

# Supporting Organisation-wide Innovation Through Effective Recruitment Practices

Many companies want to establish a culture of innovation, one that will encourage flexibility, creativity and support risk-taking. The benefit? Breakthrough products, superior customer experience and an agile response to market challenges. Innovation has been identified by many business leaders as the single most important predictor of future growth. Research indicates that over 90% of executives believe the long-term success of their organisation's strategy depends on their ability to develop new ideas.<sup>1</sup> Yet many companies struggle to achieve innovation-led growth.<sup>2</sup>

## Why it's important for HR functions to support and drive innovation

HR is uniquely placed to enhance or hinder innovative behaviour and practices within the organisation. The most effective innovation strategies focus on people and talent management practices. Talent management encompasses the practices and processes companies have in place to manage their most important assets - their people. And this includes the area of talent acquisition and recruitment.



## Our global research

In November 2016, PageUp, in partnership with Alexander Mann Solutions, launched the inaugural Global HR Innovation Survey. The survey asked business and HR professionals to rate how well their organisation, and HR, supported a culture of innovation, and to assess the maturity of their current talent management practices. Using the 322 responses, we determined:

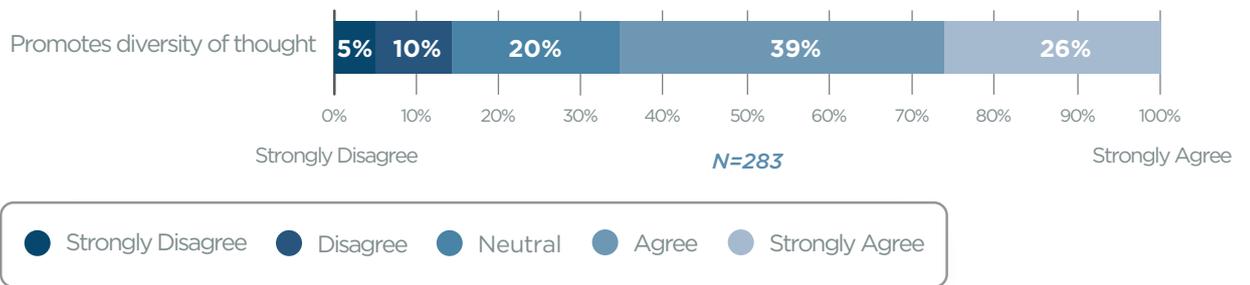
- Where companies are placed on their journey to create a culture of innovation.
- The effectiveness of current talent management practices in driving and supporting innovation.
- How prepared HR is to meet the future talent needs of the business.

## HR has a role to play in driving innovation... but is not delivering

There is an increasing awareness that innovation is crucial for both short-term competitive advantage and long-term survival. Our research found that 64% of respondents believe driving innovation is a priority for their organisation in the next 12 months, but HR is more confident (80%) than its non-HR peers (67%) that it has a role to play in driving organisation-wide innovation.

The challenge for HR is to shift the perception of its value proposition. The wider business and HR agree, that HR and the talent acquisition function within it, have a role to play in driving enterprise-wide innovation – but they are not quite there yet. Focus and determination are required to ensure HR delivers the strategic value it inherently holds. But where are the gaps? We looked at respondents' evaluation of how their organisation currently supports innovation and compared it to the maturity of their underlying recruitment practices.

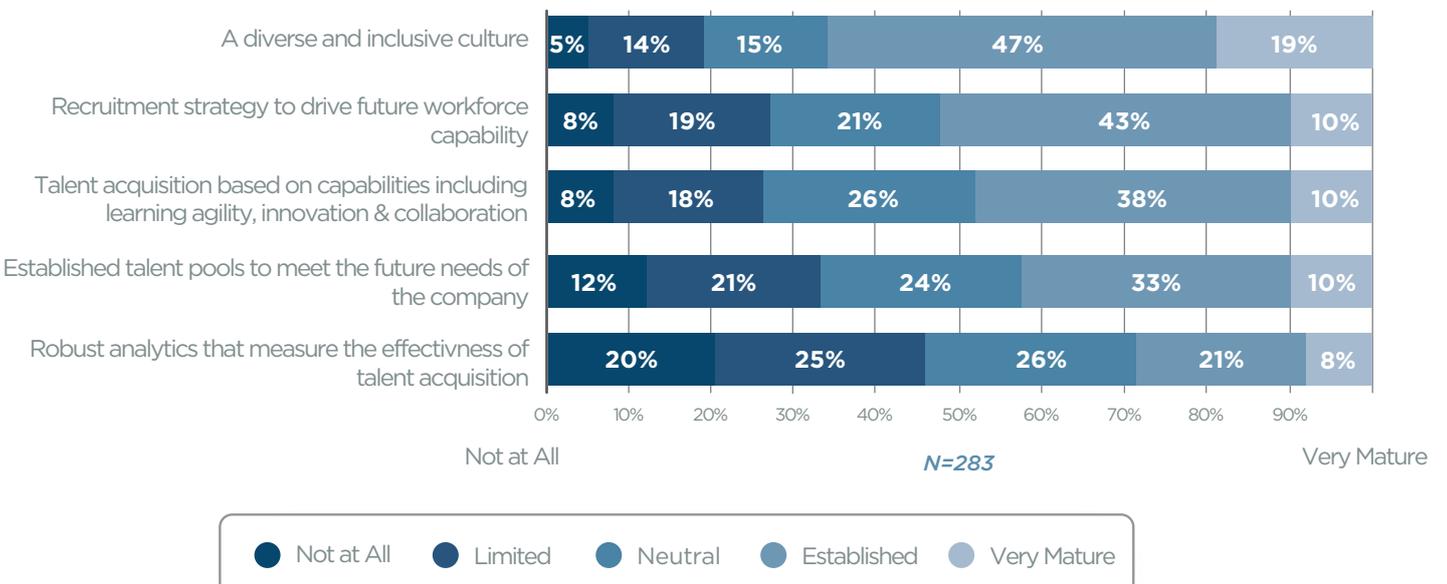
Figure 1: Respondents' evaluation of how their company supports innovation



## Recruitment – More than diversity is required for innovation

- Of all the aspects measured, diversity practices scored the highest for HR effectiveness. Two-thirds of companies promote diversity of thought and have established practices for creating a diverse and inclusive culture.
- A greater focus on future-proofing the workforce is needed. Only 53% of the respondents were confident their talent acquisition strategies were building future workforce capability. Less than half believed new hires were recruited based on capabilities such as learning agility, innovation and collaboration.

Figure 2: How respondents rated the maturity of their recruitment practices



## Move beyond diversity, to build capability and meet the future needs of the organisation

Diversity of thought accelerates innovation. When individuals have different experiences and points of reference it is easier to challenge pre-existing frameworks and assumptions. Both 'traditional' diversity parameters and diversity of background, geography, function, level, expertise and skills are important to create inclusive cultures where diversity of thought can flourish.

Our results indicate 65% of respondents work within organisations that promote diversity of thought (Figure 1), and 66% have sound recruitment practices in place to build a diverse and inclusive culture (Figure 2). Of all the aspects we measured, diversity practices scored the highest for HR effectiveness. Recent research by The Conference Board illustrates the importance of inclusion and diversity of thought in driving a culture of innovation. The most innovative companies were more than four times as likely (50%) as those that were less innovative (12%) to describe their culture as inclusive.<sup>3</sup>



However, although diversity positively contributes to innovation there is still a need for HR and business leaders to establish and drive a deliberate strategy to build out innovation capability. Only 53% of the respondents were confident that their talent acquisition strategies were building future workforce capability (Figure 2). Less than half (48%) believed new hires were recruited based on capabilities such as learning agility, innovation and collaboration (Figure 2). To build a sustainable high-performance culture of engaged, innovative and creative people requires creating an environment which retains talent and entices others to join. That's why, to make the greatest impact on attracting, retaining and engaging employees, 30% of CEOs are changing their talent strategy to focus on skills and adaptability in their people.<sup>2</sup>

### The role of talent acquisition in creating a sustainable culture of innovation:

- Build internal and external pipelines of talent so that skilled talent can be quickly moved to where it's needed. Establish talent pools to meet the future needs of the organisation.
- Acquire talent based on building capability in innovation, learning agility and collaborative work practices.
- Move recruitment strategy beyond acquisition based on skill-set and experience to encompass attitude – willingness to challenge the status quo, comfort with ambiguity, creativity, and a solution-based mindset.
- Take a targeted approach to create diversity of thought – different backgrounds, experience, expertise and skills. Avoid the temptation to 'clone' the current workforce and instead build teams that can think differently and move the organisation forward.
- Use robust analytics that measure the effectiveness of recruitment strategies in creating enterprise-wide innovation capability.

For more detailed findings and discussion of the survey results that the data and insights in this document are derived from, head to our PageUp [Resource Hub](#) and download our whitepaper, [DRIVING A CULTURE OF INNOVATION: Insights from PageUp's Global HR Innovation Study](#). In this report, we explore the challenges organisations are facing in establishing a culture of innovation and the current effectiveness of HR in driving enterprise-wide innovation. We discuss the shortfalls and provide practical advice for how HR can close the gaps across not just in recruitment, but also performance management, learning and development, and succession planning.



Interested to explore how PageUp can help you drive a culture of innovation at your organisation, through effective talent acquisition practices?

Chat with us now.

## References

- 1 Brooks, Chad. Businesses Take Cautious Approach to Innovation. <http://www.businessnewsdaily.com/4476-businesses-cautious-about-innovation.html>, May 13, 2013.
- 2 PwC. 19th Annual Global CEO Survey. PwC, 2016.
- 3 The Conference Board. Inclusion & Innovation: Leveraging Diversity of Thought to Generate Business Growth. The Conference Board, 2016.

## About the Author: Rebecca Skilbeck

Rebecca is the Head of Customer Insights & Market Research at PageUp and is responsible for research into customer and market insights. She has nearly 20 years of experience delivering product, thematic and strategic human capital management research and thought leadership. With a diverse background covering academia, strategic consulting and equity investment, she holds a Bachelor of Science with Honours, Master of Science, Master of Commerce (Management) and a financial industry qualification (CFA).