Corporate strategy and innovative HR practices: 
State of The Art

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ABSTRACT
Innovation is not only a matter of investing money in the R&D department, but it is also a matter of managing people, therefore the human resources department is primarily concerned by this phenomenon. We can note the major importance of the human dimension of innovation and the growing need for an in-depth consideration of the human factor through HRM policies stimulating innovation. As some researchers noticed, a great importance has been carried out from companies for innovation. However, they have failed in articulating it within the framework of their HRM policies and thus, to align their managerial practices with their innovation strategies in a global strategic perspective. This problematic calls out for the necessity to analyze the coherence between the HRM policies and the innovation strategy of companies.

After a literature overview of the progressive thinking of the human factor in innovation, we will present a theoretical model built by GosselinA.et al (2001), tested and adapted by Defelix D., et al. (2015) and which comprises four key dimensions dealing with the articulation of the HRM policies with the strategy of innovation within companies.

Keywords: Strategy - human factor - R&D - HRM - innovation - lever – Culture

RESUME
L’innovation n’est pas une affaire d’argent à investir dans la fonction R&D mais c’est une affaire d’hommes et de femmes à gérer et donc de gestion des ressources humaines. On constate donc l’enjeu majeur de la dimension humaine de l’innovation mais on ressent de plus en plus l’exigence d’une prise en compte approfondie du facteur humain à travers les politiques de
GRH favorisant l’innovation. Comme certains chercheurs le signalent, une grande importance portée de la part des entreprises à l’innovation mais ne parviennent pas à la traduire dans le cadre de leurs politiques de GRH et donc d’aligner leurs pratiques managériales avec la stratégie d’innovation dans une perspective stratégique globale d’où la nécessité d’un essai d’analyse de la cohérence entre la politique de GRH d’une part et la stratégie d’innovation d’une autre part.


**Introduction**

Often linked to technological innovation, the concept of innovation is hardly a matter of money to invest in the R&D department, but it’s a real matter of the HRM department considered as a critical success factor (CSF) of companies and which consists on the acquisition of the best profiles, their motivation, their involvement and the development of their skills at all levels because it is well the collaborators who produce, improve and market the goods and services of their companies, who contribute to its success and performance, and who build its reputation while accompanying its strategic vision.

We can note the major importance of the human dimension in innovation and we feel more the need to go beyond the treatment of the human factor on the basis of the role it plays on growth, productivity and well-being of a nation (Becker, 1993) but as a real generator of value that must be taking into account more indepthly through the HRM policies stimulating innovation. As Searle and Ball (2003) point out, firms bear a great importance to innovation aimed not only for the staff of the R&D function but for the whole collaborators yet they fail to translate it into the framework of their HRM policies and thus to align their managerial practices with their innovation strategy in a global strategic perspective. Therefore we can conclude that there is an urgent need to analyze the degree of consistency between the policy of HRM and the innovation strategy within companies.
After reviewing the literature regarding the progressive thinking of the human factor in innovation, this research aims at presenting a theoretical model constructed by Gosselin A. et al (2001), tested and adapted for the first time by Defelix D., et al. (2015) and which comprises four key dimensions dealing with the articulation of the HRM policies with the strategy of innovation within companies and that are (skills, incentives, immediate workplace and organizational culture).

On the basis of the literature on human resources management and on innovation strategy, this work suggests a constructive vision on the alignment of HRM practices with the innovation strategy in companies: In the first place, a literature overview on the progressive thinking of the human factor in innovation will allow us to put in a coherence the innovation strategy with the policy of HRM through the model precited.

I. Literature overview

The economic analyzes have always attempted to evaluate and demonstrate, following the famous work of Becker (1993), the importance of human capital on growth, well-being and productivity of countries. Human capital, which encompasses specific characteristics such as persistence, generic professional and personal competencies and qualifications, allows improving the quality of life at work and the economy as a whole, while investing more in it (OECD, 2001). In fact, several researchers in management have sought to examine the role of the human factor in innovation, as a generator of value rather than considering it as a center of costs. This research accentuated on the human factor have experienced a gradual change: a first attention fixed only on the function of R&D. It has moved progressively towards managerial practices favoring innovation in the organization as a whole (I.1), and finally to HRM practices that may furthermore promote innovation (I.2).

I.1. The human factor in innovation, a quest of progressive thinking

Often linked to research and technological innovation (Boyer F., 2016), innovation is today an indispensable factor of competitiveness enabling to create, maintain and develop competitive advantages. However, innovation cannot be reduced to this traditional assimilation which considers it only as a factor of productivity gains. This perspective is now outdated by the complex reality of managerial practices and innovation processes (Morand, P. and Manceau, 2009). In fact, some companies were more interested in patent-related inventions rather than in
an innovation favoring radical change or disruption, while others were commercializing innovations by developing the necessary skills.

Several appellations have been created within the framework of the literature in management to designate the staff of the particular R&D function: some have chosen to call them "innovative people" (Chanal et al., 2005), others call them " R & D Researchers ", and more recently Bouchez, (2006); Chaher M., Dhen M-A, (2007) speak of "knowledge workers", which implies a change in the type of management from the category of creators of knowledge to the category using this knowledge. In this same perspective, Bouchez (2006) has made a structuring distinction between those who deal with information "knowledge workers" by performing relatively simple, trivial, even routine tasks and those who manipulate concepts and ideas " Knowledge professionals "by carrying out complex work related to innovation activities that can lead to the creation of new knowledge.

In this context, the question arises as to how we should manage the whole staff in the existence of a delicate and specific category of people working in the R&D function for the purpose of effectively contributing to the management of innovation of their companies. In an environment characterized by harsh and fierce competition, innovation is seen as a crucial exit route. Companies tend to innovate more in terms of organization, marketing, products and processes, which has an effect on how to manage internal resources and especially human resources. In this same vision: how should the company manage its "knowledge workers" or "innovative people"? Should it apply a specific or an aligned “HRM “with the employees of the various services?

Other researchers such as Gastaldi and Gilbert (2006) note that the research in HRM varies between specificity and standardization. On the one hand, there is a HRM characterized by particularity and which tends toward a segmentation according to the category of the staff managed. On the other hand, we can find HR reforms putting in place more general approaches and tools in a non-specific nature such as the repository staff and skills, trades directories. This oscillation" between specificity and standardization" leads to management modes less adapted to the R&D function and does not effectively meet the challenges of the current environment.

However, researchers emphasize the importance of certain HRM practices such as « accountability », « career management », « compensation or employee appreciation »: Brian
et al. (2002) show the major challenge of a selective recruitment. However, these practices can be envisaged with caution given the cultural angle and the organizational environment of each company.

For a long time, "knowledge workers", "R & D researchers" and "innovative people" have attracted the interest of experts in the field of management of innovation given their vocation to deal with knowledge and to create it. These experts consider that the entire staff of the organization is supposed to be mobilized: In an ever-changing environment, it is essential to think of HRM mode that is a creator of value and that promotes the generation of new ideas while putting in place a bundle of managerial practices stimulating innovation. Therefore, we can find not only the work related to innovation in the field of high technology but also researches aiming to identify, study and view HR practices as promoters of innovation in all areas and at all levels of the company.

Some experts put the emphasis on the development of human capital and that must be part of the business plan of the enterprise. This valorization must be carried out both individually and collectively in order to contribute to an innovative and competitive business model that considers human resources as generators of value instead of a crisis adjustment variable or as a center of costs. It is therefore essential to put the human resources at the heart of the strategy and transformation projects and to consider them as a key factor that allows acquiring and maintaining the competitive advantage desired by the company (El Yousfi M., 2015). It is also necessary to implement a mode of management that promotes the collective organizational learning of all employees. Hatchuel, A. (2015) has defined innovation as "a process of collective learning" as well as repositioning human resources at the heart of all concerns because a company who detain information is not the one who holds the power but the one who implement a management that allows sharing the ideas and experiences of the whole collaborators.

Several studies examine in a general way the nature and the impact of the HRM practices put in place to encourage the contribution to innovation. These practices can be grouped into three categories, namely: the acquisition of human resources, their stimulation and their regulation (Defelix D., et al., 2015). Whereas a minority of researches put the point on the effect of organizational contingency that can attribute to these practices. For those who deal with the nature and the impact of HRM practices stimulating innovation.

A great attention is given to the human resources acquisition: according to Leede and Looise (2005), the recruitment and selection of diverse profiles serves as a critical connector between
innovation and HRM and thus allow to stimulate creativity among the whole collaborators, which plays in itself an indispensable role in the generation of new business ideas (Tremblay, M., and Carrier, C, 2006). Cabello-Medina et al. (2011) clarify that selection impacts directly and positively innovation within the business if it is applied on the basis of the interpersonal skills and on the learning potential of candidates. This allows the organization to be qualified enough to contribute to a further development of the skills of the recruited staff.

The company must also focus on the stimulation of these resources: in their quest for the role of HR in an innovation-driven company, Pichault .F and Picq .T (2013) note that “employee empowerment” allows to build a strong culture of belonging and may also, according to Cooke and Saini (2010), contribute to innovation by giving the staff the freedom to be autonomous in putting in place “Performance recognition systems” at all levels. In an intercultural and intergenerational context, Audet Mr. et al. (2002), investigating on the valuation of the human capital insists on the importance of teamwork of high responsibility and autonomy, which encourages flexibility in terms of work organization and allows focusing on the achievement of the desired objectives and results of the company. In an environment characterized by a permanent change and by a rapid growth of work situations, we can’t guarantee the permanent capacity of young graduates to meet the requirements of companies. These requirements multiply rapidly which pushes the employees to invest more in terms of competences where the major importance of the employment stability that allows the employee, showing evidence of commitment, to develop an organizational career through the social elevator and that is what built one of the forms of employment of a protected internal market.

A complementary vision dealing with the regulatory functions of human resources must also take place: Shipton et al., (2006) noted that the training, the evaluation and the orientation of the exploratory learning are all predictors of innovation. It generally shows that the practices of HRM play as predictors of the organizational performance and innovation of companies: Investing in continuous training of the staff, encouraging them to exchange and share information and implementing a compensation strategy focused on performance, are considered according to AïtRazouk A. and Bayad M., (2010) as being complementary practices of the HRM. Some researchers confirm the idea that the HRM systems have a strong potential to promote organizational innovation: from a longitudinal study of thirty-five manufacturing organizations in the United Kingdom, Shipton et al., (2005) specify that the organization can strengthen organizational innovation by promoting a good climate of learning and by putting in place a "knowledge management» system. As it was defined by De Winne and sels (2010),
“Innovation is a function of a firm’s ability to create, manage and maintain knowledge. Because knowledge is created by and stored within individuals, human resources as well as HRM may play an important role as drivers of innovation.”

Some researchers demonstrate the need to strategically integrate human resources in the global strategy of companies (Bayad M. et al., 2004), others are studying how the practices of HRM have been adopted to support a comprehensive strategy of innovation-driven companies. In fact, Cooke and Saini (2010) have examined through a qualitative study how human resources are managed in different companies belonging to the same institutional environment. Therefore, they focused on the effects of contingency that can influence these strategic HRM practices. As well as the show Guérin G., Wils .t (2002), the "good" practices in such a context are not necessarily good in another. On their part, Chanal V. et al. (2005) conclude that the innovative companies in their strategy must opt for specific HRM practices that foster the dynamism of the innovation. This concept of specificity leads companies toward a new trend of segmentation that allows counteracting the use of “best practices”.

1.2. A recent perspective at HRM practices destined for innovation

Innovation, being the foundation of an organizational variant, must be present in all areas of the organization while taking into account the human and managerial aspect through which the organization creates, manages and maintains the knowledge produced and implemented in its internal human resources. In the framework of the HRM literature, a minor consideration has been taken in regards to innovation. However, in the field of strategic HR management, there is a growing attention to the need for HR policies that are strongly linked to innovation while being part of a solid corporate strategy.

Consequently, companies are beginning to take an interest in this by introducing some HRM practices that support the innovation process at all levels. Since human capital and HRM are essential determinants of innovation (De Winne S And Sels L., 2010), the recruitment and selection of diversified profiles makes it possible to stimulate creativity among the whole staff (Leede and Looise, 2005) and the complementarity of these different types of profiles allows creating a very solid organizational dynamic. We also note the importance of financial incentives and particularly non-financial incentives (Burger-Helmchen T., Donze J., 2015) that can be presented in order to encourage the staff to raise problems and propose creative solutions to them while not neglecting the special rewards on the good ideas submitted.
Therefore, it is essential to highlight the talent and the individual genius of all employees, to carry out training plans that develop their creative analytical, delegation, processing and decision-making capacities. In general, the organization has to create an environment that enhances the experience of collaborators and promotes initiatives by tolerating trials and errors committed.

Indeed, several researchers specialized in the field of management have shown that it is necessary to include HRM practices stimulating innovation in a systemic or strategic approach. For Besseyre des Horts (1988), it is necessary to involve human resources during the forecasts and the strategic planning of the company. In the strategy planning team, there must be an HR specialist who take into account aspects of HRM when making strategic choices since the implementation of a strategy automatically involves using the HR function to carry out the planned projects. For their part, Schuler RS and Jackson SE (2002) confirm that to pursue a good innovation strategy linked to HRM, the company must put in place the necessary practices by highlighting: the selection of highly qualified HR; Minimization of internal controls, investment in human resources, incentives to take initiatives and rewarding not only for successes but also occasional failures... These practices will enhance confidence, self-control and commitment to work.

Nevertheless, the reality of companies does not support much this approach favoring the HRM strategy for innovation. Searle R.H. and Ball K.S. (2003) point out the great importance that firms place on innovation yet not having the capacity to translate it within the framework of their HRM policies. According to the authors, this issue is due to the fact to these companies believe that it is not necessary to promote an innovative behavior into managers and supervisors when it is possible to encourage an innovative behavior for the credit of a specific population belonging to a lower hierarchical level. For Jorgensen et al. (2007), HRM can only significantly impact the continuous improvement of companies if they actually align their strategic objectives with the overall systems and management processes, particularly the HRM process. To achieve the full integration of the human factor in the innovation strategy within the framework of a corporate strategy, the company must focus more on a set of aspects and put into place a number of consistent practices constituting its HR policy. It is therefore essential trying to analyze the coherence between the policy of HRM and the innovation Strategy.

A HRM strategy must naturally seem interested in the use of strategies for innovation. However, some researchers report that the reality of the organizational management and practices of HRM
are usually sources of blocking (Gosselin, 1988) that inhibit innovation strategies since theses modes of organizations promote stability, standardization of the process, centralization of power, the limited liability, which contradicts the practices of innovation strategies aimed the flexibility, shared responsibility, initiative-taking and the collective decision-making. Therefore, we can conclude that an innovation-oriented HRM strategy requires not only practices and tools to be implemented, but also a change in posture.

I. Consistency of the Innovation Strategy with the HRM policy: a model of four key dimensions to be assessed

After presenting the literature overview regarding the place of the human factor in innovation, we will display a theoretical model constructed and adapted by Gosselin et al. (2001), tested and adapted by Defelix D., et al. (2015) and which discusses the four key factors in analyzing HRM practices favoring innovation.

The literature dealing with the human factor in the innovation strategy, has fixed a first focus on the R&D function only, it then started to broaden its vision by taking into account all the employees of the organization to make progress towards a strategic management of human resources encouraging innovation. A theoretical model was constructed from the literature (Gosselin A., et al., 2001), on the human resources strategy and adapted to the context of innovation (Defelix D., Al., 2015). This model, dealing with managerial practices favoring innovation and proposing the consolidation of the human resources strategy, shows first of all the importance of considering these practices as a strategic priority of the company then having a posture that encourages innovation. In short, this model highlights four fundamental dimensions to be assessed in companies: if the necessary skills are available within the company, if incentives are put in place to encourage innovation among the employees, if the immediate work environment provides the necessary support and finally if the organizational culture stimulates innovation. These four dimensions (Competencies, Incentives, Immediate work environment, and Organizational culture) must be reinforced by the establishment of key performance indicators.

*Diagram n°1: An analysis grid of HRM policies for innovation (adapted from Gosselin et al., 2001)*
**DIMENSION 1: Competencies**

For several years, research on innovation management has emphasized the indispensability of competencies in the field of innovation strategy from a global strategic perspective. This new angle should deal with all the competencies of the organization without having to specify the individual aspect of their development (Aubret et al., 2005). However, the company cannot succeed in its strategy of innovation without a good management of individual skills that resides in their acquisition, recognition as well as their evolution. These competencies concern not only those in terms of academic training and professional experience but include also relational capacities favoring communication, sharing and exchange. Thus, there are HRM practices that develop skills that are conducive to innovation: Grassman, O. (1991) stresses the importance of having multicultural teams through the recruitment of diverse profiles in terms of skills and competencies, which further enriches the exchange, sharing and spirit of challenge in the organization. According to Bouncken R. et al. (2015), these teams are a source of innovation and creativity. On the other hand, Brown (2009) emphasizes the importance of focusing on all the staff and their diversified skills in order to develop their way of working in project modes and that for the purpose of generating more creativity.

**DIMENSION 2: Incentives**

The dimension of incentives encourages the employee to take initiatives and risks, to detect and seize opportunities, to offer ideas and solutions with high added value and to collaborate with all the members of the organization. Incentives are not only financial or individual, but there must be an incentive strategy linked to the innovation. This will allow motivating the stuff through a system of recognition both at the individual and the collective level.

**DIMENSION 3: Immediate Workplace.**

After describing the first two essential levers, namely the competences of the company and the incentives put in place to encourage all the staff to innovate, this following one is even more
organizational and potentially exists within the framework of the strategy Of HRM if it fits perfectly with innovation. We are talking about a key dimension to foster a stimulating work environment. We note the immediate working environment favorable to radical innovations, characterized by the presence of a local manager (Defelix D. et al., 2015) who plays an essential role in managing the performance of the staff he manages: identifying their needs, meeting their expectations, reinforcing innovation behaviors, building creative teams and developing their skills while facilitating the transfer of knowledge between them. As pointed out by Pichault F., Picq T. (2013), through a review of the managerial literature, proximity management in a non-hierarchical mode, the flexibility of the organizational structure and a system of support and accompaniment are essential in an organization whose strategy is focused on innovation.

**DIMENSION 4: Organizational culture**

The organizational context or "organizational culture" is the result of an identity and a history, referringqa to the specific functioning of each company and brings together all the rituals, working methods and common values shared within the organization. We therefore note that the creation of a stimulating work environment can be done through the establishment of an organizational culture conducive to innovation. Through a qualitative study dealing with the strategies of rupture in the case of SMES with an emphasis on the specificity of these strategies (Torres, 2001), Le Roy F. and Yami S. (2004) concluded that an organizational context characterized by a management of proximity and a structure of low formalization raises the innovation of rupture (Torres, 2001). This encourages large firms to change their mode of operation by creating a new adhocratic organizational environment. Moreover and by studying the concept of spin-offs in small and medium-sized enterprises (SMEs), Laviolette EM (2005) notes that in the case of large structures, innovation practices are very rare and too remote. These firms project structures that are dedicated to innovation by putting in place the mechanisms of accompaniment for the benefit of employees as well as putting in contact with entrepreneurs (Dupont D. and Clément T., 2002). Other managerial practices can be efficient for an organizational culture aimed at innovation such as: the recruitment of diverse profiles in terms of skills and origins (Grassman, O., 1991), the control of the performance on the basis of results rather than on the time of work etc.

These four dimensions namely: skills, incentives, immediate workplace and organizational culture being part of the field of HRM and promoting innovation at the same time, must
essentially being made in a clear global strategic perspective. For a company to be able to adopt a coherent policy of HRM fostering innovation. These dimensions must be combined to constitute a powerful system and thus constituting a signal for the company (Paris, 2010).

**CONCLUSION**

In a strategic perspective and in a world of perpetual changes, innovation cannot be separated from HRM. It is considered the core of any company, enabling it to maintain and develop its reputation, and thus contribute to overall performance. In short, without the human factor, the enterprise can’t exist. Moreover, it is essential to acquire the best profiles, develop their skills, assist them and motivate them at all levels while promoting a stimulating working environment and an organizational culture that favors sharing among all employees. To do so, the company must put in place a wide range of managerial practices consistent with its innovation strategy.

Based on the literature of HRM and innovation and through the theoretical model constructed by Gosselin A. et al (2001) we believe that it will be more interesting, in subsequent research, to test this model in the case of Moroccan companies, whether they are in the same sector or several, in order to analyze the articulation of the HRM policy with the innovation strategy, and also to bring an enriching look by adapting and proposing an adjustment of the model.
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