HRM, ORGANIZATIONAL CLIMATE AND OPEN INNOVATION 

BEHAVIOR

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ABSTRACT

The purpose of this paper is to provide a direction of HRM approach in order to develop an innovative behavior towards the era of open innovation or in other words Open Innovation Behavior (OIB). The literature review is used as a foundation to develop the HRM approach. A number of literature reviews about open innovation, organizational climate, and innovative behavior is used to understand how open innovation behavior is developed. Through this, it can be found that a project-based work which involves inter function/department or inter organizations among team members would build up the interconnection and interaction between individuals to collaborate one and another. Through the approach of individual assignment that assigns individuals to participate in project-based work, each person has his or her role and interaction process to develop stance and collaborative behavior. Individual assignment in project-based work could encourage the Idea Support and Trust/Openness by having the role in team and interaction process so it may lead an individual to have OIB. Therefore, HRM approach in developing psychological aspects is believed to lead the Open Innovation Behavior in organizations.

Keywords: Innovative behavior, Organizational climate, Open Innovation Behavior

INTRODUCTION

Studies on innovation and innovation management have been constantly growing and getting increasing attention. As a way of categorising, nowadays there are two major streams in this study, namely close versus open innovation. Close innovation is achieved through the use of IT and skills available within an organization (Kondev, Tenchev & Vasileva, 2014). While open innovation encourages knowledge exchanges with the organization’s external parties in order to get the benefit of idea or notion’s generating (Chesbrough 2003: 2006). In reality, no organizations completely & thoroughly do the closed innovation (Huizingh, 2010). Organizations always make efforts to utilize various kind of resources, both the
internal and external ones, in order to generate innovations (Chesbrough et al., 2006; Enkel, Gassmann & Chesbrough, 2009; Inauen & Wicki, 2011; Lavie, 2006; Mowery, Oxley & Silverman, 1996; West & Lakhani, 2008:).

The approach chosen by an organization in its innovation process is dynamic in its nature and is influenced by the organization’s level of openness (Makimattila, Melkas & Uotila (2013). It can be seen from the use of different innovation processes between organizations, either close or open innovation. However, in this more open era, open innovation approach is more acceptable. The existence of both internal and external interconnection with other companies enables an organization to keep its competitiveness due to the information sharing (Eisenhardt, 1989), and provide advantages in innovating (D’Aveni, 1994). Interconnection encourages sharing of various resources, which will contribute in increasing the company’s competitiveness (Barney, 1991; Collins & Clark, 2003; Lavie, 2006). Thus, the existence of each company’s efforts to cooperate with each other in order to share their resources, has encouraged them to be more open (Christensen et al., 2005; Rigby and Zook, 2002). The same thing is also stated by Chesbrough (2003), that is: “Not all the smart people work for us. We need to work with smart people inside and outside our company”.

The focus of this paper is to review the open innovation phenomenon in order to develop HR practices that support innovative behavior. Early review shows that since the introduction of open innovation concept in 2003, human resources management or HRM aspects received very little attention in open innovation literature. Open innovation has been linked to other aspects such as strategic management and R & D processes (Gassmann, 2010; Gassmann, Enkel & Chesbrough, 2010). This is contrary to the importance of human resources in either the stage of idea development (Amabile, 1996; Nicholson & West, 1988;
Nonaka, 1994; West & Farr, 1990; West, Fletcher, & Toplis, 1994) or implementation (West, 2002; West & Farr, 1990) either individually, in group, or within an organization.

Despite individual ability to explore and cooperate, both internally and externally, is important in innovation process, the capability of human resources in generating ideas has its limit (Podmetina et al., 2013). Organizational support is therefore needed to develop the environment and mechanisms that stimulate individual collaborative mentality and capability. In so doing appropriate human resource policies and practices are deemed important.

In order to understand the role of HRM in building an open innovation environment and mechanisms, this paper employs the innovative behavior approach (see e.g. Scott & Bruce, 1994; Wu, Parker, & Jong, 2011; Yuan & Woodman, 2010). This perspective explains various factors inside or outside of an individual that may influence the innovative behavior, either directly or indirectly. For instance, individuals’ cognitive activities are considered crucial, in order to continually create and innovate (Cohen, Evans, Stokols, & Krantz, 1986). Another factor is psychological aspect, which has been proven to influence individuals’ ability to innovate (Ford & Gioia, 1995) and collaborate (Cohen & Spacapan, 1878). However, it is understood that individuals need certain conditions for innovative behavior (West, 1987; West & Farr, 1990). External factors are usually considered as influencing the innovative behavior, either directly or indirectly (Amabile, 1983; Matzler & Renzl, 2006; Nicholson & West, 1988; Scott & Bruce, 1994; West, 1987; West, 1994; West & Anderson, 1996). In that case Ekvall (1990) refers to how creative organizational climate can stimulate the innovative behavior of its members.

Besides that, dramatic changes in the organizational environment will encourage innovation process to be done, not only internally but also involving the external ones (open innovation). This raises a question, how innovative behavior can be modelled in such context.
Moolenaar et al (2014) shows that connecting and interacting among individuals, both internally and externally may impact on the collaboration and innovation generated. However, such organizational, group, and individual behavior do not happen automatically. Adequate human resources stance and organizational climate are needed in directing the behavior of relating and collaborating internally and externally, in order to encourage innovation (Cohen & Spacapan, 1878; Ekvall, 1990; West, 1987; West & Farr, 1990).

Even though there are quite a number of researches that have broadly reviewed various factors in developing innovative climate, this paper considers it is necessary to emphasize more on the individual level as well as interaction among individuals. Multidimensional as well as multilevel approaches are also necessary, considering that individual behavior cannot be separated from the role of group and organization, especially in this open innovation era. Thus, review on open innovation needs deeper understanding on how creative climate is generated, either at individual, group, or organizational level. This literature review aims to contribute to the understanding of how HRM may facilitate innovative behavior within the context of open innovation (Open Innovation Behavior, OIB) through the development of suitable climate and mechanisms that allow innovation to flourish.

INNOVATIVE BEHAVIOR IN OPEN INNOVATION CONTEXT

Innovative behavior is a behavior which is related to generating/introducing of new ideas and its implementation (Kanter, 1988; Janssen, 2000; Scott and Bruce, 1994). It is also understood as an interaction process between motivational aspect and cognitive aspect which can be reflected in group or individual activities. It does not stop in searching and finding ideas, but it encourages individuals to implement ideas. Therefore, it is important to get acknowledgment for ideas, support, and coalition especially in implementing those ideas.
Knol and Linger, 2008). These explanations could be seen that innovative behavior involves interaction process amongst individual in searching, mobilizing, and implementing ideas.

In a more open minded organizational environment, the concept of open innovation can be more accepted to optimize both internal and external resources. Open innovation era does not provide a wider chance to search and find ideas only but, also to present challenges in developing collaboration ability to get support and acceptance of ideas to be implemented. The degree of difference can possibly be happened in openness era between individuals, teams, and organizations. It needs the ability to be able to tolerance and big trust. Therefore, to obtain advantageous of open innovation era, it is important to have HR stance to relate and collaborate in the middle of differences and able to mobilize support in accepting ideas and its implementation, both in team and inter organizations. This kind of behavior is next to be identified in this paper as Open Innovation Behavior (OIB).

Cohen and Spacapan (1878) explained that psychological aspect (intrinsic motivation) could influence the ability of individuals to collaborate. The result of literature review by Okello and Gilson (2015) shows that interaction process inter individuals can have results in the ability of individuals to work together or collaborate as Cohen and Spacapan have explained (1878). The existence of good relationship between team members will influence the ability to collaborate which might affect the OIB (Decy & Ryan, 1985). Eventually, this ability to collaborate is the most needed in OIB towards openness era.

Beside psychological aspect, the work itself can affect the ability to collaborate that one has. As Montani et al. (2014) have explained that aside from psychological aspects, the work itself can influence the OIB. For instance, group-based work involves individuals in building up the ability to collaborate through interaction process (Notari et al., 2014). In collaborating, an individual needs to be open in order to build trust between individuals and is
willing to share and support each other. The participation of individuals in team could emerge the behavior to be more open and share because they feel to be part of team that need each other and build trust between members. In addition to that, it also can grow the feeling to share and support one to another to achieve certain goal.

Moolenaar et al. (2014) explain that connections and interactions between individuals internally and externally can produce a collaboration. Even so, it does not happen automatically. It needs HR stance that leads behavior to relate and collaborate both internally and externally. As it has been explained before that behavior is a function of its environment so, it can be understood that HR needs certain environment (West, 1987; West & Farr, 1990; Cohen & Spacapan, 1878) to be able to participate towards achieving organization’s goal.

**CLIMATE AND OPEN INNOVATIVE BEHAVIOR**

According to some literature reviews, climate could be developed using a variety of approaches which can be done by organizations. Researches proved that climate can influence individual behavior in an organization. One way to is by building a climate which can increase participation from individuals to get involved in giving ideas, discussing, and being proactive (Harmon, 1992). Ekvall (1990) also explain that climate will stimulate innovative behavior of organization’s members. Moreover, it is explained that behavior is a function of its environment (Hulsheger et al., 2009; Lewin and Stringer, 1968). Therefore, appropriate environment could optimize potentials of individuals. (Brown and Leigh, 1996). When organizational climate limit and give a little acceptance of ideas or creativity, it will hamper ideas to be shared in order to make innovation (Nijstad & De Dreu, 2002).

In open innovation context, interaction between individuals, teams, or even organizations is possibly happened. It can be seen from the result of Huang et al (2016)
research that interaction between organizations as the result of business transaction is often built upon individuals interactions inter organizations. Environment changes in open era which is followed with the open innovation approach needs climate appropriateness support that can enhance the needed behavior (Fishe et al 2014). Individuals who get support in organizational climate will encourage innovative behavior.

**HRM APPROACH IN BUILDING OIB THROUGH WORK-BASED PROJECT**

Lewin and Brown have explained that behavior is a function of its environment so, it can be understood that individuals environment has a big influence in leading individuals behavior. Montani et al (2014) explained that innovative behavior is influenced by psychological aspect and the work itself. The involvement of individuals in project-based work may give a result to the ability of individuals in collaborating that can lead to OIB. Individuals who work independently can be more creative while those who work in teams can be more innovative (Nijstad & De Dreu, 2002).

Uzzi (1997) described that the relationship between individuals does not affect only in the capacity building of individuals behavior like team work. Moreover, it is explained that the ability to interact between individuals can have results to inter organizations and relationship between organizations because inter organizational exchange, as in other business transaction, the transactions are initiated and carried out transactions by individual (Tsang, 1998). Individual skill is what needed the most to be able to work together and collaborate in building teamwork between inter organizations in open innovation era.

The difference of team member composition in project-based work can stimulate generating ideas because of the variety of knowledge and perspectives. Wu and Tang (2015) in their research described that individuals who came from different function/department or
even from different organization in project-based work could cause information and knowledge sharing, also innovation behavior development. Moreover, the involvement in project-based work can grow the trust and support between member by having a chance to participate and interact. In addition to that, this trust and support system in team will enhance meaning, competence, self-determination and impact for individuals. By maintaining the psychological aspects, it will influence the OIB.

**CONCLUSION**

In open innovation era, it needs behavioral changes that can support a company to achieve its goals. OIB becomes very important especially in a more open environment. Organizational climate can be reflected by having support that individuals can feel. Organizational climate should be able to build the psychological aspects such as meaning, self-determination, competence, and impact from individuals that can maintain the innovative behavior in company.

Project-based work encourages member to have trust and support in team to achieve one goal. Moreover, having a chance to participate in project can develop the psychological aspect that one can have like self-meaning, developing competence, impact, and self-determination. These psychological aspects can be built when each individual can interact very well and has a chance to contribute by building up the trust and support. Through project-based work individuals are pushed to be more open to the differences between them and to be more tolerance in order to build the trust and support. Therefore, project-based work does not develop the cognitive aspect only in order to create innovation but the interaction process in it is able to develop the psychological aspects which are needed in OIB.
REFERENCES


