Organizational Behaviour and Human Resources Division
Seminar Series

‘Leveraging Human Capital Flow for Organizational Innovation: An Ability-Motivation-Opportunity HRM Framework’

‘From Employee-Experienced High-Involvement Work System to Innovation: An Emergence-Based Human Resource Management Framework’

Friday, October 20, 2017 | 10:00-11:30 AM

Henry Angus 333

Yixuan Li

PhD Candidate

University of Florida

Abstract

The impact of employee turnover on firm market performance has attracted considerable research attention. However, we have limited knowledge about how human capital flow influences organizational innovation, a central mechanism for firms to discover new revenue-producing opportunities, adapt to environmental changes, and sustain competitive advantages. It is also important to recognize that human capital outflow (turnover) is not the entirety of human capital flow and incorporating human capital inflow (hiring) into theoretical consideration can advance our understanding about the nature of human capital flow. Therefore, the purpose of my dissertation is to explicate the influence of human capital inflow (hiring rate) and outflow (voluntary turnover rate) on organizational innovation. Drawing on the human capital perspective and knowledge reservoir perspective, I propose knowledge compilation as the critical emergence process linking human capital flow and organizational innovation. Further, incorporating the Ability-Motivation-Opportunity HRM framework, I examine how different HRM practices may shape the relations between human capital inflow/outflow and organizational innovation in distinct ways. Hypotheses were tested using data from a nationally representative sample of workplaces in Canada (N = 2,289). As expected, hiring rate was positively related to innovation, while voluntary turnover rate was negatively related to innovation. Further, ability-based (i.e., training investment) and opportunity-based (i.e., opportunity-enhancing work design) HRM amplified the positive relation between hiring rate and innovation and the negative relation between voluntary turnover rate and innovation. In addition, motivation-based HRM (i.e., pay for performance) weakened both the positive relation between hiring rate and innovation and the negative relation between voluntary turnover rate and innovation. This study sheds light on the importance of considering the direction of human capital flow when investigating how employee mobility can be managed in combination with HRM practices to facilitate organizational innovation.

The influence of human resource management (HRM) on innovation has attracted considerable research attention over the last decade. However, existing studies have primarily focused on the macro-level HRM architecture, limiting our understanding about the cross-level origin of innovation. Developing an emergence-based HRM framework, we propose that employee-experienced high-involvement work system (HIWS) promotes innovation by eliciting collective interactions for knowledge exchange and aggregation. Further, we investigate the emergence enabling process that facilitates employee-experienced HIWS to give rise to organization-level innovation. Specifically, we probe three distinct emergence enablers that amplify the positive influence of HIWS on innovation by shaping the concertedness, direction, and adaptability of collective interactions—that is, the homogeneity of HIWS experiences as the internal mechanism, the strategic importance of innovation as the external mechanism, and the churn in human resources as the temporal mechanism. We tested our theoretical model using data from a nationally representative sample of workplaces in Canada (N = 2,639). Our results suggest that employee-experienced HIWS was positively related to innovation. In addition, this positive effect was amplified by all three emergence enablers (i.e., the homogeneity of HIWS experiences, the strategic importance of innovation, and the churn in human resources).

UBC SAUDER SCHOOL OF BUSINESS