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## A STUDY ON MOTIVATIONAL PRACTICES FOR INDUCING EMPLOYEES' INNOVATION

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### Abstract

*The survival and growth of the organisations highly depend on its employees. Innovation is a key factor for the organisations to gain an edge over the competitors. Motivating the employees to be innovative makes the company to be more productive and progressive. In fact, it gains the company to be the 'first-mover' in its field of business. The various traditional factors of motivation makes the employees to be productive but not innovative. This makes the companies only to survive and not to grow beyond a point. This research paper studied the various motivational factors that will induce the employees to be more innovative and a conceptual model is developed based on those factors of motivation.*

**Keywords:** *Employee Motivation, Innovative Workplace and Employee Innovation.*

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### Introduction

Innovation is the crucial factor for the business competitiveness and growth. The success of innovation factor depends on the human factor (Marcati et al. 2008). Employees who are motivated at a high level tend to produce better results comparing to others and there are many approaches and ways to motivate the employees. (Dobbs, Hamilton 2006). The European Commission document (2005) defined innovation as follows: "Innovation is the application of better solutions, new products and services that meet new requirements and associated market needs. It creates new methods of production, supply and distribution, changes in management, work organization, working conditions and qualification." Encouraging the employees through creative techniques tend to increase the morale of the company and also it brings more employee engagement and job satisfaction. Companies have become second home for the employees as they spend most of their time with their co-workers. "Companies like Google have invested more in employee support and employee satisfaction has risen as a result. Under scientifically controlled conditions, making workers happier really pays off," - Professor Andrew Oswald (University of Warwick, who conducted the research on how employee happiness and employee productivity are related). Out of box thinking is not only important for the employees to come up with

new ideas, but also for the employers to bring up with new and innovative ideas to encourage and motivate the employees. This paper studies the motivational techniques that induces the employees' innovation.

### **Literature Review**

It is very important to study and analyse the motivation as it is driving force for employees' performance. Maslow's theory of hierarchy of needs is one of the primary theories of motivation followed by Herzberg's theory, Expectancy theory and so on. Kanter (1984) explained that reward plays a very significant role in boosting the innovativeness but concluded that it is unclear the way the reward system works. There are only a few studies which studied the relationship between the motivation, ICT and innovative work practices (Godard, 2001; Martin, 2011). The relationships between the innovative work practices and the continuum of motivations defined by Gagné et al. (2010) have not hitherto been studied but the relationships with related concepts has been the object of previous research. From this body of work, we know that a well-designed work organization permits the increase of individual job performance through the encouragement of positive attitudes in employees. On the whole, there is a positive relationship between the job satisfaction with organisational citizenship and innovative work practises. (Macky and Boxall, 2007; White and Bryson, 2013).

### **Innovative Workplace Model**

The workplace structure that is in existence does not meet the demands of this century, nor did they fit with the preferences and expectations of the workforce of this contemporary world. Globally only 3% of the workers are highly engaged with their work and less than half of the workers have job satisfaction. The employers must understand who their employees are and their factors of motivation.

The innovative workplace model is created by the institute for workplace innovation (iwin), University of Kentucky in 2010. This model comprises of eight dimensions (Promotion of health & wellness, effective leadership & supervision, opportunities for learning & advancement, promotion of workplace flexibility, culture of inclusion, meaningful work, cultivation of teams & social supports and competitive compensation & benefits) to create dynamic work environment, the dimensions of the model are dependent on one another. Every workplace differ from each another, the priorities and practices of the workplace differ from industry to industry and also depends upon the demographic group. However, this model has the core components/ dimensions that can be applied across various industries. During the time of economic distress it became apparent that the biggest asset of an organisation is its human capital. It is imperial for the organisations to create strategies in such a way that it brings optimised employee results and to make employment decisions that are tactical in nature, investing the employee engagement and to leverage the strengths

of the workforce. To amplify their investments, insightful organizations look to the research to educate their training. At the point when an organization does not completely incorporate innovative and comprehensive practices into their everyday operations and organizational cultures, human capital inefficiencies, employee stress, and problematic exhibitions result. Letting the employees to speak up, reinventing whenever it is necessary and being open to new ideas result in innovation.

## **Motivational Factors for Innovation**

### **Innovative Leadership**

LMX (Leader Member Exchange) theory emphasizes at the social exchange relationships between the followers (employees) and leader. According to the LMX theory satisfaction of the subordinate & supervisor, role conflict & clarity, performance and turnover intentions are the outcomes of the relationship between the leader and the followers (Yukl, 2002). The relationship between a leader and follower is also associated with innovation (Graen and Scandura, 1987). The good relationship between the leader and follower (employee) provides challenging tasks, recognition, extension of support at crisis and provision for task related resources, all promoting innovation among the employees.

Transformational leadership promotes creativity and innovation (Kahai et al., 2003; Shin and Zhou, 2003). Transformational leaders make their followers to look at a problem in a different way which aims to make use of their full potential and it results in more innovation and creativity among the followers. Under the Participative leadership the followers enjoy autonomy and the decisions of the leader are influenced by the followers. The various forms of participative leadership (delegation, consultation and joint decision making) happen to be the antecedents of the innovative behaviour among the followers. The CEO of PepsiCo Ms. Indira Nooyi followed an innovative method of motivating her employees by writing letter to their parents. When an employee outperforms his job, he gets appreciated in his workplace, in addition to that the CEO writes a personal letter to his parents thanking them for letting them work in Pepsico and appreciating them to be a part of PepsiCo. This creates an emotional attachment for the employees towards the company and they tend to stick on to it for longer period of time.

### **Cohesive Suggestion System**

Suggestion system is all about participative decision making in an organization. Suggestion system is a crucial way to get creative and innovative ideas from the employees (James et al, 2003). Cohesive suggestion management must try to get suggestions and ideas from all the levels of management as well as from the clients and other stakeholders of the organisation. Cohesive suggestion system along with the proper reward system in an organisation creates a need among the employees to

come up with innovative ideas to get recognition and career advancement. Employee's innovation has become a parameter for the growth and survival of an organisation in a competitive world. The creative and innovative solutions given to the clients make them stick together to our organisation for a longer period of time and yields results in long run. Toyota has a concept called Toyota Creative Idea and Suggestion System (TCISS) established in 1951 which aims to elicit the suggestions from its employees for its improvement in quality. The company has incorporated the Annual award for the individuals who come up with extraordinary suggestions. This procedure of Toyota induces the employees to make use of their skills and creativity to their full potential and come up with innovative ideas and suggestions.

### **Autonomic Mentoring**

Intergenerational attitudes create miscommunication and misunderstanding in an organization. Crush 2011 has found that around fifty percent of the employees feel that they can perform better than their supervisors if given a chance. When it comes to mentoring the Millennials and Boomers the mentoring process has to be entirely different and must provide autonomy to the mentee. The mentorship with autonomy promotes the innovation among the employees and make them to take responsibility of their ideas and decisions. Good mentor- mentee relationship promotes different perception and opportunity to innovate. Paypal's Unity Mentorship Program is very popular in the corporate world. Under this programme, 100 mentor-mentee pairs were made in the same and different department across the paypal irrespective of their gender. These pairs are made based on a survey questionnaire and their first meeting helped them to ascertain whether they have found a good pair or not. This kind of pairs which aligns people of same thought process and make them complement each other in their work. Peer mentoring makes it easy for the employees to disclose their innovative ideas without any inhibition of failure because the pairs are considered as cheerleader like figures.

### **Enhancing Risk Taking Propensity**

Risk taking is a cornerstone for the innovation in an organisation. Employees who take more risks come up with new ideas all the time and they face a fewer problems with vague situations (Barron & Harrington, 1981; Patterson, 1999). The innovative employees always give an edge to the company by creating new products and services. The policy "Higher the risks, higher the return" may not work all the time. So, the top management must always be ready to accept the failures and mistakes of the employees but at the same time they must be sure that the same mistake should not take place again. After emerging out from bankruptcy, the CEO of Extended Stay America brought the policy called "get out of jail free" in which the printed 'get out of jail free' cards were given to 9000 employees and they were informed to take risks on

the call of the card with no questions raised to them. This strategy to increase the risk taking propensity of the employees paid off. It had brought in \$2, 50,000 deal from a film production company out of a mere cold call by an employee.

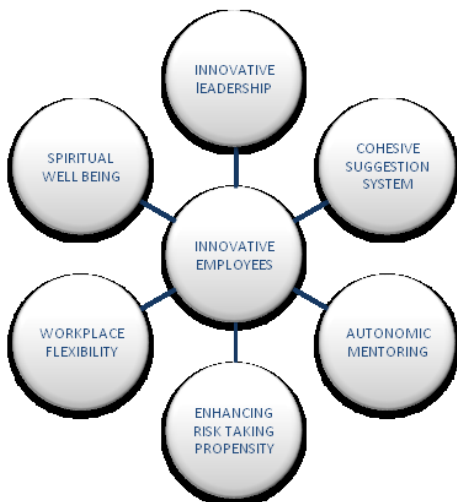
### Workplace Flexibility

Workplace flexibility can be divided into internal and external (Grenier et al, 1997). The ability of the organisation to adjust and change itself (internal labour market) to the dynamic circumstances is known as internal flexibility. On the other hand, external workplace flexibility make use of changes in the outsourcing and external labour market. Developing the in house knowledge to make use of the external flexibility will induce innovation. The model of the flexible firm (Atkinson, 1984) suggests that innovation occurs more efficiently inside firms than in the marketplace. Google Inc. has a policy called "20% time" which allows their employees to make use of twenty percent of their work time to do what they think as beneficial to their company. This policy of Google facilitates innovation and creativity among its employees. The even Adsense and Google News are the outcomes of the "20% time" policy.

### Increasing Spiritual Wellbeing

85% of the Americans expect spirituality at their workplace (forbes.com). Workaholism which induces stress reduces the spirituality at the workplace and makes the employee to be lower productive. Spiritual workplace increases the sense of belongingness among the employees (hrzone.com) and strong corporate culture (Claude &Zamor, 2003). The sense of belongingness and strong culture created by the

spiritual workplace makes the employees to be more creative and innovative as they feel that the growth of the organisation is the growth of themselves. The Ojain Foundation conducted a week long retreats led by Marlowe Hotchkiss for the Xerox Inc. executives to explore the vision quests and to understand the traditional American model (for council meetings). The vision quest of this programme helped one of the executives of the Xerox to create a 97% recyclable machine which became a popular product of the company.



Conceptual Model

## Conclusion

Thus, the employees of an organisation can be induced to become innovative by motivating them through the above explained factors. The space for out of box thinking must be provided both to the bottom, middle and top level of management. Penalising the mistakes in an innovative organisation must be in such a way that the employees should not repeat the same mistake again and not in a way that hinders the innovation. The organisation that practices the innovation and creativity establishes itself unmatched in the long run.

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