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HR as a driver for organizational innovation

by **Aparna Sharma**, Lafarge, September 3, 2014

> This article talks about how most successful corporate innovation strategies are the ones that predominantly focus on people and human capital issues, thus making HR professionals the drivers for innovation. It talks about the framework that can be used by HR to build talent, create processes, and encourage the culture that would enhance an organization's capacity to innovate

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Across the corporate world, traditional approaches to innovation have either failed or have simply been rendered redundant by results that are sporadic at best. Specifically, some businesses have focused on hiring creative people and setting them free to introduce innovation. Others have relied only on luck, simply hoping for the best – or taken ad hoc and unstructured approaches to innovation. Some still have attempted to kick-start the process through a one-off set of creativity exercises or perhaps a 'big bang'-style internal communications campaign – only to fail to build capacity to innovate on a sustainable basis. Many other businesses, meanwhile, attempt to 'do an Apple' and replicate another organization's successful strategy. However, this approach is also highly likely to fail – if only because innovation looks very different from one company to the next.

Essentially, there is no value in setting out to copy another company's methodology. Instead, I believe, you should develop an approach to innovation that is right for your unique set of circumstances. So, when it comes to innovation, what do Apple, 3M and other successful innovators have in common? First, it is not about how much is spent on R&D. An annual innovation study has repeatedly shown that there is no statistically significant relationship between financial performance and innovation spending. Nor does technology play the most important role. Instead, research strongly indicates that the most successful corporate innovation strategies are the ones that predominantly focus on people and human capital issues.

These strategies include:

1) Engaging in strategic alliances with business partners, suppliers and customers
2) Finding, engaging and incentivizing key talent for the purposes of innovation
3) Encouraging and rewarding entrepreneurship and risk-taking
4) Building innovation skills for all employees

Companies that want to become leaders in their industry are not leaving innovation to chance but are spending time on it. This is because they know the best way to innovate is to leverage the people and corporate culture they already have in place. They cannot just copy another company's actions.

Following framework can be used by HR to build talent, culture and processes that would enhance an organization's capacity to innovate:

- **HR as a Guardian** - HR should serve as a guardian of innovation culture that promotes smart working, calculative risk-taking, and comfort with ambiguity. People who are comfortable in the innovative culture, and enjoy calculated risks on a small scale, are hired in an organization to facilitate idea generation.

- **Employee champions** - Employee champions of innovation and diversity of thought need to be encouraged. Organizations tend to rely on a key group of risk-takers who help drive innovation through their company-orientation and advocacy for cognitive diversity. In addition to setting accountability frameworks, HR needs to empower and safeguard these employees within change-resistant cultures to prevent backlash and discouragement.

- **Benchmarking** – Benchmarking should be strategic; however, it should only be in moderation. Strong focus is very critical in examining best practices for driving innovation. HR needs to tailor the best practices to organizational needs or use benchmarking to facilitate idea generation and rely on analytics to derive customized solutions.

- **Strike a balance** - Strike a balance between an innovative culture that is neither too exploratory nor overly restrictive. It is important for organizations to reward the innovation champions with trust and oversight. Although, funding and budgetary guidelines dependent on progress and baselines are necessary, HR should also consider generational differences in compensating and motivating these employees as well.

HR professionals play a major role in setting the foundation for innovation within organizations. It is a challenging responsibility of an HR professional to secure, encourage and reward individuals who thrive in environments of risk and uncertainty, through building supportive cultures and leadership. Old processes and ideas need to be reconfigured by serving as a proactive ally to the business. An HR can truly promote innovation throughout all the levels of the organization only by modeling innovation and adapting to new contexts as a function itself.

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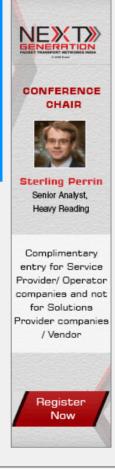
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About **Author**

Aparna Sharma

Winner of many accolades like "Women Achiever's Award" (2013), "HR Super Achiever Award" (2012) etc., Aparna is a passionate learner in her journey of 18 years of intense and expansive HR work. In her diverse roles, Aparna has successfully been a learning partner, mentor and coach to leaders, leadership teams and organisations to build competencies, learning abilities and nimbleness for achieving purposeful performance.

Today, at the helm of Human Resources function for Lafarge, a French multinational, Aparna persistently and passionately values freedom, authentic relationships and realization of potential of people.

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