From HR Strategies to Innovation– Multiple Case Studies Analyses

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Abstract
The focus is on organizational innovation and strategies that spur workplace innovations. The purpose is to determine the extent to which HR strategies in terms of job design techniques can persuade innovation on a north Mediterranean hospitality pool of selected big hoteliers. A field research has been carried out and through interview sessions, theoretical hypotheses were discussed trying to find a pattern of HR strategies enabling innovation. Five case studies are presented and discussed. This paper contributes to discussion of the processes linking motivation and innovative organization and the interaction of all main processes working dynamically together to create and maintain long-run positive organizational performance. An external job rotation model is also proposed.

Keywords: motivation, workplace innovations, human resources management practices, organizational innovations.

1. Introduction
As the world gets smaller, companies may be competing in ways they never anticipated, and are forced to shift on a more subtle thinking about how they compete for customers, employees, and talent. They have to keep one step ahead of their competition. For doing this, they inevitably employ a certain business model that defines the way they delivers value to customers, entices customers to pay for value, and converts those payments to profit. (Teece, 2010) The business model has to be imbued with constant encouragement of innovations. Like sauna evenings, innovation has been swinging in and out of fashion: popular in good times and tossed back in downturns. At the end, it assures them either positive long-terms sustainability or just a short-term survival. Innovation assures short-run increase in profits and long-run sustainable competitive advantage (Suciu and Florea, 2013) but only operational effectiveness and quality of market information lead to sustained innovation according to Kekale et.al. (2010). The Schumpeterian creative destruction is likely to be a main factor behind the successful vs. unsuccessful companies’ link due to the point of existence of various sources of creative destruction. One of them is readiness and openness for innovations but that with a successful implementation. At its very end, apart from benefiting on the micro level, innovation multiplier brings resultant ”knock-on” effects on the macro environment as seen by Bienayme (1986).

There are various factors driving innovation in an organization. It may be “Edisons” (Beckeman, 2008) behind innovations, or it may be a matter of organizational culture or structure and hierarchy, leadership, design thinking, workplace practices, differentiated business model, internal processes, organizational learning, social responsibility, environmental responsibility etc. Organizational learning was linked with technical innovation and organization culture in the work of Sanz-Valle et.al. (2011) who found a positive correlation between organizational learning and technical innovation underlining that flexibility focus and external focus should be looked both when characterizing organizational culture that can positively influence innovation in organization.
Larsson (2006) was interested in finding a linkage between managing innovation and technology strategy development. Radical innovation fostered by organizational culture was a matter of interest of McLaughlin, Bessant and Smart (2008). Yen and Chou (2001) discussed the implications, benefits, concerns and challenges of building intranets for organizational innovation and concluded that it can dramatically increase the flow and value of information within an organization that will result in lowering costs and increasing the timeliness of information flow. Chanal (2004) was concerned with how the innovation activity of a firm contributes to organizational learning and thus to the organization’s structure. The impact of organizational culture was again a point of interest for Naranjo-Valencia, Jiménez-Jiménez and Sanz-Valle (2011) who founded that organizational culture is a clear determinant of innovation strategy whilst adhocracy cultures foster innovation strategies and hierarchical cultures promote imitation cultures. How different forms of power-based leadership (reward power and coercive power) employed by a supervisor vis-a-vis a middle manager affect the middle manager’s innovation-related cognitions, and behaviours was a point of interest for Krause (2011).

The modern facet of global environmental shifts have encouraged Chang and Chen (2013) to investigate the link between green organizational identity and green innovation performance which appeared to be positive thus providing insights to organizations in enhancing green organizational identity through environmental commitment, and environmental organizational legitimacy. Environmental awareness was a point of interest for Gonzalez-Torre and Perez-Bustamante (2006) who detected environmental practices as a driving force for product innovation and analysed the effects of technological progress on environmental practices. An extensive framework of how innovation occurs, its end results in terms of positive, negative outcomes, and its impacts on business financial performance was investigated by Laforet (2010). Innovation as a process consists of interrelated, mutually supportive stages that cover distinct aspects of innovation and, they are creative thinking, idea screening, idea development and value delivery (Waychal et.al. 2011). Workplace innovations are a challenge for human resources management because they involve new ways of thinking and motivating employees. Within the field, the use of various motivating strategies or job design techniques (i.e. job enrichment, job enlargement etc.) can result in the employee empowerment and leads to a higher quality of output and employee motivation since worker feel connected to their jobs. Employees who are satisfied in their jobs are more willing to accept organizational goals and values; they are more motivated and more willing to exert effort for the Company (Schmidt, 2007). Whereas the processes of motivation and implementation of innovations in the workplace have been described in the literature before, the contribution of this article lies in articulation of the processes linking motivation and innovative organization and of the interaction of all main processes working dynamically together to create and maintain long-run positive organizational performance. We discuss the implications of our model whilst presenting five case studies based on the conducted research.

2. Literature Review

2.1. The Process of Innovation

Innovation is a very broadly used term, generally referring to new ways of achieving something. The emphasis lies on applicability: any significant improvement in business practice (either in the product range or in support structures) classifies as innovation (The Gallup Organization, 2009). Innovation may be pursued by internal or external sources (more on sources of innovation may be found in the work of Campbell and Kleiner, 1992) whilst the range of possible innovations is extremely broad: from introducing new rules at a company department that facilitates a business process to creating a working fusion power plant (The Gallup Organization, 2009). Creativity has to be distinguished from innovation as ideas versus implementation, thinking new things or doing new things, respectively. Theodore Levitt gave a clear proposal how to look to innovation: “Creativity is thinking up new things. Innovation is doing new things.” This is aligned with Teece’s statement (2010) that customers don’t just want products, they want solutions to their perceived needs. These solutions have their roots in human’s creativity. Westand Rickards (Rose, 2005, 85)defined innovation as the intentional introduction and application within a job, work team, or organization of ideas, products, or procedures that are new to that job, work team, or organization and that are designed to benefit the job, work team, or organization. This is aligned with Santos-Rodrigues Figueroa Dorrego and Fernandez-Jardon (2011) who distinguished the product-process innovation and the management innovation. Innovation is regarded as an evolutionary, nonlinear, and interactive process between the firm and its environment (Universidade da Beira Interior, 2014).
Organizational innovation is a process which has to be dynamic and iterative in order to create and modify the initial idea and develop this idea to produce products, services, processes, structures, or policies that are brand new to the organization or somehow modified in order to improve some already existing processes or products (Zhuang 1995, Nohria and Gulati 1996). Furthermore, innovation is based on thought that customers expect from companies better products or services, but they also expect from them new discoveries to satisfy their needs and wants. Organizations exist to anticipate human needs and wants. Every organization has to support innovation. Various strategic initiatives that support different kinds of innovative organizational tendency exist. Companies can look for human resources of great communication skills, capacity for team working, creativity and negotiation skills (internal drivers of innovation). If already employed, companies should strive to put a focus on recruitment and training on the above-mentioned skills. This goes along with the research conclusions that pointed out that if internal activities and systems to support innovations are to be integrated within the organization, a great share of EU companies (40%) had emphasized the importance of staff rotations and secondments to bring new perspectives to work processes (The Gallup Organization, 2009). According to Barroso, (2011) package of strategic approach to innovation is (1) the overarching policy objective driving all other policies (education, skills, labour markets etc.); (2) innovation policy is steered and monitored at the highest level; (3) massive investments in skills, research and innovation especially through “recovery”.

Firms must both innovate and successfully implement innovation to grow and stay competitive (Cadwallader et.al. 2010). But not every innovation will be successful. Failures may happen on the way to its implementation and every company has to deal with them. More on risk factors of innovation activity can be traced in the paper of Golichenko and Samovoleva (2013). Particularly, there will be failures if innovation is not perceived as a four-step process that includes (Gooze’, 2003): creating, advancing, refining and implementing. Roger (2003, p. 232) defined five qualities of a successful innovation: (1) its relative advantage compared to the idea it surpassed (how much better it really is based on the judgement of its final users); (2) its compatibility with existing values and practices of potential adopters; (3) its simplicity and ease of use; (4) its trial ability or experimentation ability and (5) its observable/visible results. Even though these are some clear criteria for a successful implementation of an innovation, there will always be those less and those more opened adopters of innovations. This is why several adopter categories can be distinguished (Clarke, R., 1999) – innovators, early adopters, early majority, late majority and laggards. (Scheme 1)

**Scheme 1: Adopter Categories**

![Adopter Categories Diagram](image)

Source: Robinson, L. (2009, p.5)

Within this theory, the goal is not to move people within the five adopter categories into another category, but to streamline the innovation to meet the needs of all five categories (Kaminski, 2011).

2.2. From Workplace Innovation to Innovative Organization and Sustainable Performance – The Phasal Intelinkidge

Workplace innovation as a generic term, presents innovations in the way enterprises are structured, the way they manage their human resources, the way internal decision-making and innovation processes are devised, the way relationships with clients or suppliers are organised or the way the work environment and the internal support systems are designed (European Commission, 2014).
It is more about management practices in generating workplace innovations and the structural capital influences positive and directly the management innovativeness (Santos-Rodrigues Figueroa Dorrego and Fernandez-Jardon, 2011). Workplace innovation can be recognized in many different but equally small initiatives and movements within the organization. Companies can redesign their offices in order to improve the communication and exchange of ideas of their employees, implement work from home, remote teams, all-night brainstorming sessions etc. Strategies that pursue workplace innovation (motivating strategies) can foster employees’ motivation and contribute to retaining good and perspective employees. The focus is put on motivation as a mean through which managers can fulfill the needs and wants of their employees so as to make their behaviour acceptable and favourable towards the firm. Modern managers are interested in theories of motivation as sources of alternative methods for encouraging motivation, innovation and high performance. Motivational theories can be conceptual (Maslow, Alderfer, Herzberg, Atkins and others), process based (Adams, Vroom, Porter – Lowler and others) or modern (managers are the most important in motivating employees) (Cuculić and Lalić, 2002). They have to be adequately recognized and a proper combination of main motivational aspects has to be combined accordingly. Factors that have a strong influence on motivating employees need to be taken into account. These are (Cuculić and Lalić, 2002): (1) individual characteristics (perceptions, expectation, attitudes, values, needs, etc.), (2) organizational characteristics (associates, management style, work conditions, organizational atmosphere and culture...etc.), (3) job characteristics (variety, interest, intrinsic awards etc.) and (4) society (wider society). Motivating people is crucial for gaining excellence on the global scale. It is so because managers, using right combination of motivating strategies, can increase employees’ performance by making them feel better and respected, thus increasing their performance and their ability to be creative and to innovative. Managers (must) enhance employees’ motivation especially in context of job to assure space for innovativeness. Workplace conditions in which employees “see”, and “feel” their importance and belonging to organisation enhance commitment to every day work.

This leads to the issue of job performance that is defined as the value of the set of employee behaviours that contribute, either positively or negatively, to organizational goal accomplishment (Colquitt et al., 2011, 35). Task performance and its differentiation between various jobs is another issue which has to be taken into account bearing in mind its direct involvement in the transformation of organizational resources (raw material, human capital, money and capital) into the final products (goods or services). Only creative task performance shows the degree to which individuals develop ideas or physical outcomes that are both novel and useful(Colquitt et al., 2011, 37). Creative task performance is tightly linked with job design. Job design should incorporate environmental dynamics, the organization’s resources, and individual preferences (Kamery, 2004, 141) – based on recognizing the already mentioned factors. Thus, it is of utmost importance to identify what interests and challenges people and then jobs, special assignments and career paths can be sculpted to match those interests, enhance motivation and performance and fuel creativity (Butler and Waldrop, 1999). Afterwards, it is important to select proper job design techniques. Various strategies that foster workplace innovation are listed hereafter firstly based on two main job design techniques – job enrichment and job enlargement. Taylor’s scientific management approach, during 1960s and 1970s created a movement whose mantra and methods are still influential, and that is the Quality of Working Life (QWL) and its most popular technique and a vertical restructuring method - job enrichment. Job enrichment is a job design technique. Job enrichment has its roots in Frederick Herzberg’s two-factor theory, actually its roots can be found in its second dimension which refers to motivators, which are factors that satisfy higher-level needs such as recognition for doing a good job, achievement, and the opportunity for growth and responsibility. Herzberg’s conclusion was to use vertical loading factors in order to achieve job enrichment. Those factors are methods for enriching work and improving motivation, by removing controls, increasing accountability, by providing feedback, new tasks, creating natural work units, special assignments and offering additional authority. According to Kamery (2004,141) greater responsibility increases job depth (worker control) and results in employee empowerment, and this empowerment often leads to a higher quality of output and employee motivation since worker feel connected to their jobs. Moving employees towards greater flexibility may lead to a re-invented enrichment under label of ‘job sculpting’. Another technique in use is job enlargement as horizontal restructuring method that increases the number of tasks by adding various activities and reducing monotony but always on the same level of responsibility. The latter makes a clear distinction between enlargement and enrichment techniques.
Workplaces are not just places in which labour is divided and tasks accomplished (Scott, 2009). Participation in organizational life is an important way in which individuals perform and reinforce their preferred senses of who they are. It is organizational identity that reflects core values and organizational culture that facilitates employees’ approach and their stronger identification with the organization thus leading to higher job satisfaction, lower intention to leave, and less absenteeism. If strongly identified, they are willing to do something extra or continuously search for new ideas that enlighten the perspective of employee’s job satisfaction from a wider facet. Thus, organizations have to work on establishing a strong organizational identity. These changes can gradually add up, ultimately proving to be the difference between success and failure. For Lowe (2001) workplace innovation has to assure functional stability, flexible schedules, training, formal participation program, and information sharing all in order to reunite human resource and work organisational practice. For Toterdill (2007) workplace culture further grounded in respecting values and norms, focus on participation and involvement, initialization of innovations in the workplace, employees freedom to influence potential improvements in job quality and work life, provision of control over employees’ work environment are categorized as win-win approaches for workplace innovations. These can directly relate to the achievement of transparent performance measures and contribute fully to employees’ capabilities. Management should be concerned with motivating individuals on the job (Kamery, 2004, 141) through implementation of proper workforce practices and programmes which are proved to have a high correlation with market performance (Jue, 2013) and spur workplace innovations.

Institute for Corporate Productivity discovered some of the best people management practices of innovative organizations and these are (Burkus, 2013):

- Use Technology to Collaborate and Share Knowledge – the linkage between collaboration which drives creativity and innovation is underlined supported by the technological usage that enhances collaboration;
- Promote Innovation as an Organizational Value – importance of placing creative and average people into creative cultures;
- Include Innovation as a Leadership Development Competency – importance of having creative leaders who value creativity;
- Tie Compensation to Innovation – the importance of sending signal that innovation is valued;
- Develop an “Idea-finding” Program - innovative companies build a system that taps into the collective knowledge of everyone and lets everyone promote good ideas;
- Fund Outside Projects – the importance of strategic innovation partnership is emphasized (also outside the company);
- Train for Creativity - creative thinking skills can be developed and the most innovative companies fund training programs to develop them;
- Create a Review Process for Innovative Ideas - there is a process to refining, developing and identifying the ideas with the most market potential. Creating a review process allows this to happen and signals that innovative ideas are valued;
- Recruit for Creative Talent at the undergraduate level - the war for talent is slowing shifting its focus from quantitative minds to creative ones;
- Reward Innovation with Engaging Work - companies that are able to identify their most creative employees can enhance their creative ability by providing them autonomy to work on projects that are naturally interesting to them.

At the end, to build a culture that fosters innovation, an organization must hire for innovation talent, build teams that are diverse in talent, and fit individuals to the right role to drive success (Krieger 2010). An open culture is an utmost priority for a rich flow of business ideas as one of the stages of the innovativeness process is initiation and “openness to the innovation” (Knight and Kim, 2009). A major study done by the Chartered Management Institute investigated the future of work and management in the 2018 (Mullins 2010 according to CMI). Six cluster opportunities were spotted, each potentially leading to an organisational capability enhancement. Among them the organisational agility should ensure that the inherent potential and energy of the employees will be utilised, while organisational innovativeness should encompass the ability to nurture and use natural creativity, developing new ideas and realising them. The scheme bellow shows the connection between understanding motivation, designing motivating jobs which influences job performance and spur organizational innovation possibilities which ultimately leads to innovation organizations that are higher market performers.
Achieving success in the global market requires ‘good workplace’ to produce quality products, support for innovation, the ability to retain talented staff, and attract more talented people, and less resistance to change (Ma and Lai, 2008). Results of the study conducted by Sadikoglu and Zehir (2010) showed that employee performance has a significant and positive effect on innovation performance and benefits the overall firm performance. Therefore, successful efforts of satisfied, motivated, and committed human resources generate innovative ideas improving products or service as much customer satisfaction directly (Schmidt 2007). Employees’ attitudes and behaviour regarding their job can be shaped (Buchanan and Huczynski, 2011), Interpersonal relationship is able to turn employees’ talent into great company’s performance if treated fairly and with respect. Company management has to be aware that in today’s tumultuous times a loss of narrowly specialized employee represents not only increase of costs caused by head hunting and alluring of new employee. Loss of an employee to competition constitutes the greatest risk in the form of transfer of confidential information and know-how. Employee satisfaction is very important aspect of safeguarding confidential information too (Myskova, 2011). Inner work life theory argues that employee behaviour and performance at work are influenced by their own perceptions, emotions and motives. Positive emotions, perceptions and motivation are linked to higher levels of creativity and innovation has become a factor of a "new normal" driver of company organic growth. Productivity, commitment and collegiality are also improved when people are in a good mood. The relationship between performance and intrinsic reward are more immediate then those between performance and extrinsic. In fact the feelings of satisfaction and accomplishment are our own intrinsic reward. Extrinsic rewards might buy compliance but do not encourage commitment or creativity. Broader approaches to job satisfaction elaborate intrinsic motivation.

A new aspect of innovation can combine employee diversity with better innovative performance. The analysis reveals a positive relation between diversity in education and gender on the likelihood of introducing an innovation, and positive relationship between an open culture towards diversity and innovative performance too (Ostengaard et.al. 2011). An individual employee with a given amount of education and work experience can be a high- or low-quality element depending on the nature of the work environment; in fact, it is a multidimensional decision that forces managers to design a web of human resource management practices that motivate workers to contribute (Ichniowski et al., 2005). At this point, the value orientation of the individual and company needs to be considered (Tiessen, 1997). There is much difference in between individualism and collectivism. While collectivism is the idea that a group’s wellbeing is more important than the individual, while individualistic value structure emphasize personal identity, uniqueness, freedom, worth of individuals as core value. Successful economic and industrial development is often associated with an individualistic value system (Feldman, 1993). In contrast, company cultures based on each of mentioned value systems nurture greater emphasis on their goals that differ at quite large extent.

Source: Authors’ design
If we take rewards, employees working in a collectivistic culture primarily employ the norm of equality to determine how rewards should be doled out, regardless their competence and success. Employees working in individualistic companies tend to distribute rewards, based on the amount of contribution someone has made or the quality of their performance. Gorodnichenko et al., 2010 have found genetic differences between individualist and collectivist societies and has linked this dimension to economic growth and innovation. Individualist culture has a tendency to award social status to personal accomplishments such as important discoveries, innovations or great artistic achievements. Nevertheless, on the other side, individualism can make collective action more difficult because individuals pursue their own interest without internalizing collective interests. In collectivistic culture, individuals internalize group interests to a greater degree. Their model relies on the idea that collectivist cultures are better at producing goods but that individualist cultures are better at creating innovations required for new products (McDonald et al., 2006). Strong and collectivistic culture, one that is more team-oriented and emphasizes organization-wide goals may improve creativity when the firm has set widely accepted goals for innovation (Staw, 2006). Companies should protect individual perspectives and try to hire people who are different rather than from having a corporate-wide direction. Workplace innovation (Rose, 2005, 10) is crucial for recruitment, retention, and skill development. Voluntary behaviour can provide a competitive advantage to organizations due to its positive influence on employees’ motivation, their productivity and innovation capability and organization performance at the very end of the chain. As by Gorodnichenko et al. (2010) research study, individualism spurs innovation and thus faster growth because in an individualist culture employees have not only a monetary reward from innovation but also a social status reward. They are therefore willing, all other things being equal, to allocate more effort to innovative activities.

2.3. Empirical Results – Multiple Case Study Analysis

A field interviews were with Human resource managers in order to understand the breadth and range of human and company behaviour within a functional framework. The interviews are commonly used as a research method in social science, mostly psychology, but less in economy field. Human resource managers are dealing mostly with employees, they talk with them every day, facilitate conflict solving; they mediate a huge amount of internal movement processes, creating internal services within the unit for internal clients and subsequently tracing a multifaceted impact on the revenue creation. Among the authors of this article, one had a relevant previous working experience in employment agency and as HR director, so we avoided the two main biases – untrained interviewer with low motivation (Shoughnessy and Zechmeister, 2012). The second bias is more vicious then it seems because trained interviewers cannot think like a researcher. Authors set a clear pool of candidates – HR manager in big hospitality companies in the northern Adriatic territory. They all accepted the idea of a coffee table talk of 45 minutes. It was conducted as a half structured interview with list of topics in the same order with the possibility to use probes judiciously in order to get the respondents to elaborate further on ambiguous or incomplete answers. The advantages of a free-response question are that they offer to a respondent greater flexibility. Difficulties arise in recording and scoring responses to open-ended questions.

The results were presented in the form of ‘case studies’ in order to keep the quality of the gathered data and relief the understanding of the matter. The structure of the topics and its order followed a planned scenario. In general, after a brief introduction the HR manager was asked to present its working experience in short in order to get a profile overview and skip the initial spurious interpretation from our side. Afterwards each interview started with the HR department scanning so to get the scheme of it and gain access to real processes. Here open questions were posed for an insight of the processes blueprint. Following the line of topics to discover authors skipped into job enrichment field and asked closed questions on its familiarity with used methods, if in use an open question was served to find out the practice. Job descriptions and process mapping question was a chronological step further in revealing the internal organisation issues while focusing on innovativeness traces in the system. In fact important fragments came out as direct evidence of past company behaviour as a result of selective wear of the one being interviewed. A closed question on internal culture was on turn, and for performance management an open one enabling HR managers to explain and combine previously mentioned topics. Two short closed questions for finalising the interview were asked at the end regarding international management and staff members, and self-perception and success. The conclusion drawn by both sides were ‘it was a dialogue that both sides could benefit from’.
Case Study 1
The owner is an international company but now, it does not highly interfere in their way of human resources operations are performed. Dualistic management system is evident. The Company employs 549 employees. Its portfolio includes 7 hotels, 5 tourist resorts and 8 camps with the total capacity of 20.000 beds. It covers the southern-most area of Istrian peninsula. HR unit is a personnel unit with the following composition: employment, education (just for low level workers), payroll, and employee administration. For 20 years now there has been the same HR manager in the Company, lawyer by profession.

The Company has a process blueprints and job descriptions, but they are very old dated and urgently need refreshments. They established an interdisciplinary team recently to prepare an action plan for human resources. They are not focused on innovativeness; do not motivate their employees either. They have never heard about job enrichment methods, they do not wider jobs nor systematically move employees. They use evaluation once a year. When asked about measuring performance they said they do not motivate performance, but have variable element of pay (until 30%). Responsible manager decides on it and it is mostly the case with an extraordinary effort, but evidently transparent and clear criteria is lacking. Hence, they use financial incentives to motivate people with some focus on extraordinary effort probably based on hitting some specific targets. They perceive themselves as being on the border between collectivists with social system heritage and western culture more important they perceive themselves as successful. Employees work there until retirements. Exceptions are seasonal workers. Total revenue generated in 2011 was 31.146.281 Euro and they cumulated a loss of 2.521.995 Euro.

Case Study 2
The board members and specialists are international. English language is commonly used and it does have an impact as cultural intervention. Higher expectations from international superior toward local staff members are expected. The dualistic management system is evident. There are international members in the supervisory board, and Croatian in Management Board. The Company employs 1.625 employees and it is the largest tourism company in Croatia. It can accommodate more than 40.700 guests in a day in 24 hotels, 9 tourist resorts and 9 camps. HR unit is a Human Potential Unit with the following composition: employee administration, payroll, and training and development. It makes part of a bigger business group but can operate independently as well. The HR manager is an economist who has experienced various job positions from low level management (operational level) jobs in the hotel, through marketing department up until becoming the HR manager. They have process blueprints but no job descriptions. They encourage improvement and employee participation. During off-pick period, they hold workshops were everybody in the Profit Centre is invited to give a suggestion. As the result, their operation manager presents the new planning for the next year. They use job rotations, and they use interdisciplinary teams among business functions. They manage performance by yearly valuation for middle and high management. Low-level employees have stimulation fee for season picks. Have clear criteria and percentage. They use internal audit and mystery shoppers. They think they are on the border between individualist and collectivist society (‘when somebody fails they think a lot about that person and what to do’). In addition, they perceive themselves as successful, everybody stay until retirements. They have the same seasonal workers every year. The revenue they generated in 2011 was 71.963.291 and they cumulated a loss of 4.051.179 Euro due to long-term investments, corporate changes (acquisitons) and investments in human resources.

Case Study 3
The owner is an international Company (86% of foreign capital) but it does not highly interfere in human resources management issues. The management team of the company is combined of domestic managers. The supervisory board consists of foreign board members mostly in combination with domestic ones. It is a dualistic management system. The Company employs 922 employees. It provides all types of accommodation – from hotel rooms, camps and apartments. It can accommodate around 22.000 tourists in 11 hotels run by the company, 4 tourist resorts and 6 camps on the Western side of Istrian peninsula. HR unit is a Human Potential Unit with the following composition: search and selection, training and development and employee administration. The HR manager is a lawyer who changed several companies within the same industry, all with very similar internal cultures. He was an independent consultant for a while as well. They have process blueprints and job descriptions, but very old dated, need refreshments. They are not focused on innovativeness. Middle and top management exchange opinions on trainings. They ‘do not expect suggestions from maids’. They have never heard about job enrichment methods; they do not wider jobs neither systematically moves employees.
They do job rotations but there is no systematic approach. However, evaluation is done once a year. No career planning or promotion process is defined or planned. Recently a Performance management system was established. It is structured in 3 levels: for administration and general affairs, heads of production units and low level employees. Measuring and rewarding performance is based on BARS or Behaviourally anchored rating scales. Descriptive categories and goal settings are defined. There is no punishment, neither appraisal. During the seasonal pick, two months in a row, the stimulation part is shared among employees based on numbers of nights. Recently, they have introduced ‘Talent management program’. They have freshmen program (3 years long) and an introduction programme for new employees. They perceive themselves as collectivists, but getting better. They perceive themselves successful, even the seasonal workers remain the same. Every few years they check the internal climate. The revenue the Company generated in 2011 was 60.334.946 Euro and the profit was 7.110.138 Euro.

Case Study 4
It is a Croatian company collaborating with one of the leading international hospitality chain but only in the segment of operations. It operates 20.000 beds in 5 hotels, 5 campsites and 4 apartment villages, employing 400 permanent and 1200 seasonal workers on the Wester side of Istrian Peninsula (stretched on 40km). Until recently, there was a personnel unit only, but firmly they are working on the transformation to Human Potential Unit. Composition now is as follows: employee administration, search, selection, and organizational affairs (job descriptions and workplace systematization). The HR manager is a lawyer who just recently joined the company. He gained his working experience in governmental public institutions. The Company does not have vision, mission and corporate culture strategy. They do not have processes mapped, but are working on job description refreshments as the one they have is old dated. Do not think about innovations. They have never heard about job enrichment methods. After explaining the possible methods of job enrichment, the interviewed manager concluded that the management Company does trainings and development, job rotations, carrier programmes. They started to communicate with their international owner who now leads the HR development. Before 2012, there was no link at all with the international partner particularly in the field of human resources. This may be due to the point that the international partner was engaged for the function of sales and operations. They do not manage performance. However, they plan to introduce a performance management system in 2014. They have appraisals. For low-level employees quantitative criteria, and for middle and top management KPIs (criteria based on cost of work and subjective measure of ‘respecting’ the job). They set goals and projects but with no framework, and no guidelines. They think they are individualist with a huge collectivist heritage. They perceive themselves as successful. Do not conduct internal climate questionnaires. The revenue they generated in 2011 was 55.110.371 Euro and the profit was 2.985.200 Euro.

Case Study 5
The Company is not in foreign ownership but it makes part of the bigger limited liability public company. Dualistic management system is evident. It employs 1.353 employees. The company has 10 high quality hotels, 8 tourist resorts and 7 camps situated on the Western coast of the Istrian peninsula. The overall capacity of the portfolio is almost 34,000 guests. Human Resources Unit consists of the following composition: employee administration affairs (including search and selection), training, and development (carrier planning, succession and performance management). The HR manager is a psychologist who had had the private consultancy company before joining the Company. They have all processes mapped and designed job description based on them. They have a tailored programme for improvement suggestions at all employee’s levels. They use job rotation system (structured approach depending of type of rotation), widening jobs through increased complexity of jobs, change of vocation/job procedure, succession programme and carrier plan. The performance measurement is very structured. It consists of yearly bonuses for middle and top management. Several criteria within thematic topics, clear set of guidelines, in Company framework. They perceive themselves as collectivists. They perceive themselves successful, even very low percentage of sickness (in seasonal picks). The revenue they generated in 2011 was 81.621.895 and they cumulated a loss of 1.116.597 due to high long-term capital investments (particularly focused on renewal of hotels and shift towards luxury hotels).

3. Discussion and Model Proposal
A model framed to fit innovation in hospitality is presented below.
In tourism, the product is the final output the customer gets and it represents a complete and complex entity that is not integral without the involvement of the customer in its creation. Product modelling is tight closely, but not exclusively, to the function of development and research as well as marketing and sales. Process innovation refers to back office innovations of operations that are in direct function of product provision such as house cleaner service and food and drinks preparation. Service innovation comprises all workplaces that serve the customer directly: receptionists, entertainment staff, waiters etc. Show cooking i.e. cooking in front of the guest, is a hybrid example of innovation that combines process and service innovations. Business support innovation spans from technology driven innovations to strategic ones and applies to a variety of non-core hospitality functions such as HR, informatics, accounting, finance, maintenance etc. There are two groups of available options related to job rotation: in-house rotations and exchange of employees between companies (hospitality and non-hospitality). An example of external job rotations is shown in the above figure.

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<th>Innovation platform</th>
<th>Adoption of innovation to the hospitality sector</th>
<th>Business benefits</th>
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| Product innovation  | Applicable to new tourism products and their modifications proactively or based on customer needs. | - Differentiation of tourist products  
- Opportunity of higher prices |
| Process innovation  | Relates to the production process and compromises measures such as improved inputs, shortened time of production, waste minimization etc. | - Reduce operating costs and increase revenue  
- Increase in productivity |
| Service innovation  | Improved service provision to tourists by offering more variety, faster and more convenient services | Customer satisfaction, company differentiation by services |
| Business support innovation | Improvements of all kinds in supporting functions such as: HR, informatics, accounting, finance, maintenance, procurement | Different business benefits in different business functions - cost savings, improved efficiency etc. |

Source: author’s contribution
As motivation is strongly related to increasing innovation, motivation based in-house job rotations among different platforms (product, process, service and business support related platforms) could be a productive solution. External job rotations are always non-platform related, otherwise would not be rotations at all. Platform related job exchanges switch only employees working on the same platforms between them (which in real life equals to job switching without a career change) and can simply be called lateral employee exchanges. (Table 1)

Table 1: Relation of Job Rotation and Lateral Employee Exchanges

<table>
<thead>
<tr>
<th></th>
<th>Point of performance</th>
<th>Platform based</th>
<th>Correspondence to real-life</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job rotation</strong></td>
<td>Internal / ih-house</td>
<td>No</td>
<td>Different job, same company</td>
</tr>
<tr>
<td></td>
<td>External</td>
<td>No</td>
<td>Different job, different company</td>
</tr>
<tr>
<td><strong>Lateral employee exchange</strong></td>
<td>External</td>
<td>Yes</td>
<td>Same job, different company</td>
</tr>
</tbody>
</table>

Depending on the relation between the hospitality company and the other company, external job rotations can be also classified as:
- horizontal rotations - between hospitality companies
- vertical rotations - between related businesses on different chains of distribution (e.g. with tour operator)
- diagonal rotations - between non directly related businesses (e.g. with insurance company).
The same principle applies to lateral employee exchanges, which can be distinguished also as: horizontal, vertical and diagonal.

4. Conclusion

The chaotic environment in the global arena generates challenges for managers and organizations. In order to survive specific and appropriate business tactics are necessary for competitive edge and comparative leap of innovativeness.

As from the results presented, several conclusions can be driven:

1. Innovations are not spurred in an ideal way through combination of various methods organisations can use to pursue innovativeness particularly based on Maslow and Herzberg’s theories;
2. Majority of the Companies does not recognize and does not utilize to its fullest potential the notion that every human being (every employee) has a different personality and it’s at the different stage of his life, but everybody needs equity (be respected and treated fairly), achievement (to be proud of one's job, accomplishments, and employer), and camaraderie (good and productive relationship) as seen by Sirota, Mischkind and Irwin Meltzer (2006);
3. Majority of the Companies are relying on financial incentives but very few of them have clear criteria for provision of such incentives;
4. Majority of the companies has still not recognized the importance of non-financial incentives;
5. Majority of the Companies are still lacking to put extra efforts on improvement of organisational culture (on the “meso” scale structure) as one determinant that influences workplace innovation (extrinsic, but intrinsic as well);
6. There is an evident lack of strong Company’s values which should come from organisation itself and from the employees;
7. Majority of the Companies lack contemporary job descriptions needed to make employee important for the Company;
8. In only two cases, some job design techniques are used. Other does not use job enrichment or job enlargement methods;
9. All of the Companies perceive themselves as collectivists.
10. No company is performing employee exchanges with other companies.

In majority of the cases listed above, Companies have no accurate and modern job descriptions. Job descriptions should be given to every employee as this gives them a sense of security as they get clear descriptions of what they suppose to do and what they are accountable for. Furthermore, showing them their position in the organisation, through focusing on organisational structure design, enables they see how they really fit into the organisation and show them how valued they are. In this way they also get the possibility of discovering how their job relates to other jobs and how they contribute to reaching the main organisational goals. But, employees need not to be motivated to achieve only organisational goals, but their personal goals as well. Based on Herzberg’s arguments mentioned earlier, they must feel like personally responsible for the service they provide. It is equally important to recognize that every employee, being at its different stage of life, requires the management to use various management techniques to foster motivation. (Burton, 2012)

Financial incentives are designed to inspire employee’s loyalty but relying on these kind of incentive schemes can create moral hazard (i.e. recent economic crises), particularly if clear criteria are lacking. If financial incentives are introduced into organization with the aim of hitting targets, there is a threat of making them becoming primary goal rather than focusing on improvement of the overall Company’s performance. Non-financial motivators are based around the idea of recognition and they can strongly influence workplace innovations. HR Management has to be able to find the best possible employee for the needed position and enable the use their personal skills and abilities. This makes them being at their fullest potential and helps to achieve organisation’s and their personal goals. This enables HR management to indirectly influence workplace innovations whilst using properly selected techniques such as job enrichment, job enlargement and similar. The very poor use of similar techniques in the presented cases is resulting from Company’s lack of absorption capacity of innovative practices due to the perception of successfulness regardless of the importance of stopping employees demotivation.
The case analysis has shown that majority of Companies have a huge tendency toward demotivation of employees due to their inability to recognize the importance of strong power of proper motivating techniques that include vertical and horizontal loading factors. Countries inherit their culture over a long historical period, so companies do too, depending on their life longitude. In companies with a strong socialist heritage (bureaucrat tendency) perhaps it would be vain, and probably destructive, to try to impose cultural change. Still, cultural exchange is an integral part of the globalization process and benefits all. When hiring new employees possibly coming from diverse working culture, companies learn from the strengths and weaknesses of other companies’ culture via new employees. The social reality is that innovation generally moves against the status quo (Barnett, 2011). How this gets done is generally not a matter of central planning, and therefore is not something well suited to the bureaucrat kind of companies. Cho and Yhoo (2009) found that among HRM practices studied in their research appraisal “feedback” had the most direct impact on individual performance because it is a managerial tool for directly evaluating employees’ performance and that individualism-collectivism moderates the relationship between HRM practices and individual performance. Thus, a misfit between managerial tools and cultural orientations can lead to a decrease in individual performance and organizational productivity in collectivist kind of organizations.

This paper contributes to a better understanding of employee exchanges between companies. It classifies external job rotations and lateral employee exchanges according to the relation between companies that exchange employees into: horizontal, vertical and diagonal. The ultimate goal of such strategy or HR programme is to provide sufficient enrichment and acceleration to the gifted ones to allow their talents to flourish and increase the likelihood that they will reach an innovative concept of a company product, service or procedure. In the future, organizations should focus more on attracting talented people, motivating them to acquire new knowledge and be creative, and retaining them within the organization. In further research, variations on the half-structured interview technique developed here might be examined. These include observation of causal relations among employees with most satisfaction values with their job facets and innovation outputs among their work activities.

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