2003). Innovation in the Public Sector. Retrieved from <http://www.cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/pubinov2.pdf>

Schumpeter, J. (1934). *The Theory of Economic Development*, Cambridge, Mass: Harvard University Press.

Shipton, H., West, M. A., Dawson, J., Birdi, K. and Patterson, M. (2006). HRM as a predictor of innovation. *'Human Resource Management Journal.'* 16 (1), pp3-27.

Tether, B., Mina, A., Consoli, D. and Gagliardi, D. 2005. A literature review on skills and innovation. How does successful innovation impact on the demand for skills and how do skills drive innovation? CRIC report for the Department of trade and Industry

Van de Ven, A.H. (1986). Central problems in the management of innovation. *Management Science*, 32, 590-607.

Vracking, W.J. (1990) The Innovative Organization. *Long Range Planning*, 23, 94-102.

Zibarras, L. D., Port, R. L. & Woods, S. A. (2008). Innovation and the 'dark side' of personality: dysfunctional traits and their relation to innovation potential. *Journal of Creative Behavior*, 42, 201-215.

Van de Ven, A.H., Polley, D.E., Garud, R., & Venkataraman, S. (1999). *The Innovation Journey*. Oxford University Press: New York.