### Chapter 1

# Enhancing Employee Innovative Work Behavior Through Human Resource Management Practices

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#### **ABSTRACT**

Innovation capacity is one of the essential elements that ensure sustainability of the organizations. Organizations need to be creative and innovative so as to put products and services to market by forecasting customer needs to get competitive advantage in a rapidly changing business environment. Businesses that are more pioneering in innovation will be more successful if they can respond to changing environmental conditions and develop new capabilities that will allow them to deliver better performance. Innovation helps businesses to reduce costs, improve performance, and create new products and services to increase their competitiveness. Scholars contend that the development and implementation of human resource management is critical to benefit such essential employee contributions.

#### INTRODUCTION

The shifts brought by the trends such as globalization, technological developments and knowledge based economy, and the pace of these shifts expose today's businesses to ever-increasing pressure to be more innovative (Chan Kim & Mauborgne, 2005). The wishes and expectations of consumers are constantly changing and becoming more complex. Products known as state-of-the-art are either suddenly abandoned by technology developed by agile entrepreneurs or live a very short life (Miller & Keoleian 2015). In order to be able to adapt to these conditions, more and more companies have to fight harder and it is vital for businesses to be able to respond to expectations on time and in an complete manner. (Dess & Picken, 2000).

After 1990s, as the role of the HR managers in the organization expanded, HR managers were included in the enterprise strategic planning processes. The most important reason for this development is the fact that HR managers made significant contributions to the improvement of the organization and

DOI: 10.4018/978-1-5225-7180-3.ch001

to create organizational competences and willingness and determination of HR mangers in undertaking strategical roles and creating their own plans and assessments as strategical planners. (Dede, 2018)

Human resources management departments are not responsible for innovations such as direct product development, process development or technology development in enterprises. But they can influence the innovation performance of the company positively or negatively as a formative, or as a practitioner of organizational policies. As a matter of fact, Huselid, Jackson and Schuler (1997) have defined "human resources management" as "strategic" and as the design and realization of internally consistent policies and practices that provide human capital and help to achieve firm objectives.

#### **BACKGROUND**

Studies on creativity and innovation in the field date back to 1940s and from 1940s to the present date, the aim to determine under which conditions creativity can be achieved and factors affecting innovation and innovation performance has been one of the most crucial issues in the field of management (Rothwell, 1992; Xu, Chen, Xie, Liu, Zheng & Wang, 2007).

The fact that many factors both inside and outside of the organization affect innovation performance, and because of the issues' multidimentional structure, from many aspects of life such as innovation economy, business, management, industrial psychology, sociology and marketing, countless lots of researchers and authors have been affected while interest in HRM started much later.

In the period up to the 1990s, in order to improve innovation performance, employees in the literature on Business and Management were seen as important assets in this process and proposals were made for employees. However, they did not go beyond being the tools used in the innovation process.

Up to 20 Until now, apart from just few researchers who mentioned the need for HR policies as an enterprise strategy regarding innovation, there were no studies on HRM-innovation relationship (Miles & Snow, 1984; Schuler & Jackson, 1987).

Schuler and Jackson (1987) citing Porter, argued that a firm should follow one of its innovation, quality improvement and cost reduction strategies to gain competitive advantage. The authors have stated that all three strategies must demonstrate employees with specific skills and their different role behaviors. According to competitive strategies, Miles and Snow (1984) apply firms are divided as the ones implementing defensive strategies, implementing leading strategies, and firms implementing analyst strategies. Researchers likewise argued that each type of strategy would need organizational and human resources and policies to be managed and regulated in a manner appropriate to it.

However, much attention has not been paid to HR policies for innovation in their work-the conversion to specific HR practices or the consequences of these policies to "organizational innovation".

What lies beneath handling HRM practices as a systems is the aim to increase the performance and organizational commitments of employees by directing their positive work attitude and behaviors effectively. For this reason, some HR activities sets systems are proposed in the literature for the implementation of HR practices in companies by bringing together a set of HR activities as the best practices of the HR. It is thought that these two systems will provide effective results with organizational output by increasing the skill, motivation of the employees and providing the opportunities that the employees can contribute.

Researchers show that high commitment work systems (HCWS) have a positive effect on various attitudes and behaviors. However, it is seen that these studies have produced different conclusions about whether high commitment work systems directly affect attitudes and behaviors or not. No consensus has

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