



Moving beyond initial success: Promoting innovation in small businesses through high-performance work practices

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KEYWORDS

Innovation;
Entrepreneurial
behavior;
Strategic human
resource management;
High-performance work
practices;
Small business

Abstract After firms experience initial success, leaders frequently turn their attention toward producing and selling their products or services more efficiently, likely at the expense of ongoing innovation. This seemingly prudent decision may unintentionally lead firms to become one-hit wonders, effectively limiting their potential success over time. To help prevent a firm's early success from being its only success, small business executives should adopt practices that promote innovation yet don't come at substantial cost given limited financial resources. Focusing on the positive influences of ability, commitment, and feedback, we propose a system of high-performance work practices (HPWPs) as an economical means of encouraging innovative behavior that allows for efficiency without losing an emphasis on creativity and entrepreneurial action. This article outlines and discusses nine specific HPWPs targeted for smaller businesses that are expected to promote and fully realize the potential of employees as the driving force for innovation and sustained success.

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1. Being intentional about innovation

"Hire the right people and get out of the way!" This familiar refrain, echoed by many executives, speaks to a general management approach that suggests

careful hiring singularly encourages creativity and innovation, and active engagement with employees only inhibits these outcomes. While we agree that hiring the right people is vital and micromanaging the innovation process may interfere with creative thought, we don't believe a firm can simply leave its employees to their own devices and expect innovations to emerge. Clearly, employees need to be empowered in order to challenge the status quo, test new ideas, and explore promising opportunities. Continued pursuit of innovative goals in spite of

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potential failure, however, requires an organization to create an atmosphere that encourages innovation, proactivity, and risk-taking (Miller, 2011). A shared sense of the importance of ongoing innovation must permeate the organization, channeled toward improving operational efficiency and developing product breakthroughs. To encourage this type of entrepreneurial action, the organization needs to embrace innovation as a core value and bring it into the everyday lexicon. Managers must foster an environment wherein employees at all levels are encouraged to identify creative ideas and submit those ideas for evaluation.

It is our view that firms must be intentional in their quest for continuous innovation, and cannot afford to simply 'get out of the way' of their employees. Innovation must be part of the daily conversation for all personnel and adopted within the organization's goals and routines. Internal policies and practices need to be put in place to encourage and support desired employee behaviors, such as innovation. We argue that the intentional implementation of a coordinated system of human resource (HR) practices—designed to foster collaboration and creativity—is necessary to develop an entrepreneurial environment and produce the types of product- and process-oriented innovations that sustain organizational success. In short, so as to not limit their own potential for obtaining sustainable above-average financial returns and new growth opportunities, companies should adopt HR practices that cultivate and encourage an innovation-driven culture. This, in turn, will result in creative, innovative behaviors and outcomes by employees.

Although businesses of all sizes continue to be challenged with how to develop, maintain, or restore creativity and innovation, our focus is primarily on small and medium-sized enterprises (SMEs) that have the opportunity and intention for growth; that is, the firms that have aspirations of sustained success likely achieved through continuous innovation. SMEs are especially challenged, as they often lack the financial resources to devote millions of dollars to research and development (R&D) or the manpower to create distinct business units dedicated solely to innovation. They compete with a dramatically different set of resources than larger firms and have to find ways to leverage existing assets—most notably their own employees—to develop and sustain competitive advantages.

In light of these restrictions, SMEs may be more prone to focus their efforts on meeting current demand while shifting increased attention away from continued innovation. The creative spirit that once guided the entrepreneurial venture is replaced with marketing initiatives and efforts to achieve

operational efficiency in order to better serve existing customers. While appearing prudent at the time, moving toward a singular focus on exploitation of a current market usually leads to stale products and, ultimately, organizational decline. Such short-term decisions put the firm in peril of being the next one-hit wonder of the business world. By adopting a long-term approach, firms can strike a balance between a pursuit of innovation and the focus on efficiency; failure to do so puts firms at risk of becoming a passing fad (Ireland & Webb, 2009).

2. Promote innovation through HR management

The strategic use of HR is a significant and growing factor in today's knowledge-based economy and, more specifically, in supporting growth in company innovation. Case studies of small businesses have shown the promise of using HR management practices to encourage and motivate employees toward pro-innovative attitudes and behaviors (e.g., Lewicka, 2013). Our arguments align with these sentiments by suggesting innovation is best accomplished by the implementation of high-performance work practices (HPWPs) that place high value upon creativity and collaboration and promote employee innovative actions. HPWPs are HR policies and practices designed to build a highly skilled, engaged, and committed workforce that increase productivity, improve morale, lower turnover, and enhance decision making (Lepak, Liao, Chung, & Harden, 2006). These practices have often been viewed as having a positive influence on firm financial performance (Liu, Combs, Ketchen, & Ireland, 2007), and even more recently on organization-level innovative outcomes (Schmelter, Mauer, Börsch, & Brettel, 2010). For our purposes, HPWPs represent the mechanisms used to cultivate an entrepreneurial culture, wherein innovative behaviors are part of daily routines and these HR practices guide employees toward these desired actions.

Given our broad definition of HPWPs, one might question which HR practices will be best at promoting innovation. To determine this, we rely on the concept of goal setting for guidance. Most managers are familiar with the idea that goal setting is an effective way to promote employee behaviors toward specific individual or organizational objectives. Beyond individual factors, managers should consider organizational factors that play a part in successful goal attainment once goals such as innovation are incorporated into employee job duties. These considerations for managers should include making sure employees have sufficient skills and

aptitude to achieve the stated objectives (ability), are dedicated to the pursuit of the goal (commitment), and obtain clear information regarding current progress (feedback) (Latham, 2004). From a goal setting perspective, innovative work outcomes are the desired goal, and using Latham's suggestions for enhancing goal attainment as a guide, we identify specific HPWPs that encourage innovation. In sum, this approach suggests that an effective system of HR practices designed to promote innovation must support the selection of employees with innovative abilities, enhance employees' commitment to innovation, and provide useful feedback so employees have a higher probability of being innovative.

Because ability, commitment, and feedback are key pillars for ensuring success, we use them as a framework to communicate a system of nine specific HPWPs that positively influence an organization's innovation output (see Figure 1). Though each of these practices promotes innovation individually, SMEs will likely obtain the best outcomes if these practices are implemented as a cohesive system of HPWPs that reinforce one another in cultivating a culture of innovation. Undoubtedly, the practices we outline can assist large firms pursuing an innovative strategy; however, we believe these practices offer greater value for growing, yet financially constrained businesses. We therefore focus on the benefits of these HR practices for SMEs while acknowledging they can apply to all innovation-driven companies. Table 1 provides an overview of the selected HPWPs, along with their direct implications for organizational innovation.

2.1. Ability

If an organization wants to become more innovation-driven, the appropriate place to begin is with the hiring process. The substantial investment required to recruit, select, and train new employees—especially for financially burdened SMEs—increases the importance of finding the right people. "When you are looking for key personnel, a miss can set you back six months. The hiring process is critical to continued growth," says Wayne Alford, CEO of 24e Fitness, a locally owned and operated health club with locations throughout Alabama ("2014 CEO Awards," 2014). The practice of selective hiring ensures organizations have the ability to innovate.

2.1.1. Selective hiring

If SMEs' ultimate goal is to maintain a focus on innovation so the organization can sustain initial periods of growth and success, they need to seek and select applicants that will actively contribute to the innovation process. This means selectively hiring employees who have the knowledge, skills, and abilities necessary to succeed in producing organizationally consequential innovations for process efficiencies and/or product development. SMEs should find individuals with a combination of creativity and analytical skills (or a mix of individuals whose skills complement one another, if working in a team environment) that can be leveraged for periods of growth rather than expending resources to frequently recruit and retrain new employees.

In many SMEs, hiring may take on a seat-of-the-pants process: identify a need and hire for that

Figure 1. Developing innovative work outcomes

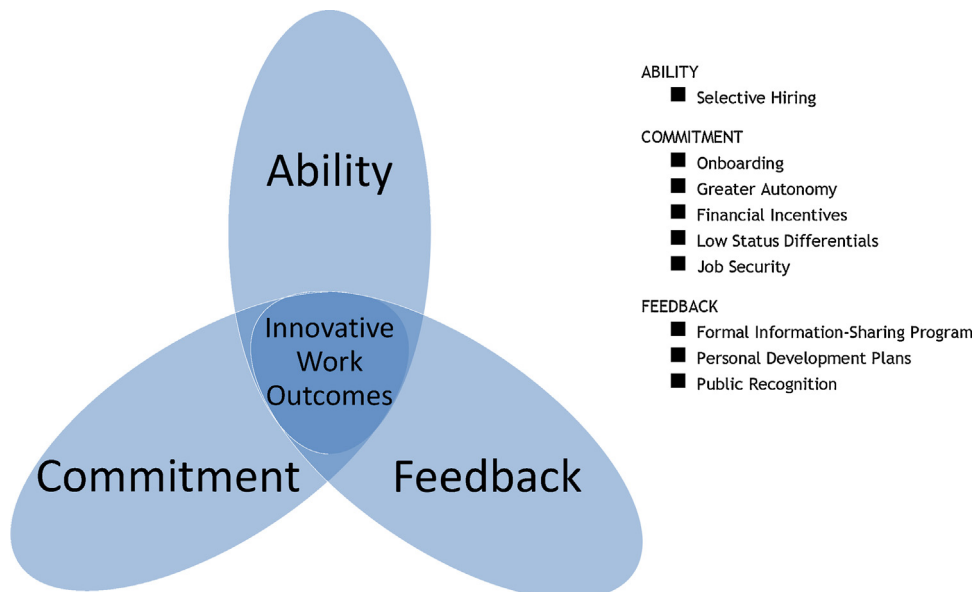


Table 1. High-performance work practices that promote innovation in small and medium-sized enterprises (SMEs)

Human resource practice	Definition	Implications for innovation
Ability practices		
<i>Selective hiring</i>	The process of establishing specific job requirements and selecting candidates based on how well they match those qualifications.	Smaller businesses should incorporate innovation-related behaviors as part of their job descriptions in candidate searches. Because finding candidates that match these expectations can be difficult, it is critical that smaller businesses engage in active candidate searches so the chosen employees are the 'right' ones that meet these criteria. Also, hosting panel interviews and adopting structured interviews will ensure smaller businesses are not satisficing in the selection process.
Goal commitment practices		
<i>Onboarding</i>	Practices that assist new hires in adapting to the culture and expected behaviors of organizational personnel.	By implementing formal socialization practices such as employee orientation programs that emphasize innovation expectations, new employees are able to better understand job requirements and these expectations are reinforced for existing employees.
<i>Greater autonomy</i>	The ability to have freedom of choice in the way work is performed.	For employees to engage in innovation-related activities, they need to feel they have the creative license to pursue entrepreneurial initiatives in their work activities.
<i>Financial incentives</i>	A portion of profits are attributed to contributions made by employees (gainsharing); a portion of profits are shared with employees (profit sharing); employees are awarded opportunities to purchase stock in the company or are simply offered such stock benefits (employee stock options).	By tying financial rewards to organizational success, SMEs may incentivize innovative initiatives through a closer connection between the organization and employees, creating a willingness to engage in the dedicated job effort and risk taking necessary for new idea emergence.
<i>Low status differentials</i>	Creating a sense of equality across employees so they feel valued and appreciated.	SMEs may generate these perceptions by standardizing dress requirements, not offering special treatment to management, and limiting the extent of wage inequality between executives and non-managerial employees. These actions will make employees feel valued so they are willing to pursue innovative activities.
<i>Job security</i>	A feeling that the work environment is free of job loss fears.	High job security perceptions are necessary for employees to feel safe in taking risks in pursuit of innovative activities.
Feedback practices		
<i>Formal information-sharing program</i>	Regular meetings and monitored technical platforms that focus on organizational objectives, entrepreneurial expectations, and innovative ideas.	Hosting structured meetings and technical forums creates awareness of in-progress initiatives and opportunities for critiquing ideas and potentially collaborating with other employees.
<i>Personal development plans</i>	Specifies a course of action for each employee's continuous improvements in job performance aligning with organizational goals.	Innovation needs to be part of opportunities for employee growth. Managers should meet frequently with their subordinates (e.g., as assignments end or quarterly) and focus on the future desired behaviors of employees. Managers should set goals and foster innovative thinking to promote desired entrepreneurial pursuits.

Table 1 (Continued)

Human resource practice	Definition	Implications for innovation
<i>Public recognition</i>	Praising noteworthy behaviors such as performing with high quality and efficiency, suggestions and ideas to improve products or processes, and extraordinary efforts in championing and bringing innovations to market are non-economic forms of recognition.	These non-financial incentives encourage employees to innovate. Praising employees for innovative actions should not be restricted to managers, as peers should also encourage each other in their innovative pursuits.

specific need with no immediate thought to the long-term implications of the hire. Selective hiring can help break down this mentality and focus the hiring process more on long-term strategy. To properly execute this practice, selective hiring involves two components: (1) establishing job-specific requirements and (2) selecting candidates based on how well they match those qualifications. Within these selection practices, managers should consider not only the task requirements relevant for day-to-day activities, but also the innovation-oriented activities they want the employee to fulfill.

Armed with a specific job description and specifications, SMEs should develop a selection process that will identify candidates who best meet those requirements. Many SMEs may utilize a simplistic hiring process whereby individual managers are solely responsible for the interview and selection process and receive limited resources and guidance for search activities. A process of this nature will probably bias the selection process and restrict the potential applicant pool. Adding a few simple requirements to this process improves the likelihood of finding a candidate that is a good fit. For example, research has shown that using work sample tests and structured (versus unstructured) interviews can enhance the chances of hiring a better performer (Schmidt & Hunter, 1998). Additionally, using panel interviews (multiple interviewers for each candidate) versus a single interviewer can improve hiring outcomes. Uber—the fast-growing, ride-hailing technology platform—is a huge proponent of these tactics. The company has applicants meet with multiple managers and complete job-specific tests, looking to assess an applicant's ability to think on the fly and perform the specific job being sought (Lagorio-Chafkin, 2014). Small business leaders that consider these suggestions can improve the selection process without overcomplicating it or adding burdensome expenses.

2.2. Commitment

Hiring smart and creative individuals is a critically important step in ensuring that firms have the necessary innovative ability among their ranks, but employers must leverage this talent by instilling a commitment to innovation. While there may be an unlimited number of ways to do this, we review five HPWPs that are known to improve innovation by generating better commitment. These include onboarding, greater autonomy, financial incentives, low status differentials, and job security.

2.2.1. Onboarding

After an employee is hired, he/she should immediately begin the onboarding process. This formal process should involve new hire orientation and job training. Onboarding is a firm's opportunity to emphasize the characteristics and behaviors it wants from employees. This socialization process sets the tone for employees, establishes expectations, and reinforces the commitment toward ongoing innovation. Research suggests that those organizations with a formal, step-by-step onboarding process lasting 90 days or longer produce more effective employees than those organizations with less structured programs (Bauer, 2010). When implementing these formal onboarding programs and for best results, the socialization process needs to be consistently applied and involve all relevant stakeholders—including key employees from across the firm—while monitoring employee progress and setting milestones for active participation.

For SMEs, the goal of this onboarding process entails making innovation a part of the daily routine of all personnel. Having key employees—often including top executives—involved in the onboarding process demonstrates the importance of innovation for both the organization's short- and long-term goals and offers a better sense of the company strategy and its value proposition. Involving non-managerial

employees from a variety of positions throughout the company helps reinforce innovative goals expected of all employees and immediately broadens the communication network for new hires. Slingshot SEO, a company specializing in web search strategies, has relied heavily on onboarding to acclimate its new hires. It focuses on up-front brand training, using its top-performing employees as trainers (Aders, 2013). Slingshot SEO firm leaders feel it is important for trainers to provide a holistic view of the organization and make department introductions during the onboarding process, as this promotes better understanding of how employees fit into the big picture and can break down organizational silos that prevent future collaboration and cooperation.

2.2.2. Greater autonomy

Autonomy refers to the sovereign actions of an individual or team in bringing forth an idea/vision and carrying it through to completion. Employees appreciate having discretion in their jobs, as it offers a certain level of independence and creates a sense of ownership. It provides the freedom to exercise the creativity necessary to initiate, develop, and complete innovative initiatives. As such, autonomy contributes to an innovation-driven culture by motivating employees to engage in innovative pursuits.

Mobile communication startup Snapchat has attracted quality software engineers and developed an innovative culture through offering considerable employee autonomy. This discretion has created beneficial learning opportunities for staff members and serves as "an incredible source of motivation," says an anonymous member of Snapchat's iOS development team. "We're still a small team facing complex challenges, and we each shoulder a large amount of responsibility. But we've pushed ourselves and have improved so much in the process" (Quora, 2014). Business owners who offer autonomy can expect employees with greater passion and enrichment in their jobs. People want to be part of something they believe in, so offering more authority in how the work is performed provides employees with increased motivation to solve problems and remain committed to the organization's innovation goals.

2.2.3. Financial incentives

In order to encourage innovative behaviors, it is also logical to financially incentivize such behavior, as seen in typical pay-for-performance compensation plans. Although SMEs may not be able to provide immediate compensation for innovation-related efforts, they can find ways to tailor rewards such that employees know what to reach for (Torres, 2015). SMEs can strengthen long-term buy-in from their employees by implementing gainsharing/profit

sharing and employee stock ownership programs for vested individuals, which help direct behavior toward product and process innovations that improve performance.

Gainsharing is a performance incentive plan that rewards employees for increased productivity, while profit sharing focuses on distributing financial rewards based on overall company performance. Gainsharing programs can be implemented at the individual and group levels, and because employees are rewarded for their own contributions, they may be more likely to expend efforts on innovative solutions to improve the company. Complementing gainsharing allotments, profit sharing rewards the combined efforts of everyone in the company. Together, these programs benefit the organization because they promote connection to the organization, encouraging employees to become invested in their jobs and exert effort beyond basic expectations. Ultimately, these efforts can lead to more employee-induced product- and process-oriented innovations and help reinforce an entrepreneurial culture. Trident Systems, a veteran-owned small business offering consulting services to major U.S. Department of Defense contractors, uses a profit sharing plan that distributes a significant portion of the company's profits to employees on a basis of merit. Not only has the program increased attention to the firm's profit margins, but it has also increased employees' aggressiveness in seeking out new business opportunities and generating additional contracts (National Research Council, 2009). Such programs are ideal for SMEs because they encourage innovation and entrepreneurship among employees, yet rewards are only doled out when employees enact actual gains or during successful years.

Because sales levels fluctuate for many smaller businesses, management can also engender the commitment of employees by offering stock ownership opportunities. Issuing stock to employees represents the truest form of job ownership; as partial owners of the company, staff members are more likely to care about the long-term viability of the organization, increase their willingness to develop and explore innovative ideas, and engage in innovation-oriented activities. This form of compensation offers employees the promise of bigger payoffs in the long term for taking entrepreneurial risk and championing innovative initiatives. Rewarding vested employees (as determined by years of service or successful entrepreneurial contributions) with ownership may also offset shortfalls in standard compensation packages when small businesses are unable to offer competitive pay levels. Many firms have used this practice as an impetus and reward for risk taking and accordant growth. For example, the Belgium

Brewing Co. has extended ownership to all of its 480 employees. Company founder Kim Jordan sees stock options as a means of gaining employee involvement in the firm's long-term viability. "We've always tried to involve our people in the running of the business," she says, in order to reward employees and also foster innovation by creating a company culture wherein workers think more like entrepreneurs (Loten, 2013).

2.2.4. Low status differentials

Although employees are often motivated by economic rewards, SMEs should not dismiss the fact that employees are also motivated by fair practices and supervisory displays of respect and dignity. Therefore, another way organizations can show their commitment to innovation is by maintaining low status differentials among all employees. The premise of this practice is that most employees want to feel important and know that their ideas are valued through the fair offering of desired outcomes such as pay and other amenities. This can be accomplished both symbolically and substantively. There are a number of symbolic ways of lowering status differentials, including eliminating special parking and/or dining areas reserved for executives and adopting language and/or dress standards that promote employee equality. These are relatively simple, inexpensive measures for organizational leaders to implement and project a fair environment to employees because these actions remove employee-perceived preferential treatment.

From a substantive standpoint, business leaders should minimize the disparity between manager and employee pay. Obviously, we are not suggesting that leaders extend to new employees salaries on a par with their own; still, SMEs should reflect on the extent of wage inequality and reduce it as much as possible. This, in turn, should motivate employees to be more willing to challenge current work processes and voice ideas about new markets. Some companies have gone to the extreme in eliminating pay disparity. Consider Dan Price, the CEO of Gravity Payments, who recently announced he would cut his own \$1 million per year salary to a base wage of \$70,000 and use the difference to elevate all Gravity Payments employees to the same income level (Fell, 2015). This action drastically reduces the pay disparity between CEO and employees and suggests that, because of fewer economic stressors, employees will be freer to focus on innovative work behaviors and outcomes. Price's actions represent a dramatic adjustment to the wage disparity at his firm, but SMEs are likely to find that employees will respond positively to even modest attempts at limiting status differentials.

2.2.5. Job security

While it is unlikely that an employer can guarantee permanent employment, firms should provide enough security that employees feel safe taking risks for the sake of innovation. Removing fears of job loss allows individuals to take on the additional risks required in improving efficiency, and especially with innovative pursuits. Employees who sense their jobs are secure may also be more dedicated to pursuits requiring a long-term focus because they feel attached to the organization and identify with its goals. Large companies such as Southwest, Aflac, and Toyota have created 'no-layoff' policies and are abiding by them even when sales volumes temporarily decline (Dickler, 2008). These companies typically supply further training for their employees during these slow periods.

Of course, SMEs may not have the slack resources to offer such training when sales suffer. They may have to be more creative during these trying times to maintain their no-job-loss goals, requiring more than simply tightening up on overtime and paid leave. Matt Legg, the owner of a small home health business in Texas, used the 'doing well by doing good' strategy when his business sales began slowing (Flandez, 2009). Legg paid his employees during these slow times to volunteer at local health clinics, which unintentionally ended up benefiting his business by creating referrals and improving customer demand. Legg's volunteering program worked well for his business, but may not work well for all companies. So, how can you generate ideas to improve job security? Ask your employees. By engaging employees in these discussions, they can actively participate and collaborate with management in developing more non-traditional means for dealing with job security threats so SMEs can beneficially persevere through tough times.

2.3. Feedback

Having demonstrated the benefits of acquiring top talent and building commitment throughout the organizational ranks, the third pillar to reinforce the goal of achieving innovation is feedback. Employees need to know how they have contributed and can contribute in the future. For companies with limited financial resources, these feedback practices are relatively inexpensive, quick to implement, and easily adopted. While there are undoubtedly many ways of providing feedback to employees, we review three means that are known to impact innovation positively: formal information-sharing programs, personal development plans, and public recognition.

2.3.1. Formal information-sharing programs

SMEs are known to rely on strong social networks to share information and inspire innovative thinking. One way to foster open communication is through a formal information-sharing program. Business leaders should hold regular team meetings to set expectations, review priorities, offer feedback on recent work, and share important new information. By highlighting innovative activities during these frequent interactions and soliciting dialogue, employees are made aware of recent successes and innovative efforts currently underway at the firm. Furthermore, such meetings expose employees to greater opportunities to coordinate and collaborate, reinforcing communication and cooperation among the ranks, and serve as an additional platform for a wider employee base to offer their own ideas to peers or senior personnel.

With advances in secured cloud technologies and collaboration tools rapidly becoming more affordable, information sharing can also be achieved through technological means. Simple technology platforms (e.g., intranets, wikis, blogs, email, instant messaging) can provide an opportunity for both organizational leaders and employees to share information/ideas to improve daily operations and discuss opportunities that could potentially lead to new products/services or the exploration of new markets. The Real Story Group, a research and advisory firm focused on digital technologies, has used an online forum for several years. With only 14 employees, who are spread across eight cities in three countries, the firm depends on technology to get work done every day. In addition to remaining connected and informed, Real Story Group employees are able to brainstorm and vet new ideas with one another virtually, and even interact and collaborate with customers and partners (Byrne, 2010).

2.3.2. Personal development plans

Typical performance appraisals reflect on a year of effort and often introduce rater bias into the feedback process. More relevant actions for performance management aim to shift the focus from the manager to the employee and direct attention toward future achievements rather than prior assignments (Buckingham & Goodall, 2015). Personal development plans extend beyond simple annual feedback by specifying the course of action employees should take for continuous improvements in job performance. These types of plans can be created for any job within a firm, and should be aligned with the performance dimensions that are important to business leaders. Personal development plans involve more frequent interaction with subordinates (as projects close or, for those employees

working on longer projects, quarterly) and should be tailored to that individual's long-term career development, transparently sharing expectations and providing direction and constructive commentary on future behavior.

Managers at SMEs need to recognize the importance of personal development plans as opportunities for employee growth. Development plans consist of goal-based actions that foster innovative thinking through an employee-enhancing dialogue between managers and employees. Employees are encouraged to bring up new ideas and brainstorm with managers in hopes of enhancing creative thinking skills that could lead to new opportunity- or efficiency-seeking initiatives. Of course, innovative ideas will not always emerge from these sessions, but employees walk away with an understanding of expectations and areas for self-improvement. When these practices are consistently applied and free of bias, employees will more likely view the organization as fair and reciprocate with the types of behaviors favored by leaders, including those related to innovation. Aaron Herrington, co-founder of Modea, has witnessed the benefit of intensive employee development at his digital advertising agency. "People are much more aligned and understand the direction and expectation of what everyone else does," he says. "That has made what we do and how we do it more efficient" (Gutner, 2012).

2.3.3. Public recognition

Feedback may be given in the form of public recognition of positive employee performance. From an innovation perspective, employees can be recognized for their quality and efficiency, suggestions and ideas to improve products or processes, and extraordinary efforts in championing and bringing innovations to market. Programs should ensure the offered recognition is: (1) immediate, (2) delivered personally by a manager to the employee, (3) tailored to the recipient, and (4) a direct reinforcement of the desired behavior (Luthans, 2000).

Not only should these simple praises be offered by supervisors, but also peers. Peer-to-peer recognition programs allow employees to acknowledge their co-workers in a structured manner. Colorado's Douglas County library system includes a peer recognition component as part of its annual employee reviews (Vranjes, 2014). Employees are asked during their performance appraisals to nominate a colleague who they believe put forth an extraordinary effort during the previous year, and a committee chooses an individual or team to recognize from the nominees. SMEs adopting this method allow recognition to take on a cultural component so

supervisors are not the only individuals encouraging innovation.

3. Synergistic effects of a system of practices

In the preceding sections, we reviewed nine HPWPs that can positively promote innovation within an organization. These HPWPs were selected specifically for the context of smaller businesses, as none of them are extraordinarily expensive or difficult to implement, requiring only limited HR experience and oversight. Individually, each practice has the potential to stimulate employee innovation; however, it is our belief that these HPWPs represent a cohesive system of complementary practices that, when bundled, have a greater impact on the innovative outcomes sought by organizations. The combination of these practices provides synergistic effects, working together to reinforce the objectives of the organization and achieve the goal of continuous innovation.

Consider Google, which is well known for and proud of its consistent innovative output. From its earliest days as a search engine startup to its current status as a power player in the tech sector, Google has followed many of the practices suggested here. These practices were initiated early in Google's life when it was a much smaller firm, but continue today because they are effective and enable the firm to remain a cutting-edge technology company recognized globally for innovation. Accordingly, Google serves as an exemplar firm for implementing such a system of practices to encourage innovation from its employees. The culture at Google is perpetuated by an adherence to innovative pursuits and the understanding that when the firm has the right people (ability) who are truly connected to company goals (commitment) and receive proper guidance (feedback), they are more likely to generate innovative ideas.

Since its inception, Google has achieved notoriety for its selective hiring practices. The firm uses a consistent and streamlined hiring process, employing a committee to reduce potential interviewer bias and a series of brain teaser tests to help identify individuals that can solve problems creatively (Eadicicco, 2014). The firm builds new hire morale and establishes expectations through an onboarding process that includes practice-based learning and apprenticeships with existing personnel to foster long-term connections between employees (Miller, 2012). Google has famously given its employees autonomy, with up to 20% of their work week devoted to innovative pursuits outside assigned projects (Tate, 2013). Beyond regularly scheduled meetings to discuss

new projects, the firm has also been known to offer 'office hours,' another formal information-sharing period each day during which managers visit with employees who wish to discuss new ideas (Gallo, 2012). Founders Sergey Brin and Larry Page have attempted to maintain low status differentials at the company, never exceeding personal salaries of \$150,000; in fact, they reduced their salaries to \$1 just before the company's 2004 initial public offering, declaring that the majority of their compensation should come from ownership of company stock (La Monica, 2005). Not limiting stock ownership to top executives, Google has offered broad-based stock ownership incentives to all of its employees with great success; the company continues to churn out organizationally consequential innovations while making hundreds of employees multi-millionaires (Hafner, 2007). The activities of excellent hiring practices, effective onboarding, autonomy for employees, formal information-sharing protocols, minimal status distinction, and financial incentives via stock ownership reinforce one another and have been applied from the company's early startup days to build an innovative culture at Google. Employees have responded with endless numbers of innovative ideas, and Google's HR practices are now emulated throughout Silicon Valley and across the world in an attempt to achieve similar success.

4. Final remarks

Developing an innovation-oriented organization is a challenging exercise in balance, but potentially rewarding if successfully implemented (Sarkees & Hulland, 2009). It requires the commitment of savvy organizational leaders who are willing to focus on the strategic use of the organization's resources to cultivate a supportive atmosphere that empowers and motivates employees to take action toward current and future firm success. Upon his return to revitalize Apple back in 1998, Steve Jobs noted (Kirkpatrick, 1998): "Innovation has nothing to do with how many R&D dollars you have. It's not about the money. It's about the people, how you're led, and how much you get it." We concur. SMEs need to recognize the important role innovation plays in ongoing success, value their employees as the primary source of innovation, and invest in those resources by creating an environment that stimulates and sustains innovative outcomes. The HR practices we suggest here represent such an investment, and if executed well can motivate and reward innovative employees while developing a supportive environment that empowers them to take action toward current and future firm success.

The consistent use of these HPWPs should, in time, advance a culture fueled by innovation that is difficult for competitors to imitate and help prevent the firm from having a singular focus on its primary product/service and instead continually innovate to sustain growth and success. Using HR practices to acquire the abilities necessary to innovate, build employee commitment toward innovation, and offer feedback to help direct innovative behavior, organizations can develop an environment that encourages ongoing collaboration and innovation without getting in the way of the creative process.

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