

The Impact of Human Resource Management Practices on Innovation in Malaysian Public Sector: A Conceptual Paper

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Abstract

Human resource management practices (HRMP) has been sought as bringing impact towards innovation performance in an organization. Many studies have been conducted in the private sector but little in the public sector, especially in Malaysia. The main objectives of the study are to identify and review staff education, participation and training in innovation teams, and compare and contrast the current state of human resources supporting innovation in Malaysia's public sector with existing literature. The proposed methodology are quantitative for demographic part and qualitative for deeper stories. The intended results are there would be high impact of HRMP on innovation performance so as to increase the wealth creation and adding values to products or processes in Malaysian public sector. Conclusion will be explained in the final part of the study.

Keywords: Human Resource Management, Innovation, Public Sector, Quantitative, Qualitative.

Introduction

Both researchers and practitioners have been interested in the definition of innovation. It is thought that how innovation is defined inside an organisation will influence what activities take place within that organisation. An organization's understanding of the innovation process is critical since it will have the greatest impact on its long-term success (Ioan et al., 2000). According to (Mulgan & Albury, 2003), public sector innovation is described as the development and implementation of new procedures, products, services, and delivery methods that will primarily improve the efficiency, effectiveness, and quality of outputs. In the public sector, incremental innovations, which are slight alterations to established

processes, are the most prevalent, but disruptive innovations, which are rare and result in significant changes, are the most common (Albury, 2005; Perrin, 2002). The public sector's risk aversion to change is the primary cause for this distinction (Joyce, 2007; McDonald, 2008; Perrin, 2002).

Due to the fact that various definitions of innovation have been encountered, a trial was conducted to establish a trend for the definitions adopted. West and Far's definition, as cited in Jiang et al. (2012), Shipton et al. (2005), and Shipton et al (2006). It encompasses deliberate behaviour aimed at acquiring something new (products, ideas, and processes) that is novel to the adopting unit and beneficial to the organisation and society. Additionally, its application has been observed to be primarily for technological products and processes.

Following that, the prominent author cited in defining innovation was Damanpour, as three definitions were established in the years 1989, 1991, and 1998. Diaz-Fernandez et al. (2017), Ceylan (2013); Chang et al (2011); Chen and Huang (2009); Fu et al (2015), Jiménez-Jiménez and Sanz-Valle (2008); Wei and Lau (2010); Zhou et al (2015) developed the articles (2013). These definitions emphasise the importance of innovation as a performance outcome. Additionally, it encompasses novel strategies, products, projects, processes, and organisational structures. Additionally, the patent scale and classification of radical and incremental innovation were established. Additionally, innovation is defined as the novelty of products, services, work, and practises (Rogers, 1983). Additionally, according to Kogut and Zander (1992); Nonaka (1994); Smith et al., innovation is embedded in knowledge (2005). In summary, the term "innovation" is defined primarily by Damanpour, who defines it as "the adoption of a novel idea or behaviour, whether it is a system, policy, programme, device, process, product, or service, by the adopting organisation" (Damanpour et al., 1989).

The necessity of studying the scope of innovation in transition economies is particularly important because of the role that innovations play in supporting economic growth and employment creation (Kuester et al., 2013). Public sector companies all across the world are realising the value of innovation in improving their performance, and this is especially true as the environment becomes more complicated. This level of complexity is common in Western economies, where the population is ageing, economic development is slowing, service needs are increasing due to population movements, and so on (Benjamin & Steen, 2009; Kallio et al., 2013). The public sector, like the private sector, has budgetary limits throughout Europe, and it is only through innovation that the public sector can secure maximum output from the input utilised. Innovations can also be used to solve unknown challenges by devising novel methods for locating effective and efficient solutions. Because the public sector frequently fails to create an atmosphere that encourages innovation, creativity is usually linked with the private sector (Hipp & Grupp, 2005).

As a result, it is critical to address the issue of public sector innovation in transitional countries. Supporting innovation in transitional economies' public sectors helps to achieve economic benefits, poverty reduction, harmony, and institutional stability (Batalli, 2011). However, the focus of this study is on the human resource component that supports innovation practises in the public sector, with a particular focus on Malaysia.

The following are the research objectives for analysing the query: To identify and review staff education, staff participation in innovation teams, and staff training related to the implementation of innovations and to compare and contrast the current state of human resources supporting innovation in Malaysia's public sector with existing literature.

Literature Review

Both researchers and practitioners have developed an interest in innovation (Hartley, 2005; Moore, 2005). In order to meet today's difficulties, you must be innovative (Morris, 2013). The invention and execution of new ideas in the public sector, which may be completely different from what has been known until recently, is known as innovation (McDonald, 2008). The public sector has realised that its working environment necessitates an innovative culture that encourages innovative behaviours by appreciating ideas from employees, management, and clients. Furthermore, due to a decrease in labour capacity and a rise in demand, for resolving issues that public sector institutions had not previously encountered has increased the importance of encouraging public-sector innovation (Benjamin & Steen, 2009).

When it comes to human capital, the literature suggests that the use of resources is an important component of the innovation process. The most important factor is people variables that promote and enable innovation in the areas of idea development, processing, and implementation acknowledgment (Alpkan et al., 2010; Crook et al., 2011). Based on human resources, trainings and participation of stakeholders are required for practises that lead to innovation. personnel, the flow of communication, the rewards system, and other associated activities (Fadhilah & Ramayah, 2012). (Govaerts et al., 2011) claim that one of employee skills are one of the first variables that promote creativity, to come up with new ideas in their companies.

According to Miller (2009), the beginning point of innovation performance is the process of finding suitable staff is linked to individuals. This is the section where you can express yourself where organisations must focus on finding skilled and innovative people employees. As a result, creative employees will be able to understand innovation and creativity with ease cultivate an organization's innovative culture. Six characteristics have been identified by the authors as contributing to the development of a the government sector. In the public sector, there is a culture of innovation.

The Support from Upper Management

According to research, the requirement for public sector firms to be more adaptable and versatile in today's fast-changing environment (Sarros et al., 2004). Individuals or groups must initiate change inside an organisation, according to 2008. However, top-management support for change is critical to a successful transformation (Fernandez & Rainey, 2006). Researchers agree that senior management support, regardless of industry, is essential in fostering a culture of innovation in that industry (Adams et al., 2006; Dziallas & Blind, 2019; Moussa et al., 2018; Vigoda-Gadot et al., 2005). It is undeniable that top management determines whether or not a firm gets more innovative. Top managers, according to (Damanpour & Schneider, 2006; Uhl-Bien & Arena, 2018), are those who have the most impact over an organization's outcomes. As a result, a top-down approach to innovation is successful management's dedication to their employees through encouraging and positively impacting them personnel by providing them with the space and time to collaborate with their co-workers. As a result, creativity and innovation flourish. The top management is needed to help its high-level professional public servants. Servants by promoting them, giving them incentives, and so on, which results in a default would motivate and make public sector employees feel valued (Fernandez & Rainey, 2006).

Reward and Recognition

Many authors have discussed the value of incentives and awards in stimulating creativity (Kopelman et al., 2011; Madhani, 2020; Nguyen et al., 2019; Rosenblatt, 2011). When we compare the two sectors, we can see that financial incentives, promotion chances, and organisational rewards are more prevalent in the private sector. In the private sector, status is important for developing successful inventions, whereas in the public sector, prestige is less important. Recognition and relationships with supervisors and peers were discovered to be positive key indicators of psychological empowerment in public employees (Fernandez & Moldogaziev, 2011; Gkorezis & Petridou, 2012; Lee, 2018). Recognition, honours, and top management, according to Rosenblatt (2011) employees who are given support are more likely to be inventive. The very top purpose of management is to guarantee that the work environment's structure, all of the incentives, resources, goals, and expected evaluations encourage and support each other. The difference between the public and private sectors is that private-sector personnel place a greater emphasis on external factors. People who work for a living are rewarded with higher income, status, and prestige, whereas those who labour for a living are rewarded with lower pay, status, and prestige. They are more service-oriented in the public sector, and their actions are more consistent (Brewer et al., 2000). According to Kopelman et al (2011), that intervention in recognition and reward improves service quality in the public sector

Diversity

Kanter (1988) argues that kaleidoscopic thinking is an appropriate metaphor for the creative process, specifically the capacity to rearrange fragments into novel patterns and envision a new reality within those patterns. Hamel (2000) refers to this rethinking and reinvention as business concept innovation in a corporate context. Kanter (1988) asserts that those with the best kaleidoscopic vision, that is, those who can bring the most diverse set of ideas to bear on a given problem, are the most likely to engage in creative thinking. Organizational and job design can help institutionalise that breadth of vision. Individual jobs that are broadly defined rather than narrowly defined, and that require people to develop a diverse range of skills and experience for problem solving, foster creativity. Workgroups comprised of individuals from diverse backgrounds bring a wealth of perspectives to problem solving. These approaches are in stark contrast to the traditional public sector bureaucracy, which is defined by narrowly defined jobs and organisations dominated by specific professions.

Everyone's Responsibility to Innovate

The discovery that ideas usually originate from middle managers and front-line personnel implies that they should be involved in the process of innovation. Numerous examples of this can be found in the data on individual innovations. Massachusetts' Department of Environmental Protection received a Ford-KSC innovation award for its pioneering work in cross-media environmental inspection. Rather than sending multiple inspectors to a factory to look at air, water, and soil pollution separately, it began sending teams of cross-trained inspectors to examine the factory's overall environmental impact. The idea from Wanik Roy, a doctoral student made it happen (Borins, 1998, p. 19t).

Industry Canada portrays a similar story. In the early 1990s, some middle managers considered how the federal government could establish a presence on the then-emerging Internet. An undergraduate student completing a work term with the government proposed the creation of an interactive Web site to which primary and secondary school educators

could submit educational materials. This was the impetus for the establishment of Canada's Schoolnet, a highly successful educational Web site dedicated to providing Canadian content in support of the federal government's initiative to provide Internet access to all Canadian schools.

These two examples demonstrate how students brought cutting-edge thinking to organisations in the public sector. Recognizing that staying current with information technology is critical for survival and that the young are the most familiar with and comfortable with new technology, some corporations have implemented reverse.

Experimentation

All personnel have the ability to innovate. According to (Hartley, 2005), innovation is a process that is influenced primarily by front-line employees rather than top management, and he goes on to say that traditional methods of sharing information within organisations are archaic and do not create the environment necessary for the development of a culture of innovation. When all employees share the same goal, a culture of innovation emerges. In the innovation process, everyone bears the same level of responsibility. Employees must take the initiative to innovate by coming up with new ideas, identifying and resolving issues, as well as investigating opportunities (Jong & Hartog, 2008; Li et al., 2019).

It has been demonstrated that half of all public-sector innovations come from mid-level managers and front-line employees. Staff on the front lines and mid-level managers are the ones who shape the company. Employees' attitude toward work, which affects their productivity by default as well as the overall prosperity of the company (Gobble, 2012; Janssen, 2000). The public sector, according to researchers, has an innovation deficit. This lack of invention is explained by a fear of danger and uncertainty, which leads to a lack of creativity. Illustrating why governments struggle with service innovation entities in the public sector. They regard the resources spent on testing as a waste, and as a result, they struggle to find new ways to innovate limit public resources' "misuse" (Potts, 2009). Assessments and experiments are regarded as risky activities, despite the fact that trial and error has been demonstrated to be beneficial. The elements of trial and error are critical in the innovation process (Borins, 2001a).

Organizations must, however, provide the essential resources for people to succeed. Experiment and think outside the box. Taking a measured risk is all part of the experimentation process (Borins, 2001b).

The Use of Groups

Because of this, many businesses are unable to comprehend the benefits of innovation. They fail to hire qualified workers that are dedicated to creating new ideas (Klein & Knight, 2005). According to (Hartley, 2005), teams are seen as a key player in fostering a workplace where employees feel valued and appreciated working together in a relaxed manner (Hoegl & Parboteeah, 2007; Tabassi et al., 2017), on the other hand, cast doubt on the findings. The value of working in groups when it comes to increasing invention. They argue that innovation is more important. On a personal level, this is applicable. However, this viewpoint is only partially correct that the involvement of teams in the innovation process is critical (Alosani, 2019; Benjamin & Steen, 2009).

Methodology

This research will employ a combination of quantitative and qualitative techniques (Driscoll et al., 2007). It is difficult to quantitatively quantify complex phenomena such as organisational processes and change processes over time (Curry et al., 2009). Quantitative methods are considered descriptive, as correlations between variables cannot be used to deduce the underlying causes of an observed event (Zachariadis et al., 2013). Researchers have characterised quantitative methods as unsatisfactory and problematic. In comparison to quantitative methods, qualitative methods are superior at describing the interactions of complex phenomena that cannot be explained otherwise (Volkoff et al., 2007). However, qualitative findings may be unique to the few individuals involved in the research, making them prone to being tainted by personal biases (Johnson and Onwuegbuzie, 2004). As a result, mixed methodology leverages the advantages of quantitative and qualitative approaches, resulting in more complete data and a more nuanced understanding of the phenomenon, albeit at the expense of time and money (Johnson and Onwuegbuzie, 2004).

Conclusion

This study intends to investigate the impact of human resource management towards innovation performance in Malaysian public sector. It is hoped with variables such as top management support, reward, experimentation and so on will have a huge impact on increasing the innovation performance. Being the 33rd in the Global Innovation Index Malaysia need to work hard to achieve highest possible, at least in the top ten. This will in turn create value and wealth creation in Malaysia. With the most recent development in human resource management practices, it does help organizations to stay ahead of its competitors and subsequently increase manufacturing performance.

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