



HOW CAN WE MANAGE HUMAN CAPITAL TO STIMULATE INNOVATION?

Innovation is an essential component in the landscape of industry and services, and a requirement for competitiveness, both on the micro- and the macro-economic levels. One of the main pillars on which innovation rests is human capital: the involvement of key individuals, a vision of forward thinking and risk taking, project management, and recruitment of highly qualified and independent personnel.

The human factor of innovation management has never been easy, but in this decade the challenge seems to be particularly delicate. The usual dilemmas encountered in the management of innovation – short term versus long term, autonomy and freedom versus control and efficacy – are magnified by

INTRINSIC DEVELOPMENT MOTIVATES INNOVATIVE WORKERS BEST

increasingly fast structural economic changes and sudden redefinitions of business targets. The current economic crisis, which affects many sectors, amplifies the challenges while making it even more important to optimize the human factor in innovation. In this context, which is the best way to manage human resources to help innovation efficiently?

The need for specific human resources management practices for innovation

The methods that are traditionally used in management, which are centered on fair procedures, should still leave enough room for maneuver for managers of innovative staff. Recent publications have been very clear on this point, calling for the development of human resources practices that are more adapted to innovative workers than they are at the moment. This call for action is addressed to the recruitment as well as to the stimulation and regulation of human resources.

The first fact we have to face in human resources is that the profiles we're looking for in innovation are changing. These days, technical expertise has to be

complemented by skills in leadership, industry and marketing, computers and communications, and even intercultural skills. As it is impossible to find all these skills in one individual, the target should be to put together teams that include all the required competencies. Furthermore, the positions should give the individual a lot of autonomy and sufficient time for reflection.

In terms of stimulation within human resources, most companies recognize that the so-called "intrinsic" development is the most motivating for innovating individuals: challenges requiring the recruitment of new competencies, autonomy and freedom to develop their own interest in innovation, and social recognition, which can come in many shapes (praise, responsibility and autonomy, honor awards, and personal accomplishment through an enhanced role). This is far removed from current practices, where stimulation methods in human resources used by many companies are based on control and money incentives. These practices don't satisfy the fundamental criteria for recognition felt by researchers. We can try to show recognition through financial incentives – such as premiums for patent deposits – but the downside of this is that the reward seems to be going to an individual. However, innovation is rarely an individual achievement. The methods, procedures and professional input contributed to the team effort have to be taken into account.

In terms of regulating human resources, the recommendations can be largely divided into two areas: careers and training. The two-tier model, where you follow either a technical or a managerial career, is becoming questionable due to the way the work environment is evolving. Many new possibilities have

been created through job mobility, project centered careers, competency transfer careers, entrepreneurial careers, and the expansion of our employability by acquiring new skills. In terms of training there are many programs that can help to move forward the career and working effectiveness of highly qualified individuals: training in creativity, teamwork, team management and leadership; project, finance and compatibility management; problem solving, and more. Beyond these individual aspects, intellectual resources also require careful management in terms of the exchange and sharing of knowledge.

Human resources management in innovation should be made more specific for this group of individuals. However, is this a pertinent and valid fact in all sectors that employ innovative workers? Is this point of view shared by managers in research and development and human resources specialists?

Diverse responses observed in practice

In an attempt to find answers to these questions, researchers from the university in Grenoble have carried out an investigation in four companies in the Rhône-Alpes region, which has shown diverse responses in practice. While these companies are influenced in different ways by cost cutting requirements and while they're all involved in different activities, all four are using human resources to optimize their innovation capabilities. Each of them recognizes the importance of the company culture, the necessity of an open organization and coaching, and each shows a willingness to improve the motivation for the activity itself, to feed the passion of the researchers. However, those in charge of recruiting

(continued on p. 7)

