

**HUMAN RESOURCE MANAGEMENT PRACTICES AND  
INNOVATION PERFORMANCE AMONG THE EMPLOYEES IN  
SELECTED BREWERIES IN EDO AND OSUN STATES, NIGERIA**

**BY**

**Waliu Mulero ADEGBITE**

**B.Sc., M.Sc. (OOU)**

MATRIC NO: 187774

A Thesis in the Department of Sociology, Submitted to the Faculty of the Social  
Sciences, in Partial Fulfillment of Requirements for the Degree of

**DOCTOR OF PHILOSOPHY**

of the

**UNIVERSITY OF IBADAN**

JUNE, 2019

**CERTIFICATION**

I certify that this study was carried out by **Waliu Mulero ADEGBITE** (Matric No: 187774), in partial fulfillment of the requirements for the award of Doctor of Philosophy Degree under my supervision at the Department of Sociology, the Faculty of the Social Sciences, University of Ibadan, Ibadan, Nigeria.

.....

**Prof. Emeka Emmanuel OKAFOR**

B.Sc. (Sokoto) M.Sc., Ph.D. (Ibadan)

Department of Sociology,

Faculty of the Social Sciences

University of Ibadan, Ibadan.

**DEDICATION**

To the OMNIPOTENT AND OMNISCIENT

To my FAMILY AND OUR PARENTS

.....it was possible because of you all



## ACKNOWLEDGEMENTS

First and foremost, my sincere appreciation goes to my supervisor, Prof. Emmanuel Emeka Okafor for his expert guidance and constructive advice on this thesis. I appreciate the Head, Department of Sociology, Prof. I. P. Onyeonoru, for his attention and support. I also appreciate the efforts of Prof. Rasidi A. Okunola, Dr Kabiru K. Salami and Mrs O. Idowu for their encouragement in the course of this work. I sincerely appreciate the contributions of my lecturers Dr S. A. Omo-Lawal, Dr A. A. Adenugba, Dr O. A. Fayehun, Dr D. A. Busari, Dr U. A. Ojedokun, Dr A. O. Ademuson as well as other academic staffers of Sociology Department for their guidance at the formative stage of this study. To my uncle, Professor Idowu Adegbite for his continuous advice and encouragement during this programme, I say a resounding thank you.

I will not forget to thank Prof. Teresa Amabile (Harvard Business School) for the donation of her book on creativity and innovation, and Dr D. Bitrina (Science, Technology and Innovation Policy Research Organisation, Tanzania), Prof. Edward Lorenz (University of Nice, France) and others during my presentation at the 5th Africalics Doctoral Academy held in Nigeria in 2017. Their constructive criticisms and advice were noteworthy and useful during the course of this study.

I want to thank my great friends: Dr A. O. Adepoju with whom we solved together and conducted analysis. Also Mr Saibu, O. Samsideen, Mr Hazzan, O. Jubril Dr O. O. Jegede, Mr Nnachi J. N. for their motivation, support, contribution and assistance during this study. I was fortunate to have your support; I will forever be grateful for your friendship.

My gratitude also goes to my colleagues with whom we undertook this programme together, Mr A. I. Bello, Mr M. A. Adebami and others too many to mention for their support, I say a big thank you. I cannot forget to appreciate Miss B. Oluwatoyin, Mr T. Adesoye, Mr H. Adenuga, Miss Aiyeola Aisha, Mr T. Tony and Mr B. Egbon for their assistance towards data collection. To my parents Mr A. S. and Mrs S. A. Adegbite and my sisters, Mrs. O. A. Yekini (nee Adegbite) and Mrs. Sefinat Lasisi, thank you for your prayers and resources during this programme.

Finally, I will like to thank my wife, Mrs Kafayat Abayomi Adegbite. The completion of this endeavour would not have been accomplished without your support. For the last few years, you were devoted to reducing pressure on me so that I could work and study, as well as my travel period. To my precious children, Zainab Odunayo Adegbite, Halim Taiwo Adegbite and Halimat Kehinde Adegbite, you have remained calm and forgiving during the hectic schedule. Thank you for your patience and endurance. The denials were for a time.

All glory is to the Almighty Allah for giving me this special grace to complete my programme and opportunity to make contribution to the body of knowledge.

## **ABSTRACT**

Human Resource Management (HRM) practice is one of the determinants of innovation capability and performance among employees in organisations. Most firms considered research, development and technology as requirements' for Innovation Performance (IP). It is evident from the literature that HRM practices nurture employees' creativity and promote innovative-work environment, but its influence on innovation capabilities and performance among employees received less attention. This study, was designed to examine the influence of

HRM practices (autonomy, knowledge management, motivation and training) on IP among employees in selected breweries in Edo and Osun States, Nigeria.

Social Exchange Theory and Componential Theory of Creativity and Innovation provided the framework. Research design was cross-sectional. A multi-stage sampling consisting of purposive, stratified and convenience sampling were used to select firms and respondents. Yamane's (1967) method was used to select 361 participants from International Breweries Plc (IBP) - 231, and Guinness Nigeria Plc (GNP) - 130. A semi-structured questionnaire was used to elicit information on socio-demographic characteristics, predominant HRM practices (Training, Motivation, Autonomy, Knowledge Management), levels of innovation performance (LIP), employees' level of awareness (ELA), effect of HRM practices on IP, challenges and benefits associated with IP. Twenty-four In-depth Interviews were conducted among departmental heads, while six key informant interviews were conducted with senior managers in charge of production, brewing and human resources. The LIP (new/improved products, processes and administrative procedures) were measured using Bessant's scale, categorized as passive (very-weak) 1.00-1.99, reactive (weak) 2.00-2.99, strategic (strong) 3.00-3.99 and creative (very-strong) 4.00-4.99. The ELA was measured using 3-point likert-scale with 24-item categorised as low-awareness ( $\leq 36$ ), moderate-awareness (37-48) and high-awareness ( $\geq 49$ ). Quantitative data were analysed using descriptive statistics and linear regression at  $p \leq 0.05$ . Qualitative data were content analysed.

Respondents' age was  $30 \pm 3.59$  years, 71.3% were male, 66.1% were married and 42.7% had Bachelor's degree. Many from IBP (43.5%) and GNP (46.4%) opined that training and development were the predominant HRM practices. The LIP was strategic in IBP (3.91) and GNP (3.73) indicating strong innovation performance. Employees' Level of Awareness on the influence of HRM practices on Innovation Performance were high in IBP (65.15) and GNP (66.29). Knowledge management influenced team innovation in IBP ( $\beta=0.151$ ) and idea generation in GNP ( $\beta=0.143$ ). Training influenced employees' ability to develop new product in IBP ( $\beta=0.189$ ) and GNP ( $\beta=0.225$ ), while autonomy had effect on new product in IBP ( $\beta=0.262$ ) and GNP ( $\beta=0.188$ ). Motivation had positive effect on employees' inner drive to contribute to IP in IBP ( $\beta=0.337$ ) and GNP ( $\beta=0.161$ ). Majority of respondents from IBP (90.6%) and GNP (92.1%) affirmed insufficient funds and low management support as factors undermining IP. Respondents from IBP (59.7%) and GNP (84.3%) affirmed that human resource management practices contribute to new product development. The HRM practices enhanced employees' capabilities to foster IP. Intrinsic motivation served as employees' source of support and encouragement for better IP.



Insufficient funds and lack of support from management influenced employees' innovation performance in Breweries in Edo and Osun States, Nigeria.

**Keywords:** Innovation performance, Employee Creativity, Breweries in Edo and Osun States, Nigeria

**Word count:** 486

## TABLE OF CONTENTS

<b>Title</b>	<b>Page</b>
Title Page .....	i
Certification.....	ii
Dedication .....	iii
Acknowledgement .....	iv
Abstract .....	vi
Table of Contents .....	vii
List of Tables .....	x
List of Figures .....	xi
List of Boxes .....	xii

### **CHAPTER ONE: INTRODUCTION .....** 1

1.1	Background .....	1
1.2	Statement of Problem .....	5
1.3	Research Questions .....	6
1.4	Research Objectives .....	7
1.5	Significance of the Study .....	7
1.6	Scope and Delimitation of Study .....	8
1.7	Operationalisation of Concepts .....	8

### **CHAPTER TWO: LITERATURE REVIEW AND THEORETICAL FRAMEWORK .....** 11

2.1	Conceptual Review of Literature	.....	.....	.....	.....	.....	11
2.1.1	Human Resource Management Practices	.....	.....	.....	.....	.....	11
2.1.2	Human Resources Management and Innovative Work Behaviour	.....	.....	.....	.....	.....	13
2.1.3	Innovation Performance	.....	.....	.....	.....	.....	17
2.1.4	Human Resource Management Practices and Innovation Performance	.....	.....	.....	.....	.....	22
2.1.4.1	Employees' Autonomy, Creativity and Innovation Performance	.....	.....	.....	.....	.....	25
2.1.4.2	Knowledge Management, Creativity and Innovation Performance	.....	.....	.....	.....	.....	35
2.1.4.3	Training and Development, Creativity and Innovation Performance	.....	.....	.....	.....	.....	46
2.1.4.4	Motivation, Creativity and Innovation Performance	.....	.....	.....	.....	.....	51
2.1.4.5	Innovative Work Environment	.....	.....	.....	.....	.....	60
2.1.4.6	Challenges to Creativity and Innovation Performance	.....	.....	.....	.....	.....	69
2.1.4.7	The Nigerian Brewing Sector	.....	.....	.....	.....	.....	75
2.2	Empirical Review	.....	.....	.....	.....	.....	79
2.3	Theoretical Framework	.....	.....	.....	.....	.....	85
2.3.1	Social Exchange Theory (SET)	.....	.....	.....	.....	.....	85
2.3.2	Componential Theory of Creativity and Innovation (CTCI)	.....	.....	.....	.....	.....	88
2.4	Synthesis of Social Exchange Theory (SET) and Componential Theory of Creativity and Innovation (CTCI)	.....	.....	.....	.....	.....	99
2.5	Conceptual Framework	.....	.....	.....	.....	.....	101
2.6	Explanation of the Conceptual Framework	.....	.....	.....	.....	.....	102

<b>CHAPTER THREE: METHODOLOGY</b>	.....	.....	.....	.....	.....	.....	.....	.....	103
3.1	Research Design	.....	.....	.....	.....	.....	.....	.....	103
3.2	Study Area and Organisation	.....	.....	.....	.....	.....	.....	.....	103
3.2.1	Guinness Nigeria Plc	.....	.....	.....	.....	.....	.....	.....	103
3.2.2	International Breweries Plc	.....	.....	.....	.....	.....	.....	.....	104
3.3	Study Population	.....	.....	.....	.....	.....	.....	.....	105
3.4	Sample Size and Selection Procedures	.....	.....	.....	.....	.....	.....	.....	105
3.5	Inclusion and Exclusion Criteria	.....	.....	.....	.....	.....	.....	.....	110
3.6	Research Instruments	.....	.....	.....	.....	.....	.....	.....	110
3.6.1	Questionnaire	.....	.....	.....	.....	.....	.....	.....	110
3.6.2	In-Depth Interview	.....	.....	.....	.....	.....	.....	.....	111
3.6.3	Key- Informant Interview	.....	.....	.....	.....	.....	.....	.....	111
3.7	Pre-test	.....	.....	.....	.....	.....	.....	.....	111
3.8	Reliability of Research Instrument	.....	.....	.....	.....	.....	.....	.....	114
3.9	Procedure for data collection	.....	.....	.....	.....	.....	.....	.....	115
3.10	Data Management	.....	.....	.....	.....	.....	.....	.....	115
3.11	Method of Data Analysis	.....	.....	.....	.....	.....	.....	.....	115
3.11.1	Quantitative data analysis	.....	.....	.....	.....	.....	.....	.....	115
3.11.2	Qualitative data analysis	.....	.....	.....	.....	.....	.....	.....	117
3.12	Study Variables and Measurement	.....	.....	.....	.....	.....	.....	.....	117
3.12.1	Measurement of Level of Innovation Performance	.....	.....	.....	.....	.....	.....	.....	117
3.12.2	Measurement of Employees level of Awareness	.....	.....	.....	.....	.....	.....	.....	117
3.13.3	Measurement of HRM Practices	.....	.....	.....	.....	.....	.....	.....	117
3.13	Ethical Consideration	.....	.....	.....	.....	.....	.....	.....	118
	<b>CHAPTER FOUR: RESULTS AND DISCUSSION OF FINDINGS</b>	.....	.....	.....	.....	.....	.....	.....	.....
		.....	.....	.....	.....	.....	.....	.....	119
4.1	Findings	.....	.....	.....	.....	.....	.....	.....	119
4.2	Socio-demographic Characteristics of the Respondents	.....	.....	.....	.....	.....	.....	.....	120

4.3	Predominant Human Resource Management Practices	.....	.....	121
4.4	Level of Innovation Performance	.....	.....	134
4.4.1	Perceived Level of Innovation Performance	.....	.....	142
4.5.	Employees' level of Awareness	.....	.....	149
4.6	Effect of Selected HRM Practices on Innovation Performance	.....		151
4.6.1	Linear Regression of Effect of HRM on Innovation Performance	.....		152
4.7	Challenges and Benefits of HRM and Innovation Performance	.....		175
4.8	Discussion of findings	.....	.....	1780

**CHAPTER FIVE: SUMMARY, CONCLUSSION AND**

<b>RECOMMENDATIONS</b>	.....	.....	.....	.....	.....	.....	.....	.....	183
5.1	Summary of Findings	.....	.....	.....	.....	.....	.....	.....	183
5.2	Conclusion	.....	.....	.....	.....	.....	.....	.....	187
5.3	Recommendations	.....	.....	.....	.....	.....	.....	.....	187
5.4	Contributions to Knowledge	.....	.....	.....	.....	.....	.....	.....	188
5.5	Limitations and Suggestion for Further Research	.....	.....	.....	.....	.....	.....	.....	189
<b>References</b>	.....	.....	.....	.....	.....	.....	.....	.....	190
<b>Appendix</b>	.....	.....	.....	.....	.....	.....	.....	.....	203

## LIST OF TABLES

<b>Table</b>	<b>Title</b>	<b>Page</b>
3.1	Sample size for quantitative and qualitative Data 107	..... .....
3.2	Multi-Stage Sampling Procedure	..... 109
3.3	Specific Objectives and Analysis Plan	..... 112
3.4	Matrix of Research Instrument for Data Collection based on Study Objectives	..... 113
3.5	Reliability of Measurement 114	..... .....
3.6	Tidd and Bessant’s Classification of Innovation Performance Level (Modified)	..... 116
4.2.1	Distribution of respondents by socio-demographic characteristics	...120
4.3.1	Distribution of Respondents on Existence of HRM Practices 122	.....
4.3.2	Distribution of Human Resource Management Approach 127	.....
4.4.1	Tidd and Bessant’s Classification for Innovation Performance 135	.....
4.4.2	Innovation Performance Level of Employees 137	..... .....
4.5.1	Employees’ level of Awareness of influence of HRM Practices on Innovation Performance 150	..... .....
4.6.1	Relationship between HRM Practices and innovations	

	Performance in IB Plc .....	153
4.6.2	Relationship between HRM Practices and innovations	
	Performance in GN Plc .....	166
4.7.1	Distribution of Challenges and Benefits Associated	
	with Innovation Performance in IB Plc and HN Plc .....	
	177	
5.1.1	Summary of Findings .....	
	186	

### LIST OF FIGURES

Figure	Title	Page
2.1	Componential theory of Individual Creativity .....	90
2.2	Expanded Theory of Creativity and Innovation .....	93
4.1	Percentage Distribution of Predominant Human Resources	
	Management Practices .....	124
4.2	Percentage Distribution of Human Resource Approach .....	
	129	
4.3:	Average Score Distribution of innovation performance of	
	IB Plc and GN Plc.....	139
4.4:	Innovation Performance According to Components.....	141

## LIST OF BOXES

<b>BOX</b>	<b>Title</b>	<b>Page</b>
4.1	Perceived Predominant HR Practices and Policy in IB Plc & GN Plc .....	132





# CHAPTER ONE

## INTRODUCTION

### 1.1 Background to the Study

Innovation is viewed as a complex and intricate series of events involving a number of activities, decision, individual behaviours, social system; and the impact of cognitive process of the organisational members upon firm innovativeness (Cropanzano and Mitchell, 2005). The rapid development of high-technology, information and communication technologies, and customers' changing tastes have encouraged many organisations, particularly in the manufacturing based firms to actively seek for novel ways, ideas and creative solutions to improving their products, process, methods and technology to foster innovation performance among employees. For contemporary organisations, technical competencies and financial attractiveness of products and services are mostly not enough to guarantee sustainable survival, as products and services must be of high quality and preferably unique. The study of innovation has attracted many definitions in the literature, but majority of these definitions share common topics linking to creative ideas, which in turn resulted into new products, processes and administrative innovation (Tan and Nasurdin, 2011). Broadly defined, Innovation Performance (IP) is described as the aggregate level of innovation outcome of workers, which include technological innovation (product and process) and administrative innovation (Moeller, Steinman and Calabretta, 2010). Many studies categorised innovation performance into two main types which comprise: administrative innovation and technological innovation - product, process and administrative innovation (Osisioma, Nzewi and Emerole, 2017; Gopalakrishnan and Damanpour, 1997; Moeller, Steinman and Calabretta, 2010).

The propensity of organisations to produce new or enhanced products/services through their employees, and the success of bringing those

products/services to the market (Oladun, 2012) is what innovation is all about. Sometimes, it means employees' capacity to renovate ideas and knowledge into new products, services or processes continuously for the benefits of stakeholders (Seyed and Omid, 2013). The possibility of enhancing innovations by the organisation depends largely on the type of policies and strategies adopted, since the individual workers who are part of the business are considered as the sources of new ideas (Mumford, 2000). Innovation has played a continuous and crucial role in determining organisational success and competitive advantage for sustaining profitability. Firms in the same industry are always in competition, for market share, industry leadership position and profit (Osisoma, Nzewi and Emerole, 2017). To achieve these goals, organisations adopt different strategies but innovation appears most favoured and effective. However, studies have shown that innovation in organisations is affected by several factors both external and internal which include technology, competitive environment, customer needs, organisational factors and social environment within organisation (Damanpour, 1996; Osisoma, Nzewi and Emerole, 2017). Among these factors, organisational and social factors seem to be the most important and significant in facilitating the implementation and maintenance of innovation performance among employees. Moeller, Steinman and Calabretta (2010) opine that organisational and social factors such as human resource management practices, and work environment are important determinants of innovation capabilities and performance at the individual and organisational level. As observed by many studies across the manufacturing sector in Nigeria, every organisation identified innovation as the strategy for increased profitability, continuous industry relevance and high market share, but majority believed that technology and financial capability are the main input needed to innovate (Ebiasuode, Onuoha and Nwede, 2017; Chibuzor, 2013; Chukwudi and Ogbo, 2012; Ajala, 2012). As a result, innovation from organisations (brewery industry

inclusive), were not sustainable due to constraints related to organisational and work related factors.

Globally, the brewery industry is an important segment of the manufacturing sector because of its contribution to national economy, particularly in terms of Gross Domestic Product (GDP), employment generation and social support. The Nigerian brewery sector which comprises of Food, Beverage and Tobacco is one of the fastest growing branches of Nigerian manufacturing sector, and contributes about 28% of Manufactured Added Value (MAV) to the national economy (Vetiva, 2010). The industry has been seen as one of the most innovative segments in the manufacturing sector across the world and indeed in Nigeria, due to high competition and the need to appeal to consumers through product and marketing innovation. Apart from the federal, state and local government authorities, the sector may be the next highest employers of labour providing over 50,000 direct employments to both Nigerians and expatriates with nearly 500,000 indirect employment including firms providing ancillary services (Vetiva, 2010). While Africa accounts for insignificant 5% of global beer production, Nigeria with almost 180 million population accounts for an unsatisfactory small share of 0.8% (Vetiva, 2010). At the moment, at least four of the global players in the beer industry have brewing plants in Nigeria with intense drive for market dominance through innovation.

Most segment of the manufacturing sector in Nigeria, particularly the brewery industry has been experiencing its own fair share of instability, which may not relent any time soon. This is characterised by stiff competition, frequent change in consumer tastes, infrastructural deficit and rapidly changing technology, leading to shorter product lifecycles and a higher rate of new product development. Therefore, firms in the manufacturing sector are exploring alternative options attempting to build the culture of innovation around their human capital base for sustainable and continuous innovation. Because of high rate of rivalry, imitation and access to similar technology, particularly among

firms within same industry dealing with consumables, sustaining innovation in terms of new product, new process and new administrative procedures has been challenging due to low survival rate and short life cycle of innovation by similar organisations. This development necessitated rapid response from organisations on the need to adopt strategies to build innovation culture among their employees, which can guarantee continuous innovation performance through organisational variables.

The brewing industry in Nigeria is believed to have faced a remarkable surge of competition in the struggle for dominance. There appears to be a stiff rivalry among the existing players, encroachment of new competitors, threat of substitutes, and decline in the bargaining power of suppliers and buyers (Osisioma, Nzewi and Emerole, 2017; Ajala, 2012). To gain and maintain market share, the brewery firms are increasingly adopting holistic innovation approach in packaging, branding, pricing, differentiations, distribution channels, strategic global alliances and market segmentation to serve shareholders interest. Nigeria's economy experienced a declined fortune as a result of recession in 2014, which had negative effect on firm's profitability, employment and survival of firms in the manufacturing sector (Ebiasuode, Onuoha and Nwede, 2017). Within the brewery industry, this development led to small breweries being acquired by the dominant players in the industry due to low capacity to innovate, leading to low profitability and job loss at every level. At the end of the recession, there emerged some stronger dominant players who have always dictated the direction of business in the industry even before the recession.

To continually change the methods, structures, procedures and services of organisations to something different, firms need to consistently focus on the competences of its staff and provide necessary support to promote creativity and innovation among employees. It has been recognized that an organisation's method to human resources management is influential to stimulating positive work attitudes among employees, which will increase its innovation

performance (Tan and Nasurdin, 2010). Given the importance of innovation, there is growing interest among innovation management scholars attempting to explain why and under which condition (s) firms can enhance the performance of their employees, including innovation performance. Based on the above, organisational sociologists believed that there are organisational, contextual, structural and individual factors in explaining innovation, the phenomenon of innovation both at the employees, group and organisational level (Gopalakrishnan and Damanpour, 1997). Accordingly, there are organisational features that are compatible with enhancement and adoption of innovation by individual employees and in turn foster innovation performance.

Interestingly, innovation studies are described using different norms, concerning fundamental ideas and their construction (Beugelsdijk, 2008). However, two commonalities re-occur in different definitions: a focus on novelty, and the role of people in the creation and diffusion of that novelty. It is on this note, that the practices of human resource management becomes an important input in stimulating the attitude, behaviour and abilities of employees to achieve innovations that correspond with the vision of the organisation. Since it has been argued that individual employees are the ultimate source of new ideas leading to innovation in the organisation, their management towards producing creative ideas becomes crucial. Many studies have concluded that organisations should develop a system of internally consistent human resource management practices (Jiménez-Jiménez and SanzValle, 2005; Laursen and Foss, 2012), since a system with mutually reinforcing practices is the most beneficial to innovation performance rather than isolated Human Resource Management (HRM) practices. The combination of multiple human resource management practices in a system can deliver synergistic effects (Oyedijo, 2012). For instance, Okafor (2012) concluded that periodic motivation of workers is pertinent to getting the best result from them; and that the success of

any organisation depends largely on effective mobilisation of all human effort in the organisation.

Research evidenced the relationship between HRM practices and innovation performance. For instance, a study conducted by Jimenez-Jimenez and Sanz-Valle (2005) identified a fit between HR practices such as team work; skill oriented recruitment, all-embracing and long term learning and innovation performance. Also, Omolawal and Onyeonoru (2018), argued that staff recruitment is a vital organisational function handled with all seriousness because the success and survival of organisations depend, to a great extent, on the quality of the workers. Accordingly, innovative firms treat HRM practices as the organisation's strategy to encourage team responsibilities, enhance organisational culture, and build up customer relationships through participation and empowerment, which will in turn help to create and market new products and services (Gupta and Singhal, 1993). When firms develop and introduce new product, new process and/or new administrative practices, it requires innovative and creative employees, who are flexible, risk taking, tolerant of uncertainty and ambiguity to drive the process of innovation. Advancing individual abilities, motivation and opportunities to perform creatively, firms require HRM practices to improve organisational processes and foster a more cohesive pattern of interaction and communication among employees (Osemeke, 2012). For sustainable innovation performance among employees, particularly in the manufacturing firms, there is need to explore the interconnectedness between the classical input (research and development, technology and financial capability) and organisational factors such as the practices of human resource management in building the culture of innovation into the consciousness of the employees to promote creativity and uniqueness in firm product and processes.

## **1.2 Statement of the Problem**

Given the importance of innovation to organisation's competitive position, several studies have tried to investigate the major antecedent of innovation performance such as individual, environmental, and organisational structural factors (Damanpour, Richard and Claudia, 2009; Damanpour, Szabat and Evan, 1989). The norms of harshly criticising new ideas; political problems within the organisation; an emphasis on the status quo; a conservative low-risk attitude among top management; lack of good human resource policies, excessive time pressure and lack of innovation culture (Amabile, 2012), are all factors constraining creativity and innovation among employees in an organisation. Of all the potential predictors of innovation performance among employees, organisational variables have been argued as playing a pivotal role in promoting innovation performance among workers (Damanpour, 1996); and HRM practices and procedures have also been noted to be the intermediary mechanism to influence employees' performance including innovation performance within the organisation (Jimenez-Jimenez and Sanz-Valle, 2005).

The inability of organisations to enhance workers' creativity and improve its innovation has negative effect on firms' profitability, job security, survival rate and competitive position within the industry. Innovative firms treat HRM practices as the organisation's strategy to encourage team responsibilities, enhance organisational culture, and build up customer relationships through participation and empowerment. When firms develop and introduce new products, new processes and/or new administrative practices, they require innovative and creative employees, who are flexible, risk taking, and tolerant of uncertainty and ambiguity. Certain HRM practices such as autonomy, knowledge management, motivation, career plan, training & development and organisational recruitment processes have been argued to have a profound influence and strong link with creativity and innovation performance among employees in the organisation (Farooq, Ullah and Hameed, 2015). Compared to most developed countries of the world where HRM practices are considered

crucial to the survival of the organisation, Fajana, Owoyemi and Elegbede (2011) reported that HRM practices in Nigeria have not been fully developed and that there is the urgent need to shape and develop new directional focus that will ensure an efficient and effective HRM practice in Nigeria to drive employees' performance, including innovation performance.

Despite several researches in both fields of innovation and people's management (HRM), much effort has not been deployed to studies investigating the effect of organisational and individual factors on innovation performance among employees in organisations. There is much focus on technical innovation, financial capability and how to generate technology needed for innovation without consideration for the relative importance and effect of individual, organisational and contextual factors such as HRM practices in explaining innovation performance. Thus, contextually and empirically, there are gaps in the literature regarding the effect of organisational factors such as HRM practices on innovation performance, particularly as regards the link between HRM practices and innovation performance on one hand, and HRM practices that can encourage individual creativity to enhance innovation performance on the other hand. With the ongoing global debate relating to innovation as well as insight from the literature, there exists dearth of empirical studies investigating the effect of organisational and individual factors such as HRM practices particularly in the brewing industry in Nigeria.

Furthermore, previous studies (Ebiasuode, Onuoha and Nwede, 2017; Farrooq, et. al, 2015; Aruljara, 2014; Amaeshi, 2013; Chibuzor, 2013; Chukwudi and Ogbo, 2012; Ajala, 2012; Oyedijo, 2012; Ogbo, Origho and Ukpere, 2012) and others did not show how contextual and organisational factors such as HRM practices, work environment and management structure can enhance innovation performance among employees. Also, previous studies did not emphasize whether employees understand and/ or are aware of the importance of HRM practices in driving their performance, particularly



innovation performance. It is pertinent to further state that the challenges and benefits associated with the adoption of innovative-based HR practices in enhancing innovation performance have not been adequately explored by these studies. These constitute the gap in knowledge which the present study intends to fill with a focus on investigating the effect of HRM practices (i. e. autonomy, knowledge management, motivation and training & development) on innovation performance among the employees in selected breweries in Edo and Osun States, Nigeria.

### **1.3 Research Questions**

This study was guided by the following research questions:

1. What are the predominant human resource management practices in the two selected organisations?
2. What are the effects of specific HRM Practices (autonomy, knowledge management, training & development and motivation) on Innovation performance among employees in the two selected organisations?

### **1.4 Research Objectives**

The general objective of this study was to investigate the influence of HRM practices on innovation performance among employees in selected breweries in Nigeria. The specific objectives of the study were to:

1. examine the predominant Human Resource Management Practices in the two selected organisations.
2. examine the levels of innovation performance (product, process and administrative innovation) in the selected organisations.
3. investigate employees' level of awareness about the impact of HRM practices on innovation performance in the organisations.

4. investigate the effect of selected HRM practices (autonomy, knowledge management, motivation and training and development) on innovation performance in the selected breweries.
5. examine the challenges and benefits associated with HRM practices in relation to innovation performance among employees in the selected organisations.

### **1.5 Significance of the Study**

This study extended the frontiers of knowledge on the influence of human resource management practices on innovation performance among employees in brewing firms in Nigeria. Most studies in the innovation discourse in Nigeria concentrated on the banking and oil & gas industries which are mainly from Economics and Technology management, and are however limited to their objectives and methods of investigation, particularly using econometric and mathematical models as well as triple-helix philosophy with less consideration on individual and organisational factors in explaining the phenomenon of innovation. By taking a social and holistic approach to exploring the possible effects of individual human resource management practices on innovation outcome (innovation performance) which consists of product, process and administrative innovation among employees, this study provided a robust empirical data that extended the subject matter from sociological point of view using the theoretical lens of social exchange theory and componential theory of creativity and innovation to explain the phenomenon.

The study contributed to the ongoing debate by explaining the relative impact of contextual, individual and organisational factors such as human resources management practices on innovation performance among employees as unveiled by industrial sociologists and innovation management commentators. It also added to the body of knowledge by providing thoughts that explain social relationship and rewards as well as work environment that

nurture or inhibit employees' creativity and innovation at the individual and firm levels. There is therefore the need to focus on the importance of organisational factors such as human resource management practices as a major driver of innovation outcome and performance among employees within the organisations. When employees are adequately motivated with focus on training and effective source of knowledge as well as rewarding interaction and expectation among the parties within the organisation, there is tendency for creativity and better innovation performance. The study also provided information to employees, managers and policy makers at the organisational level on the effect organisation related factors such as human resources management practices could have on employees' capacity to innovate, as well as serve as basis for further research for deeper understanding of the relationship between human resource management (HRM) and innovation performance among employees within the entire brewing sector in Nigeria

### **1.6 Scope and Delimitation of the Study**

This study was delimited to human resource management aspect of innovation performance. Although attention was given to product, process and administrative innovation as the main indication of innovation performance among the employees, the scope of the study went beyond innovation performance to cover the aspect of awareness, human resource approach, as well as challenges and benefits of innovative human resource management practices associated with innovation performance. Furthermore, the study was conducted among the employees of International Breweries Plc and Guinness Nigeria Plc. The study covered all permanent employees of the two selected breweries, both junior and senior categories.

The study also delimited its respondents to employees who work in departments/units where tasks are directly or indirectly related to innovation in

the organisation. These departments/units include human resource, production services, brewing, marketing & innovation, sales & distribution, total quality management, packaging and customers care. The study also covered the Osun State's plant of International Breweries Plc and Benin's plant of Guinness Nigeria Plc.

### **1.7 Operationalization of Concepts**

This sub-section provides operational definitions of some common terms used in the context of this study. These include:

**Administrative innovation:** These are new organisational structure, administrative processes and human resources that are more directly related to the management of an organisation.

**Creativity:** The process and ability to conceptualize and transform thoughts to new ideas by individuals. The act of generating new ideas by individuals towards solving a problem or producing new or improved products or services.

**Employee's Autonomy:** The degree to which a worker is allowed to exercise control over the methods used to perform work activities, the scheduling of those activities, and the standards used to judge performance.

**Human Resources Management Practices (HRMP):** These are the main methods for organisations to influence and shape attitude, behaviour and skills of individuals to perform at work and hence to achieve the goals of the organisation.

**Innovation:** Generally, innovation is described as programs, policies, systems, equipment, service, product, behaviour or ideas which are newly adapted into an

organisation. It is an idea that has been transformed into practical reality which when implemented leads to positive and effective changes.

**Innovation Performance (IP):** This is the aggregate innovation outcome of employees in the organisation. It consists of technological and non-technological; incremental and radical innovation which comprises of product, process and administrative innovation.

**Knowledge Management:** The process of knowledge acquisition, sharing of job related information and application of such knowledge within the organisation.

**Motivation:** Refers to person's desire and inner drives to do the best possible job or to exert the maximum effort to perform assigned tasks.

**Product innovations:** These are outputs or services that are introduced for the benefits of customers or clients including significant improvements in existing products or services.

**Process innovation:** These are tools, devices and technology that mediate between inputs and outputs and are new to an industry or organisation.

**Training and Development:** Training is a programme that helps employees learn specific knowledge or skills to improve performance in their current roles. Development is an effort to provide employees with abilities the organisation will need for future performance.



## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

This chapter presents a critical review of literature and theoretical framework on the issue of human resources management practices and innovation performance. The conceptual framework was also presented in this chapter. The main purpose of this chapter is to scrutinize the existing body of knowledge on the subject matter of this study. A critical review of literature was done to examine major concepts such as innovation performance, human resource management practices, innovation performance and work environment, Nigeria's brewery industry; and the link between selected human resources management practices and innovation performance.

#### **2.1 CONCEPTUAL REVIEW OF LITERATURE**

##### **2.1.1 Human Resource Management Practices**

More than ever before, competition and unstable market accompanied by changing customer's taste has propelled manufacturing-based organisations seeking to gain competitive advantage at all cost, and are turning to more innovative sources through HRM practices. Human resource management practices have been defined in several aspects. For instance, Schuler and Jackson (1987) defined HRM practices as a system that attracts, develops, motivates, and retains employees for effective implementation and survival of firms and its members. Accordingly, it is also conceptualized as a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contributes to the achievement of its business objectives (Delery and Doty, 1996). In the same vain, Bhatt (2005) viewed HRM practices a set of practices adopted and used by organisations to manage human resources through facilitating the development of competencies that are

firm specific, produce complex social relation and generate organisation's knowledge to sustain competitive advantage. Human resource management practices relate to specific practices, formal policies, and philosophies that are designed to attract, develop, motivate, and retain employees who ensure the effective functioning and sustainable survival of the organisation. A review of the literature demonstrates five common practices that have been consistently associated with innovation, encompassing performance appraisal, career management, reward system, training, and recruitment (Gupta and Singhal, 1993; Jiménez-Jiménez and Sanz-Valle, 2005; Laursen and Foss, 2003; Shipton, Fay, West, Patterson and Birdi, 2005).

The notion of modern HRM practices has become an increasing way of referring to high levels of delegation of decisions, extensive lateral and vertical communication channels, high reward systems, often linked to multiple performance indicators, and other practices that either individually or in various bundles are deployed to achieve high levels of organisational performance, including innovation performance (Ichniowski, Levine, Oslon and Strauss 2000). Following Laursen and Foss (2012), human resources management practices as considered in the literature involve: delegation of responsibility, such as team production; knowledge incentives, such as profit sharing, individual incentives and incentives for knowledge sharing; internal communication, encouraged for instance by practices related to knowledge sharing or job rotation; employee training, both internal and external; and recruitment and retention, such as internal promotion policies. It should be noted that the first three classes of practices include the practices that are typically included as “modern” HRM practices in the literature (Teece and Pisano, 2010), while the latter two classes in a stylized fashion that can be considered more traditional HRM practices.

Numerous scholars have examined the way in which firms manage, empower and reward their employees and the influence of such HRM practices



on worker and firm performance. Scholars have reported that an improved performance is a function of interactions between employee ability, informal learning, discretionary opportunities and multi-tasking (Ebiasuode, Onuoha and Nwede, 2017). There is a considerable disparity in the literature concerning the definition and measurement of HRM practices. Nevertheless, these work practices depart from the traditional work systems and labour management relationships which are characterized by tightly defined jobs. Traditional work systems with tightly defined jobs are associated with rates of pay, clear lines of demarcation separating the duties and rights of workers and supervisors, decision-making powers retained by management, and communications and conflicts channeled through formal chains of command and grievance procedures (Ichniowski et al., 2000)

Many HRM practices encourage communication, information exchange and mutual learning; all important to the generation of new ideas. Teamwork and networking are two HRM mechanisms for achieving knowledge sharing and frequently are important tool within a firm. In addition, flexible employment contracts can be an important element of a firm's HRM strategy, although many HRM strategy models emphasize the need to build and sustain committed and capable staff (Grant, 1991; Barney, 1996; Spender, 1996). It is important to state that most HRM practices centre around employee empowerment, allowing employees to address problems and opportunities that arise contemporaneously (Lepak and Snell, 1999), fostering exploratory learning, creativity and innovation (Drucker, 1999). Laursen and Foss (2012) explained how empowering employees to make relative autonomous decisions regarding the tasks performed and the planning of these tasks increases individual task adaptively and proactivity. Empirical evidence demonstrates how employee involvement in decision-making enables faster and more effective decision-making by relieving information-processing bottlenecks (Oladejo and Yunus, 2014). Employees who benefit from such HRM practices are more willing to

engage in extra-role behaviours that serve the interests of the organisation (Maurer, Pierce and Shore, 2002)

### **2.1.2 Human Resource Management and Innovative Work Behaviour**

Innovation is directly proportional to the attitude of those who manage the human capital of an organization. Their ability to adopt best practices (including HRM practices) that will encourage and support innovation as well as create an environment where creativity and innovation is allowed to flourish is ever important. Availability of right resources may act as a catalyst but creativity will not flourish if organisations do not have a culture of encouraging and supporting innovation (Ogbo, Okechukwu and Ukpere, 2012). Previous studies have revealed that factors such as individual, environmental and organisational structural factors are strong determinants of innovation. In fact, the role of employees in the whole innovation process has now occupied the center stage in academic work due to the impact of work environment related factors in creativity and innovation.

Over two decades ago, Kozlowski (1987) called for Human Resources Management (HRM) to be more distinctly embedded in Organisational strategy in order to facilitate innovation. Around the same time, Barker and Neiley (1999) also argued that all four dimensions of staffing, structure, strategy and system support are central to successful innovation, and that ensuring the organisation has the right kind of people who are effectively managed is a critical staffing issues. Neither of these early calls however attempted to clearly classify the exact HRM practices or processes that might be most helpful for building innovation capabilities, but at least the conversation had begun.

Historically, the HRM literature has not attempted to engage with the innovation literature in any significant way, until more recent attempts to draw these two distinct areas together (Iyang, 2011). Laursen and Foss (2011) argue that from both perspectives of innovation management and human resource

management, “there is a lack of theoretical and empirical treatment of how new HRM practices affect innovation performance”. The argument therefore is that to maximize the likelihood of successful innovation, engagement with HRM in an integrated way is essential. Human Resource Management (HRM) may be defined broadly in terms of all management activities impacting relationships between organisation and employee (Bailey and Clarke, 1999); or more specifically, as a system of operational functions such as staffing, selection, job design, training and (career) development, performance appraisal and compensation (Porter, 1990); and recently includes autonomy, feedback and team building.

According to previous research, HRM practices are the main methods for organisations to influence and shape attitudes, behaviours and skills of individuals to perform at work and hence to achieve the goals of the organisation (Chung-Jen and Huang, 2009). Certain HRM practices do affect the innovativeness of a firm, and might therefore be a valuable resource for firms wishing to innovate (Beugelsdijk, 2008). Several studies have concluded that organisations should develop a system of internally consistent HRM practices (Jiménez-Jiménez and Sanz-Valle, 2005; Laursen and Foss, 2012) since a system with mutually reinforcing practices are the most beneficial to innovation performance rather than isolated HRM practices (Laursen and Foss, 2003). In achieving any form of innovation within the organisation, the contributions of the human factors within the organisation are critical (Chung-Jen and Huang, 2009).

Jiang, Wang and Zhao (2012) stated that HRM practices that motivate employees to a sense of autonomy will result in employees being more effective in problem solving and creating new ideas in order to cope with job demands. For example, since staffing includes organisational practices to attract, recruit and retain employees with traits that support innovations, HRM is argued to be a key practice in order to affect innovation (Jiménez-Jiménez and Sanz-Valle,

2005). Additionally, Chung-Jen and Huang (2009) argue that selecting employees with appropriate skills and attitude to perform at work will enable organisations to integrate diverse sources of knowledge and hence stimulate innovations. Recruitment and selection of employees has been found to affect both the ability to and the motivation for employees to be creative, which are positively related to both administrative and technological innovation (Jiang et al, 2012).

In examining for techniques that firms can adopt to increase their innovative outcomes, the role of HR, and their management, has become further essential in the past decade (Beugelsdijk, 2008; Shipton *et al*, 2005). Most such researches lay emphasis on innovation at the organisational level, where human resource practices or human resource systems have been shown to affect innovative outcomes, though through mediating factors such as knowledge or intellectual capital (Liao and Wu, 2011). The influence of human resource management practices on innovation at the individual level has received less attention (Yakubu, 2011). Resulting from the reflection that the foundation of all innovations is worthy ideas that are then developed further, individuals rationally play a vital role in innovation because they are the receptacles and workstations of ideas (Vicari and Troilo, 2010). In order to increase the understanding of how individual employees can be motivated to exploit these ideas for innovative outcomes, it is essential to examine what encourages individual innovative behaviour (Scott and Bruce, 1994).

The concept of innovative work behaviour is a conceptualization of individual innovation (Janssen, 2014). It is defined as the behaviour of an individual that is intended to deliberately create, present, and apply new ideas, processes, or products (Jansen, 2014). Establishments are able to motivate preferred behaviours by using human resource management practices that stimulate specific attitudes and behaviours, and discourage undesired behaviours. Grounded on the philosophies of social exchange theory (Blau,

1964) and signaling theory (Bergh and Drexler, 1986), individual workers are seen as perceiving human resource practices as gestures of the organisation (Seyed and Omid, 2013), to ensure conducive work environment. An organisation's managers identify which behaviours are valued and rewarded, and employees understand the indication and act accordingly. If workers perceive the company as providing values, they will feel obliged to reciprocate approximately with something valuable, such as by helping the organisation achieve its goals (Scott and Bruce, 1994). If employees, through their views of human resource management practices, conclude that innovative ideas are compensated, and that the work environment is dedicated to generating and advocating new ideas, they will reciprocate with innovative behaviours.

The organised literature appraised by Sayed and Omid (2013) shows the prominence of high commitment human resource management practices for innovation. Zhou and George (2001) also argue that high-commitment human resource management practices are beneficial for innovation outcomes because practices such as employment security, employees' psychological commitment to the organisation and autonomy encourage employees to take risks. The dominant idea is that workers who recognise that they are fairly rewarded, who are offered training and development programs, who feel that information is shared among groups, team and individual, and who notice that their superior supports them will repay the organisation with innovative work behaviour. Accordingly, studies have shown that there is always the likelihood that employees will not perceive human resource management practices as they were intended because individuals apply different representations in perceiving and interpreting human resource management related information (Yohana, 2013).

The feedback that organisational members receive from the organisation regarding the type of behaviours that are significant and that are expected, supported, and rewarded, are captured in the concept of organisational climate (Scott and Bruce, 1994). An organisational climate that is supportive of

innovative behaviour is characterized as an innovative climate. According to Damanpour (1998), climates serve as structures of reference for the accomplishment of congruity between individual behaviour and the organisation's system's practices and procedure (Scott and Bruce, 1994). Individual employees form impressions of an organisation's practices through constantly experiencing these practices. Employees who identify human resource management practices that make them feel valued in their work environment and that are supportive of innovation will understand that they can reciprocate through innovative behaviour since this will assist in achieving organisational goals

The outcomes of innovation activities depend on employee's intentional and premeditated efforts to provide beneficial and novel outcomes at work (Janssen, 2000). Innovation performance among employees can be described as individual engagements and activities focused and directed at generating, processing, and implementing new ideas, including new product ideas, technologies, procedures, and work processes, with the goal of growing firms' effectiveness and success (Yohana, 2013). The ability of employees to transform unique ideas into marketable new products and services is seen by many scholars as innovative work behaviour. Innovative Work Behaviour (IWB) is perceived as an extra-role, or discretionary behaviour that goes beyond recommended role expectations which is not explicitly expected of employees (Janssen, 2000). Additionally, only prescribed behaviours are formally rewarded by the compensation system (Janssen, 2000). Though previous studies have established the significance of innovative work behaviour in generating a sustainable competitive advantage for organisations (Scott and Bruce, 1994); there is inadequate understanding of how employees can be inspired to show innovative work behaviour (Janssen, 2000). Grounded on the conviction that it is employees who structure the innovative capacity of an organisation through their intelligence, imagination, and creativity (Mumford, 2000); it is maintained

that some human resource management practices can identify, develop, evaluate, and reward innovative work behaviour.

The norm of reciprocity as enshrined in social exchange theory (Blau, 1964) is crucial as employees are expected to trade their effort and commitment in generating and implementing new ideas for tangible incentives such as pay and fringe benefits; training and development opportunities, and socio-emotional benefits such as support, care, and information sharing (Scott and Bruce, 1994; Blau, 1964). When companies send out indications of commitment toward their employees, these employees will reciprocate with higher levels of unrestricted behaviours such as innovative work behaviours (Maike, 2014). It is sufficing to contend that employees' perceptions of human resources management practices are geared towards high obligation which will affect employees' innovative behaviours and performance. Studies contend that HR practices that are usually used in the high-commitment human resource management literature are more of supportive practices than those aimed at improving the technical aspect of job. Farooq *et al* (2015) perceived that there is lack of consensus among scholars on which specific human resource management practices that can enhance high commitment. It was also documented that there was no such list of accepted practices. However, some human resource management practices most times display higher relations with commitment than others. Employee management activities that are commonly viewed as supporting commitment are the ones which promote creativity among employees Compensation systems, training and development, information-sharing, and supportive supervision are identified as the specific HR practices that have been found to have significant and positive influence on employees innovative behaviour and performance (Damanpour, 1998). The combination of multiple human resource management practices in a system can deliver synergistic effects (Oyedijo, 2012). Effective management of human resources in the organisation has also been found to be beneficial to the organisation in

many ways. Studies have established that organisations with good HR practices tend to witness superior efficiency, quality service and innovation. According to Iyang (2011), the human resources and the capabilities that are embedded in the human capital of an organisation constitute the distinctive competencies which drive superior efficiency, quality service, innovation, customer responsiveness, performance and effectiveness.

### **2.1.3 Innovation Performance**

Innovation has received more devotion lately as one of the principal processes that all organisations need to nurture in order to maintain its capability for competitive advantage. To weather competition, firms must institutionalise the innovation process and also need to build an in-house environment where creative thinking is fundamental to their values, conventions, tradition, norms and actions. Innovation is key for every organisation as it can produce progressive business outcomes and result, such as new products for the consumers, efficiency, or quality improvement to present systems and processes. Practitioners and academics validate the view that, individual employees' innovation assists to accomplish organisational success (Amabile, 1988). Individual innovation is essential to several eminent management principles, including total quality management continuous improvement schemes and organisational learning ((Dosi, 1982); which in one way or the other are associated to organisation creativity, performance, success and efficiency.

Employee innovation in modern organisations is receiving further consideration from both organisations and the management sciences as an academic field. Worker innovativeness can be described as the generation, suggestion and implementation of organisationally-oriented ideas (Scott and Bruce, 1994). The creation and generation of ideas are at the individual level, which has often been studied as creativity among employees, while



implementation may occur at all levels including individual, team and organisational levels (Amabile, 2002). Varying societal demographics, new technological developments, growing globalization, and international business competitiveness have brought firms to the understanding that, certain quantity of creativity and innovation is desirable in organisations for survival. Likewise, economic and technological developments have resulted in a progressively reasonable business environment, which in many cases leads to intensifying demands on individuals and organisations to live up to their expectation. Scott and Bruce (1994) stated that individual innovation was supposed to be influenced by workers and leaders, and was also identified as a multi-stage process between employees and organisational components like culture and climate. According to Damanpour (1998), the existence and survival of organisations is most times hinged upon the change and the responsiveness of a culture as influenced by operational leadership. It is apparent that, many firms in modern times compete via innovation. Studies across innovation management concluded that most times when workers comprehend and support the organisation's expectations, fewer periods are consumed explaining, instructing, and building unanimity before attempting something innovative. The culture of organisation is undeniably a vital issue in this extremely competitive age, where many organisations produce related goods and services.

Many scholars have described creativity and innovation as essential and recognised the significance of innovation to firm's competence. Amabile (1998) suggested that creativity and innovation have come to be understood as a crucial goal of many organisations. However, both of the concepts of creativity and innovation have been defined in numerous ways, they have nonetheless identical description and understanding in academics. According to Shane and Long (2015), innovation is described as incorporating the complete process, starting from a seed of an idea lasting through all the steps to reach a marketable product that changes the economy. Kanter (1983) concluded that innovation

performance has to do with the production or adoption of valuable ideas and idea implementation. Recently, the notion of innovation and its performance has assumed more complications in scope and meaning. As suggested by Ugbeoke, Faisal, Isa and Mooh-Nohr (2014), innovation performance is the deliberate introduction and application of ideas, processes, products or procedures which are novel and advantageous to the team or the organisation as whole. Scott and Bruce (1994) opined that innovation contain many process, which include problem recognition, idea generation, idea completing and prototype production and commercialisation. It embraces such undertakings as generation of new ideas, evaluation of ideas, idea development and implementation (Mumford, 2000), while creativity on the other hands mostly refers to idea generation alone. It is frequently enclosed as defining a problem, employee gathering, combining, reorganising information and creating the new ideas (Ugbeoke *et al.*, 2014). In the work of Kanter (1983), creativity is described as performing something for the first time anywhere or producing entirely new knowledge. Ordinarily, innovation is regarded by many as a multi-stage process, while creativity is just a stage of the multi-stage activities. The distinction between creativity and innovation bothers on conception of an idea and the application of such idea, but the two concepts are often used interchangeably in most relevant research. Accordingly, creativity is about invention of an idea while innovation connotes application and implementation of idea (West, 2002).

Innovation plays an essential part in the highly competitive global market environment in which firms operate amidst unreliable expectations from the consumers (Amabile, 1998). Furthermore, it can be contended that, in the present pecuniary environment, there is conceivably some proof of the significance of innovation as the sole most important requirement for changing a crisis into an opportunity through the imagination of employees leading to innovation (Khan and Than, 2007). Though current facts show that organisations must understand ways to stimulate and encourage innovative working within

organisations, and this could be realised through organisations' values and culture. Considering the incessant threat posed by competition to the continued survival of organisations, it is imperative to recognise which kind of organisational culture supports employee innovation, in order to come up with fresh innovations to meet customer demands (Yohanna, 2013). Innovation is critical for firms' long-term prosperity, particularly in dynamic markets as presently being witnessed in the global value chain (West, 2002). Increasing global competition, rapidly changing organisations, changing economic climate, organisation's ability to innovate is considered as a main factor for success and often for mere on-going survival (Oldham and Cummings, 1996). The view that organisations need to innovate dates back to the early 1930s (Schumpeter, 1934) and government institutions, and organisations are now intensely mindful that enterprises encounter the challenges of producing new products, systems and processes on a systematic basis (Yohana, 2013).

The literature proposes several typologies of innovation performance. Broadly defined, innovation performance (IP) particularly at the employees' level is the combination of innovation output and outcomes from incremental and radical innovation in the organisation (Herbig, 1994; Ettl, 1983; Dosi, 1982). It is further described as the aggregate level of innovation outcome of workers, which include technological innovation (product and process) and administrative innovation (Moeller, Steinman and Calabretta, 2010). Accordingly, technological innovation which includes product and process innovation can either be radical or incremental innovation, while non-technological innovation is described as administrative innovations which occurs within the social system of an organisation and pertains to recruitment, authority, rewards, and the structuring of tasks or allocation of resources. Product innovation is described as the introduction of new products or services which has an external focus to meet customers needs and primarily driven by competition (Dubouloz, 2012). Accordingly, process innovation on the other

hand is described as the introduction of new elements such as new technology introduced into the organisation's production or service operations for better performance (Delaney and Huselid, 1996).

The literature proposes several typologies of innovations. The best known and most-often studied typologies are those which distinguish between product and process innovation (Utterback and Abernathy, 1978) and technical (or technological) and administrative innovations (Evan, 1966). Product innovation is defined as new products or services. It has an external focus and is primarily market driven. It is introduced to meet customer needs. Process innovation is defined as new elements introduced into an organisation's production or service operations. It has an internal focus and aims to increase the efficiency and effectiveness of the organisational process (Kanter, 1983). Process implies a strong emphasis on how work is done within an organisation and product lay emphasis on new or improved output in the organisation (Damanpour, 1998).

There are three level factors in any organisation that promote innovation performance among employees according to King and Anderson (1995). The authors suggested that individual, team and organisation are essential facets for innovation performance. Many scholars are determined to search through the wide range of factors at these three levels of analysis considered to be connected with innovation performance at the workplace. A range of studies have examined the relationship among individual features and innovation performance. Such studies' outcomes identified same category of critical individual factors involved in enhancing and implementing innovation, which cover five factor traits such as generative thinking, conscientiousness, style of solving problem, self-discipline and so on. An extensive body of research has now accrued on such factors as "team task feature, team background, team structure, team processes and relationship between teams, which have been consistently found to be relative to innovation performance across several primary studies". At the organisational level, the main factors enhancing

innovation performance have been studied which include strategy, structure and systems, organisational culture, organisational climate for innovation, resources and skills, teamwork, leadership and in-house research (Argote and Ingram, 1990). An employee's innovation performance is a function of the above antecedents, which have a direct bearing on final innovation performance of organisations; and lies on the match between individual or team innovative behaviour, market demand and organisational target. It is not enough to only contemplate the individual, team and organisation level factors alone to drive innovation performance. It is equally important to consider the influence of each of these factors and their relationships in making the organisation and workers more innovative.

The foundation of innovation performance is ideas, and it is the individual employees who introduce, modify, and implement ideas ((Dosi, 1982),). Therefore, firms depend solely on their workers for innovation since employees are a critical source of new ideas. Also, Gumusluoglu and Ilsev (2009) state that employee innovativeness contributes to organisational innovation performance since individual employees are the source of novel ideas within an organisation. The introduction, application and implementation of ideas at the individual employee levels are more likely to result in innovative products/services at the organisational level (Gumusluoglu and Ilsev, 2009). In other words, once the members of organisations pursue new technologies, processes, techniques, and/or product ideas, and develop sufficient plans and programmes for the implementation of new ideas, organisations are likely to have new products or services. Several studies have also testified to a positive association between employee innovative behaviour and organisational innovation performance. In the study of Kianto (2011), innovative behaviour and the mind-sets of individual employees boost the innovation of firms. Munford (2000) equally reiterated that innovative behaviour fosters organisational innovation performance.

#### **2.1.4 Human Resource Management Practices and Innovation Performance**

The HR of any organisation is the nucleus as well as the hub as no organisation has the chance of being a global competitor without innovation. In light of the foregoing, there is consensus across HRM spectrum that innovation capacity of an organisation resides in the intelligence, imagination and creativity of its human resources (Mumford, 2000). It has been widely acknowledged that effective Human Resource Management practices are significant in extracting positive work behaviour among employees, which consequently leads to improved innovation performance among employees (Damanpour and Galalakrishnan, 1998 and Tan and Nasurdin, 2010).

However, innovation, according to Cooper (1998), does not occur by itself. Organisations must provide their employees the opportunities to innovate or must make demand for innovation from their employees and must also ensure sustainability of innovation performance through Innovative Work Behaviours (Janssen, 2014). According to Shipton; Patterson and Birdi (2005), effective management of a firm's human resources would be able to promote innovation by enabling employees to create, transfer, and institutionalize knowledge. Harter; Schmidt, and Hayes (2002) suggested that HRM practices can generate increased knowledge, motivation, synergy, and commitment of firm's workers, resulting in a source of sustained competitive advantage for the firm.

Owing to the importance of human resources management towards the achievement of organisational goals as well as the fact that the world is becoming more competitive and unstable than ever before, organisations are seeking to gain competitive advantage through several means, and are turning to more innovative sources through Human Resource Management practices (Jackson, Schuler and Sparrow, 1994). Schuler and Jackson (1987) defined HRM practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the

organisation and its members. Besides, human resource management practices are also conceptualized as a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contributes to the achievement of its business objectives (Delery and Doty, 1996).

Review of the literature demonstrates five common practices that have been consistently associated with innovation, encompassing performance appraisal, career management, reward system, training, and recruitment (Gupta and Singhal, 1993; Shipton, et al., 2005). Innovation performance denotes in general, a mechanism applied by the organisations to adapt to changing conditions of competition, technological advancement and market expansion by producing newer products, techniques and systems through employees (Utterback, 1994; Dougherty and Hardy, 1996). Accordingly, Amabile (1998) described creativity as the production of creative and constructive ideas, and innovation as the successful realization of innovative ideas within an organisation - this distinction has been noticed in many studies. Several studies have rather defined innovation performance in conjunction with the individual creativity, acknowledging individuals are the ultimate source of any new idea (Amabile, 1998). They justified their claims by arguing that new ideas by creative employees could be transferred to other employees and in a large scale lead to the development of innovative products at the organisational level.

Human Resources Management practices play an influential role in motivating employees to exhibit favourable attitudes and behaviours, which are required to support and implement the competitive strategy of an organisation (Kanter, 1983). In the view of Wang and Cheng (2010), innovative firms treat HRM practices as the organisation's strategy to encourage team responsibilities, enhance organisational culture, and build up customer relationships through participation and empowerment. When firms develop and introduce new products, new processes and/or new administrative practices, they require innovative and creative employees, who are flexible, risk taking, and tolerant of

uncertainty and ambiguity (Chung-Jen and Huang, 2009). This study reviews literature on four selected human resources management practices (Employees Autonomy, Knowledge Management, Motivation and Training) and the possible link and effect of these practices on innovation performance among employees within an organisation.

Ample research particularly from a diversity point of view in the human resource management domain, has provided empirical evidence on the positive relationship between human resource management practices and organisational performance and innovation (Delaney and Huselid 1996; Delery and Doty 1996; Ichniowski *et al.*, 1997). However, research techniques are vastly diverse (Ichniowski *et al.*, 1997), leading to different findings from similar investigations making proper comparison difficult. These challenges, identified throughout the past decades by a number of scholars have not been resolved even up till the time of the emerging debate (Ayanda, 2012). According to the most popular universalistic approach, the presence of sets of human resource best practices is universally applicable and proclaimed (Delery and Doty, 1996), as the panacea to productive and continuous innovation performance in an organisation. Many brands for such practices coexist, for example: high commitment practices or systems (Dosi, 1982); and high performance work practices (Huselid 1995); progressive practices (Delaney and Huselid 1996); innovative practices' (Ichniowski *et al.*, 1997); commitment strategy; high involvement practices (Lawler 1986); human capital enhancing HR systems; mutual gains practices (Kochan and Osterman 1994); mutual commitment practices; transformational labour-management relations; or plainly best practices (Delery and Doty 1996).

There are several suggestions of universal best practices as stated above. However, Delery and Doty's (1996) combination may be quite explanatory. Practices, such as internal career ladders, formal training, result oriented evaluation, performance based reward system, job security, employee



participation, and clear tasks are good facilitators of innovation performance among employees. The arguments for universalistic approach are strong, repeatedly overwhelming the reader with unambiguous explanations, and most times hardly discarded due to common sense and evidence based upon a diversity of practical cases and instances (Ichniowski *et al.*, 1997). According to Oltra and Alegre, more clearly academic studies are also available (Delaney and Huselid, 1996), putting forward the important limitations of universalistic studies. An alternative to universalism approach tagged contingent approach of business strategy stands as the most mutual factor considered for achieving the best-fit with human resource management practices to enhance innovation performance. From Porter's viewpoint (Porter, 1990), the seminal works are the bases for subsequent research on the human resource performance association mediated by strategy. According to Miller (1984) and Schuler and Jackson (1987), human resource management strategy structures highlighted the supposed 'vertical fit' (Delery and Doty 1996) between human resource systems (HRS) and business strategy in inspiring further research on innovation performance. Oltra and Alegre (2011), contend that HR practices encourage risk taking, freedom to fail, or empowering people. Nevertheless, it was not until the 2000s that concrete empirical work appeared that attempted to explain the nuances of the HRM-innovation relationship.

Interestingly, the research group which managed Shipton and colleagues (2005) in the United Kingdom has initiated investigations on the impact of bundles or aspects of human resource management practices usually in the high performance and high-commitment domain on innovation outcomes and performance. Shipton *et al.* (2005) recommended that sophisticated approaches to recruitment and selection, initiation, appraisal and training expect organisational innovation performance, and the appraisal remuneration association inhibits it. The previous measured as a combination of four human resource management practices, while proper mentoring system, formal shop

floor employee supervisor meetings for career development, formal managerial worker supervisor meetings for occupation development, and formal statements on the importance of employee expansion (Shipton *et al.*, 2005). Moving near more attitudinal aspects of human resource management practices, middle way outcomes connecting HR policies and organisational innovation performance, Shipton *et al.* (2006) postulated combined job satisfaction as a substantial predictor of organisational innovation performance. Relating the outcomes of these contributions, it is rational to adopt that, in innovation intensive contexts, workers' satisfaction will improve as a result of experiencing human resource management practices such as refined recruitment and selection, induction, appraisal, and training, combined with team work. Jiménez-Jiménez and Sanz-Valle (2005, 2007 and 2008) have equally empirically examined the human resource management innovation relationship. Literature reviews mainly focused on human resource management performance contingent perspectives (Schuler and Jackson, 1987; Miles and Snow, 1984), they tested the suitability of identified human resource practices most likely to be appropriate for innovation performance strategies. Jiménez-Jiménez and Sanz-Valle (2005) presented a positive relationship between innovation and an internally consistent HR system. Schuler and Jackson (1987) stated that human resource management practices aimed at innovation through external recruitment, high employment security, and broad application of training, use of internal career paths, use of performance appraisal systems, incentive-based compensation and high employee participation.

The innovation generating human resource management system has been further recently refined and positively tested by the same scholars (e.g. Jiménez-Jiménez and Sanz-Valle, 2008): flexible job design and empowerment, team work, long-term and skill oriented staffing, extensive and long-term oriented training, broad career opportunities, behaviour-based appraisal, and organic compensation system. Studies also show weak relationship which is inferred by

Foss and Laursen (2005) in their Agency theory established on analysis in the context of environmental uncertainty; while delegation is seen to be positively correlated to innovation performance. Recently, Beugelsdijk (2008) confirmed the significant influence of the certain human resource management practices on innovation performance which includes, task autonomy, training and task rotation, performance based pay and flexible working hours.

#### **2.1.4.1 Employees' Autonomy, Creativity and Innovation Performance**

Autonomy is related to granting and allowing freedom to employees for determining the means by which to achieve a goal not necessarily autonomy for selecting what goals to go after (Amabile, 1996). Employees who stand out in their ability to perform creative acts often value independence and autonomy. An organisational culture that supports autonomy in achieving clearly communicated goals will likely be more successful in terms of creativity and innovation than an organisation that does not. An environment of freedom and autonomy is more likely to tap into the intrinsic motivation of the employees, which is a major factor in promoting creativity among employees in the organisations. Empowered employees feel more responsible for their work and might therefore develop a more active approach towards the search for solutions and the implementation of new ideas.

A job design that increases autonomy and focused on empowerment was found to influence the motivation for being creative, to contribute to innovations (Jiang et al, 2012) and to generate more product innovations (Beugelsdijk, 2008). Autonomy raises the psychological empowerment of the employee and it is said to be a source of creativity and innovation. People who are empowered are more likely to exhibit creative behaviour, (Zhou and George, 2001). Autonomy or employee empowerment reflects independence and freedom of employees on how they compose and fulfill their jobs and to a certain extent under which conditions they work. However, independence and freedom,

although not in every aspect, result in more responsibilities that employees have to bear. It is supposed that the higher the level of autonomy is, the higher the responsibility an employee gets from his/her employer to organize him/herself in the workplace.

Individuals who stand out in their ability to perform creative acts often value independence and autonomy. An environment of freedom and autonomy is more likely to tap into the intrinsic motivation of its employees, which has a key factor in promoting innovation among employees. The major factor identified in the literature that impedes creative performance is control (Amabile, 1998; Oldham and Cummings, 1996). It could be control in decision making, control of information flow, or even perceived control in the form of reward systems that put too much emphasis on increasing extrinsic motivation. The primary reason for this is that control negatively affects intrinsic motivation. According to Amabile (1998), expertise and creativity skills must be accompanied by intrinsic motivation to produce highly creative behaviour. Kimberly and Evanisko (1981) found that in stable and predictable environments, some degree of formalization and centralization of decision making might actually increase employees' ability to implement innovations.

Research suggests that employees who enjoy greater autonomy at work will be encouraged to exhibit innovative behaviours (Amabile 1996). In addition, employees who enjoy less flexibility at work are less likely to report high innovative behaviours, because more control over managing work does not give room for creativity on the part of employees. In view of the above it is plausible to speculate that worker autonomy interacts with organisational culture to affect employee innovative behaviour. From the literature, there is evidence that autonomy is associated with innovativeness, whilst control leads to lower creativity levels or inhibits innovativeness (Amabile, 1998). By extension, autonomy in decision making concerning procedures, methods, and criteria should translate into greater employee ability to innovate. Job autonomy refers

to the employees' self-rule and independence in conducting their tasks in terms of process, decision making, and time management (Hackman and Oldham, 1975). Accordingly, to the social exchange theory, task related job autonomy provides work-related emotional employees (Wang and Cheng, 2010). It is believed that most knowledge workers engage in creative work with higher independence and strong self-motivations, they are prone to ask for the requirements of job autonomy strongly (Hackman and Oldham, 1975; Beehr and Drexler, 1986; Wang and Cheng, 2010). These characteristics embedded in knowledge workers suggest organisations to focus on job autonomy which can maximize the effective practices of new concept development and innovation (Vicari and Troilo, 2000) in order to contribute to creative performance of knowledge workers. In contrast, when supervisors are controlling, the reduction in employees' intrinsic motivation is then expected to stifle individuals' creativity combining with lower creative performance (Oldham and Cummings, 1996).

As an essential part of organisational climate, job autonomy, including process autonomy, work and content selection autonomy, and decision-making autonomy, can not only impose a direct effect on individuals' innovation performance, but also play mediating and moderating roles in ensuring psychological safety and emotional encouragement for team/group members, initiating more creative activities in the workplace (West, 2003; Song, Ujm and Kim 2012). Along with many other organisational factors, task-related job autonomy plays a critical role in increasing the level of innovation practices (Song *et al.*, 2012; Olajide *et al.*, 2014). In return, this would promote organisational long-term success (Beehr and Drexler, 1986). Increased autonomy will allow employees more chances for creation with a more flexible work process for conducting tasks through the task-related responsibility to define their roles and process to perform the tasks (Song *et al.*, 2012).

Research on creativity and innovation has been attempted from various levels including individual, group, team, and organisational level (Amabile, 1998). Team and group are two diverse concepts. Group connotes two or more individuals with common and mutual influence through interactions, and some interdependence or relationship (Dosi, 1982). Consequential from this dissimilarity, the studies on group creativity and team creativity are divergent by their approaches. Group creativity investigation usually encompasses lab experiment on group ideation tasks and is more of psychological orientation (Tan and Nasurdin, 2010), whereas team creativity research usually samples real teams in organisations and is more of management orientation and theorising and practices (Song *et al.*, 2012). In the management literature, creativity and innovation are often considered at the team level (Amabile, 2009). Mostly, theories aiming at organisational creativity admit the significance of factors at team or project level (Nonaka and Toyoma, 2004). Literature recommends that certain variables in team composition, team characteristics such as norm, size, and degree of cohesiveness; and team process such as methods for problem solving influence team creative and innovation outcomes (Nonaka and Konno, 2008). A good summary of these variables is presented in the study by Song *et al.*, (2012), where fifteen team-level variables identified have strongest effect and support for innovation, vision, task orientation, and external communication.

Task orientation refers to a collective concern with quality of task performance related to common vision (Dosi, 1982). Also, internal communication, cohesion and goal interdependence also demonstrate robust and generalizable relationships with team innovation. These variables are positively related to creativity and innovation. Subjective characteristics are actually related to team creativity. At the team level, the main variable of personal characteristics is team diversity. A review of 50 years of research suggests that team diversity may result in social divisions which harm team performance

(Amabile, 1996). Out of these 15 variables, the dimension with minimum effect size is, surprisingly, autonomy. The complexity of the effect of autonomy on creativity is evident in the research by Amabile (1996), where non-significant result was attained. Workers autonomy has long been suggested to influence creativity in individual's and teams (Amabile *et al.*, 1996). Generally, autonomy denotes task autonomy, the degree of control over how to accomplish tasks (Zhou and George, 2001). Autonomy is often considered as a positive factor for workers' performance, which is grounded on the empowering effects, providing employee responsibility and increasing sense of ownership of work undertaken. Dosi, (1982) contends that autonomy may have negative effect on job satisfaction due to seclusion and deprivation of valued inputs resulting from low-involvement type of leadership. Similarly, he argued that empowering leadership, by giving high level of autonomy, may hurt performance because of higher possibility of distraction, extra burden of decision making, and stress (Damanpour, 2000). The consequence of autonomy on creativity, nonetheless, is usually anticipated to be positive (Kanter, 1983). Previous studies concluded that freedom, which corresponds with autonomy, was found to benefit creativity of children's artistic creation and creativity of research and development scientists, respectively (Amabile, 1996).

The nature of organisational variables and peculiarity of work environment was noticed in another related study on set of variable on high creative project. Even though non-significant outcome was reported in the study by Amabile *et al.* (1996), where 12 high creativity projects displayed no difference in freedom when compared to eleven low creativity projects, the positive result of autonomy on creativity is rarely challenged. The reasoning supporting positive effect is forthright. Autonomy increases perceived self-determination and hence intrinsic motivation, which in turn enhances creativity (Song *et al.*, 2012). While the studies above refer to individual autonomy only, autonomy can equally be hypothesised at team level (Laursen and Foss, 2005).

Laursen and Foss (2005) refer to autonomy as the degree to which an individual or a team has considerable choice and freedom in determining how to carry out tasks. While team autonomy and individual autonomy can be related, they are divergent constructs (Karen and Mathew, 2008). As stated by some scholars, Kimberly and Evanisko (1981), reported that the relationship between team autonomy and innovation is often presumed to be positive, but there are only a few empirical studies on the subject leading to limitation in terms of investigation carried out in the field. One study found that autonomous teams are more effective for projects pursuing radical innovation (Karen and Mathew, 2008); because team autonomy is linked with high levels of ownership and responsibility which facilitates knowledge transfer, flexible information processing, and collaboration and benefit radical innovations.

Accordingly, a study conducted by Camiero (2000) shows that the effect of team autonomy on new product development is dependent on the level of technological instability. In technologically turbulent environments, the outcome of team autonomy on product accomplishment tends to be positive since there is a strong requirement for flexible information processing and responsiveness. When the technological environment is constant, managers have a tendency to experience the knowledge to develop good guidelines and strategies; the effect of which will be negative on team autonomy. Self-efficacy denotes either self-perceived capability for performing a task, or generalized trait about individual overall self-estimation of the capability to attain result (Camiero, 2000). Empirical evidence has been found to support the positive relationship between creativity and self-efficacy, in either task-specific or general sense (Cooper (1998); creative self-efficacy is the belief in individual knowledge and skill to generate and produce creative results. Several factors are found to contribute to creative self-efficacy. For example, job tenure, job self-efficacy, supervisor support, and job complexity are all important variable in self- efficacy. Most essentially, creative self-efficacy is shown to predict



creative performance outside the projecting effects of job self-efficacy (Cooper, 1998). It is suggested that creative self-efficacy may sustain intrinsic motivation to involve in creative activities. Furthermore, creative self-efficacy can facilitate the effect of learning orientation and transformational leadership on employee creativity (Song *et al.*, 2012).

Employees' autonomy is related to granting and allowing freedom to employees for defining the means by which to achieve a task (Amabile, 1998); and not essentially autonomy for choosing what goals to achieve. Workers who stand out in their ability to implement creative acts repeatedly value independence and autonomy. An atmosphere of self-determination and independence is more likely to tap into the intrinsic motivation of employees, which has been found to be a key factor in promoting innovation among employees (Amabile, 2008). Greater levels of autonomy on the job have been revealed to enhance job satisfaction, and in some instances promote motivation to perform the job (Amabile, 1998). Studies equally evidenced that new organisational structures, such as flatter organisations have occasioned increased autonomy at lower levels. Autonomy in the workplace can have aids on the performance of employees, teams, managers, and the company as a whole for better creativity. In recent times, newer and more organic structures rely on autonomy, empowerment, and participation to succeed (Tan and Nasurdin, 2011). Employee freedom is assumed to have curtailed some of the relational barriers between superiors and subordinates within an organisation's setting. Therefore, autonomy may advance workplace functions through the ideas and suggestions of employees (innovative behaviour) and in turn nurture relationships with a greater degree of trust between management and employees. A study of German middle-managers which examines whether leaders can influence the innovation process by granting their subordinates freedom and autonomy found that granting freedom and autonomy was positively related to

various types of innovative behaviour, including the generation, testing, and implementation of ideas (Tece and Pisano, 2010).

Other studies related to innovation performance from different contexts and perspectives such as by West (2003) in primary care teams and Frischer (1993) in product development department of a big product plant in Europe shows that worker autonomy has received substantial attention in the context of job characteristics and innovative work behaviour among employees (Hackman and Oldham, 1975). A meta- analysis study conducted by Dosi (1983) on the relationship between job characteristics and job satisfaction found autonomy to be more highly related to job satisfaction than any of the other job characteristics in the organisation. However, increased autonomy and freedom in the organisation may create disparity among units through different work practices and rules and lead to some employees engaging in unethical behaviour. Certain amount of oversight is essential in organisations to preclude wrongdoing that may go unnoticed when there are high levels of autonomy. A worker who enjoys autonomy may sometimes believe that they have authority somewhat equal to that of their direct supervisor, which may cause resentment on the extra responsibility or feel that their pay should be increased (West, 2003).

Perspectives across studies related to psychology of person and work are concerned that managers may feel relegated when employee autonomy increases, particularly when there is a change to a traditional work environment. Managers may feel that by giving employees autonomy, they no long contribute as much to the organisation or that their jobs may be at stake (Dosi, 1982). Therefore, some caution and restraint must be taken when it comes to giving some level of autonomy to workers particularly on method of achieving task within the organisation. Although, worker autonomy generally is a positive attribute for employees, managers, teams, and organisations as a whole to promote idea generation and implementation innovation (Marck, Lopak and Dim, 1999). Employees naturally aspire for autonomy, and its introduction can

increase motivation and satisfaction which are precedents of innovative behaviour (Omobola and Akinyemi, 2011). Scholars have argued that the amount of autonomy employees enjoy, have an influence on the way employees behave at work, including their aptitude to innovate. Along with many studies, task-related job autonomy plays a critical role in enhancing the level of innovation practices (Song *et al.*, 2012), which would promote organisations' long-term success (Beehr and Drexler, 1986; Wang and Cheng, 2010). Better autonomy will permit employees more probabilities for creation with a more flexible work process for conducting tasks through the task-related responsibility to define their roles and process to perform the tasks (Song *et al.*, 2012). Throughout modern creative activities, knowledge workers are the main actors of innovation, dissemination and application of knowledge and vital sources of renewing products, services and creative processes in an organisation (Amabile, 1988). Basically, the task of human resource management and its practices is to develop creative individuals and then to support the organisation's innovation capacity and increase market competition advantages (Amabile, 1996; Oldham and Cummings, 1996).

As employee creativity is essential for organisational innovation performance and survival (Amabile, 1988, 1996; Oldham and Cummings, 1996), managers and scholars alike have sought to categorise the ingredients that foster individual creativity and innovation performance among employees and within the organisation (Amabile, 1988; Oldham and Cummings, 1996; George and Zhou, 2001; Song *et al.*, 2012). From the viewpoint of individual innovation, scholars classified the characteristics of individual innovation which include factors of individual innovation performance, how to select and foster creative workers, and realization mechanism of individual innovation performance (Oldham and Cummings, 1996; Mumford, 2000). Studies have indicated that an employee's creative performance depends relatively on

individual characteristics, such as domain-relevant knowledge, cognitive style such as divergent thinking and personality traits (Mumford, 2000). There is somewhat limited evidence on comprehensive understanding of the knowledge workers' creative personality on innovation performance in the innovation management literature. From the organisational perspective, the design of jobs has long been considered an essential contributor to employees' creative performance at work (Hackman and Oldham, 1975; Amabile, 1988, 1996; Mumford, 2000).

Precisely, the significance of autonomy as an organisational variable has been affirmed by several research work (Mumford, 2000). According to knowledge creation theory (Nonaka and Toyama, 2004), the level of autonomy in the workplace could define the quality and occurrence of innovative thinking and creative challenges among individual employees, which would eventually be the foundation of organisational innovation performance in both levels of process and product. Task related job autonomy is one of the determinants for knowledge workers' innovation performance and even for organisational long-term success. Task-related job autonomy would be critical for the innovation process and activities (Hackman and Oldham, 1975; Wang and Cheng, 2010). Job/task autonomy denotes employees' self-rule and freedom in conducting their tasks in terms of process, decision making, and time management (Hackman and Oldham, 1976, 1980). Accordingly, followers of social exchange theory (Mumford, 2000) hold that task related job autonomy provide work-related emotional commitment to employees to break through challenges related to work. These strand of studies emphasized that most knowledge workers engaged in creative work with higher freedom and strong self-motivation, and they are disposed to request for the requirements of job autonomy intensely (Hackman and Oldham, 1975; Beehr and Drexler, 1986; Wang and Cheng, 2010). The characteristics entrenched in knowledge workers suggest organisations emphasis on job autonomy which can maximize the effective practices of new concept

development and innovation (Vicari and Troilo, 2000), with a view to contribute to creative performance of knowledge workers. Employees' autonomy is an essential part of organisational climate which include job autonomy, process autonomy, work and content selection autonomy, and decision-making autonomy. A well designed autonomy does not only impose a direct effect on individuals' innovation performance, but also plays mediating and moderating roles in ensuring psychological safety and emotional encouragement for team/group members, originating more creative undertakings in the workplace (West, 2003).

Several organisational factors affect an employee's creative performance. Specifically, an employees' job-related autonomy is more relevant for its creative performance. Work autonomy is regarded as the freedom related to the work activities and decision-making. The task-related decision-making and performance approaches by the employees will directly impact and influence their creative outcomes. Work autonomy is the degree to which an individual worker is given freedom, liberation and discretion in carrying out a task (Mumford, 2000). The work related freedom not only increases employees' creative performance but also helps to speed up their work related activities. According to Moeller et al., (2010) work autonomy directly contributes to employees' job satisfaction and in turn enhances workers' commitment to creative endeavours. Ogbo *et al.*, (2012) in states that work autonomy is one of the key elements of an employee's job satisfaction which increase the confidence of employees to leverage on their potential on the job. In their study, job autonomy along with work condition and job challenge is a major component of long-term growth. Autonomy offers better choices for the application of their work and it helps them to explore their ideas freely.

In a related study by Dosi (1983), autonomy is an individual's ability and capability to determine their work method, guiding their work schedule and selection of work targets. Mumford, (2000) reported that autonomy is related to

three aspects which include ability to select goals, ways to achieve these goals and timing to achieve these goals. Cooper (1990) described 'autonomy as the perception of self-determination with respect to work procedures, priorities and goals'. In the work titled creative in context, Amabile's (1988) componential theory of creativity described the importance of work environment autonomy in improving individual employees' creative and innovation performance. The work environment continuously influences employees' task performance, since employees' emotional (affective) and perceptual aspects are controlled by the conditions at work. Oldham and Cummings (1996) establish that employees' job-related autonomy is positively connected to their creative performance. Their study emphasized that monitoring the work environment will negatively influence employees' creative task performance and reduce the sense of competency of a worker to attempt challenging tasks.

According to Kimberly and Evanisko (1981), stable and probable work environments need some degree of formalization and centralization of decision making which might increase the organisations' ability to implement innovation. In a study aimed to explore job tenure as a moderator of the relationship between work autonomy and job satisfaction involving 76 production employees in Germany, it was found that, the interaction term involving tenure and scheduling autonomy was a significant predictor of both satisfactions with work on the present job and satisfaction with supervision. Furthermore, the interaction term relating criteria autonomy and tenure was an important predictor of satisfaction with work on the present job and satisfaction with the job in general (Damanpour, 1998). Similar survey comprising 210 factory employees from diverse levels of organisational hierarchy in which the researchers studied the relationship between power bases and autonomy showed that power bases related significantly with autonomy. Freedom and autonomy to some extent involves allowing employees to use their own discretion at the workplace. This freedom might lead employees to find out new ways of doing things their own

way, perhaps leading to innovative behaviour. An investigation among German middle-managers examined whether leaders can influence the innovation process by granting their subordinates freedom and autonomy found that granting freedom and autonomy was positively related to implementation of ideas (West, 2003).

There is a reliable empirical support for a positive connection between employees' autonomy and both idea generation and application behaviour. Oldham and Cummings (1996) observed the influence of personal and contextual factors at work on employee creativity and established that a supportive supervisory style is one of the drivers of exceptional creative performance and innovation. Organisations in present times require workers who can work with lowest supervision, and this recent development in organisation calls for autonomy in the workplace. Bereu and Ceyda (2013) recommended that, subordinates should be given more power in decision making if they are very skillful, while the superiors should exercise power in decision making in times of crises or when subordinates lack skills and abilities. Furthermore, satisfaction with supervision has a more overall meaning which includes factors other than quality and amount of supervision suggesting that all other factors being equal, increased autonomy when accorded within the decision making capabilities of subordinates is accompanied by greater satisfaction with supervision, and a greater capability to innovate.

#### **2.1.4.2 Knowledge Management, Creativity and Innovation Performance**

Learning occurs to improve the stock of knowledge available to the organisation and to amplify the value of its intellectual assets, such as innovation and capital (Nonaka and Toyoma, 2014). Knowledge Management has been broadly defined from many perspectives. For instance, Wiig (1997),

referred to it as a set of activities that leads an organisation in acquiring knowledge both internally and externally. As reported by Nonaka (1994), knowledge management is an integrated and systematic approach which contains database, documents, policies and procedures including the current expertise and experience and which is related to determining, managing and sharing all information assets of the enterprise.

In the value creation process, the knowledge, expertise and commitment of the employees are the key input on which the innovation initiative tends to depend mainly (West, 2003). Knowledge management enhances engagement in innovation through generating, using, and sharing new ideas and exploitation of the organisation's thinking power (Huang and Li, 2009; Plessis, 2007). In general, knowledge management effectiveness can be conceived as the effectiveness of an organisation in managing the knowledge acquired, shared, and applied by its employees. In summary, knowledge management effectiveness is conceived as a process to enhance knowledge application necessary to achieving organisational innovation for improving business performance. Organisations that effectively manage their knowledge will promote higher innovation performance among its employees which are needed to achieve breakthrough competitive advantage. According to Ozigbo (2012), knowledge management essentially embodies organisational processes that seek synergistic combination of data, information processing capacity of information technologies, and the creative and innovative capacity of human beings. Nonaka and Toyoma (2005), state that knowledge is created through the interaction between tacit and explicit knowledge comprising four different modes. They clearly explicated that knowledge does not reside in the collection of information, thereby underscoring the importance of human being in the process of knowledge creation. Churchman's emphasis on the human nature of knowledge creation seems more pertinent given the increasingly competitive and volatile business environment characterized by discontinuous change.



In competitive environment, knowledge management is an increasingly critical component of sustainable competitive advantage and provides long-term benefits for organisations (Damanpour, 1991). Nonaka (2004) states that knowledge management is achieving organisational goals through the strategy-driven motivation and facilitation of knowledge-workers to develop, enhance and use their capability to interpret data and information (by using available sources of information, experience, skills, culture, character, personality, feelings, etc.) through a process of giving meaning to these data and information. Knowledge management is also a management function that allows knowledge sharing and provides easy access to knowledge, know-how, experience, and expertise (Miller, 1999). He argued that knowledge management is a business process which relates to creating new knowledge and ensuring usage of knowledge within an organisation whenever it is necessary.

Knowledge Management creates a capability that enables firms to seize opportunities while analysing information, and is crucial to achieving competitiveness (Liao and Wu, 2010). Studies have established that only the advanced application of knowledge can lead to a sustained competitive advantage and innovation. Knowledge management is widely applied to knowledge-based and learning organisations that pursue to build a knowledge system based on all the available organisational information. According to the American Productivity and Quality Center, knowledge management is a strategy to acquire appropriate knowledge, which assists in internal information sharing and improves organisational efficiency. Similar review by Wiig (1997) proposed knowledge management model with a principle that states that knowledge can be useful if it is well organized and used to improve efficiency and maximize profits. Maike (2014) in a study covering large electrical firms in Europe, viewed knowledge management as getting the right information to the right people at the right time to provide a competitive edge for the organisation's creative effort. Knowledge management is clearly defined as a way to create and

uncover knowledge, to make it concrete, and then to transfer and reutilize it (Liao and Wu, 2010). The classification, storing, selecting, and using organisational knowledge will help firms to improve their profitability and competitiveness, and thus a successful knowledge management system plays an important role in an organisation's success. In a fast moving and knowledge-based economy, technology can help customers save time in searching for substitutable product replacements (Liao and Wu, 2010).

Accordingly, it is tougher for organisations to form and maintain a long term competitive advantage in this context of low knowledge capacity. Innovation performance in knowledge management consists of the application of various core competences and innovation undertakings that together form a firm's core competitiveness. As noted by Olajide, Adeoti and Elegunde (2014), most innovative activities come from borrowing rather than invention. Borrowing in this context refers to perceiving knowledge or experiences from other organisations and creating new ideas, whereas invention means creating new ideas. The capability of introducing new knowledge in the organisation is a key factor to the innovation capability (Cohen and Levinthal, 1990). Cohen and Levinthal (1990) equally indicated that an organisation's existing related knowledge (like basic skills and common languages) will affect the recognition of knowledge value, knowledge assimilation, and usage. The capabilities to recognize knowledge value, and to assimilate and use knowledge, are known as absorptive capacity, which is defined as the capacity to acquire, recognize, assimilate, and use external knowledge on the basis of prior related knowledge is a precondition for innovation.

Innovation behaviours may consist of internal process improvements, the development of new products, and novel strategic plans of product line management and organisational management. According to Johnson and Johnston (2004) distinguished managerial innovation performance from knowledge creation by stating that it is more focused on the product side and on

the performance of new products with regard to the dimensions of market, cost and financial performance. The creation of organisational innovation performance is based on a series of intricate innovation activities which form a value chain (Olajide *et al.*, 2014). They noted that different categories of innovation affect decision making behaviour (strategic innovation), product development (product and process innovation), and technical support mode (technical innovation). Johnson and Johnson (2014) pointed out that the process of procurement, manufacturing, distribution, and servicing from supplier to consumer forms strategic innovation in the value chain. Furthermore, firms need external resources to supplement the deficiency of their internal methods, and thus they will release and interchange their unused resources to external organisations and form interactive cooperate networks. In this respect, the emergence of knowledge management into the civilization era entered the knowledge era as conceptualised by the resource-based view of the firm (Barney, 1991); is a relevant reference point for conceptual framework in understanding strategic management gained a new dimension in the knowledge-based theory of the firm (Grant, 1996, Spender and Grant, 1996); where knowledge is perceived as a strategic talent of an organisation that needs to be managed (Damanpour, 1998). Knowledge management means ascertaining, evolving, and leveraging knowledge across the organisation with a view to achieving competitive advantage (Alavi and Leidner, 2001). Beveren (2002) proposes that knowledge management should centres on intellectual capital and human resource strategies that encourage employees' creativity and innovativeness. The dominant perspectives from the literature on relationship between knowledge management and innovation performance encompasses a wide continuum of activities, intended to enable management, interchange, create, or improve the intellectual assets within an organisation (Halawi, Aronson and McCarthy, 2006). Despite availability of large number of studies that investigated knowledge management activities and processes, a uniform

methodology that could effortlessly categorise the content of knowledge management has not yet been well-defined. In the study of Martens (2011), knowledge management entails five distinctive processes which include construction, embodiment, dissemination, use, and management. Miller (1999) submits that knowledge management denotes gaining of knowledge (capturing) involving creation, collection, storage, distribution, and application of knowledge.

Audu and Gungul (2014) maintained that increasing knowledge capabilities for creativity and innovation in the organisation can be done in two ways - by creating knowledge, which includes internal expansion of fresh and relevant knowledge or the enhancement of existing knowledge, and by capturing knowledge through the inflow of external knowledge into the organisation. They divided the procedures of knowledge creation into two main categories: production of knowledge, which equals with the process of organisational learning during which new organisational knowledge is created; and integration of knowledge that empowers sharing and distribution of knowledge. Since knowledge creation is an extremely challenging activity, many firms are turning to a simpler way of acquiring knowledge, which involves acquisition of knowledge from external sources and adaptation of that knowledge to their own needs (Bhatt, 2000).

The main benefit of acquiring knowledge over and above creation of knowledge lies in the reduction of risks of possible outcomes of research processes, which is especially relevant when considering the fact that internal creation of new knowledge often requires greater investment than when knowledge is acquired from external sources. On the other hand, knowledge creation enhances the development of new ideas, which encourages creativity and innovativeness of employees, and brings the noteworthy advantage of the uniqueness of evolving knowledge which in itself can be a source of favourable competition. Studies identify diffusion of knowledge throughout the

organisation with the processes of knowledge sharing, knowledge transfer, and knowledge exchange. An important initial basis for understanding the process of diffusion of knowledge within an organisation is given by Argote, Beckman, and Epple (1990), who explore the influence of knowledge transfer on productivity and innovation by analyzing the process of transfer of learning. The study regarded transfer of knowledge as the relocation of productivity improvement throughout the organisation. In a similar study, Argote and Ingram (2000) conceptualised knowledge transfer as a process through which one organisational unit is under the influence of another organisational unit with adequate experience. Other authors make clear dissimilarity between these processes, arguing that the process of knowledge transfer contains knowledge sharing by the knowledge sources as well as the acquisition and application of knowledge by the recipient, whereas knowledge exchange comprises knowledge sharing (employees deliver knowledge to colleague) and knowledge seeking (employees seek knowledge from colleagues) (Wang and Noe, 2010).

Due to the complex nature of knowledge management activities particularly in achieving the innovation desires of organisations, scholars have attempted to interrogate the phenomenon using managerial and practical perspectives with a view to documenting the implications of knowledge management activities and processes on managerial decisions. These strands of studies emphasised formulation and implementation of knowledge management strategy, which are viewed by many as semantic rather than substantive (Bhatt, 2000). In spite of the fact that the main concept in knowledge management overlaps, the processes of knowledge creation, knowledge sharing, and knowledge utilization are often seen as independent and separate because in practice these processes occur simultaneously. This is particularly pronounced in the case of knowledge transfer and application, because the strategy of socialization (Nonaka and Konno, 1998), that is, personalization, (Nonaka, 1994) directly supports the simultaneity of these processes. Because of

everything that has been mentioned so far, knowledge embedding, in its broadest sense, involves the implementation of all activities related to the processes of organisational knowledge management. In a narrower sense, knowledge embedding refers to the application of knowledge in the course of business activities with the aim of maintaining competitiveness and creating added value.

Numerous studies conducted to date have shown a positive impact of knowledge management on various organisational outcomes. These perspectives have established a link between knowledge management and process performance; knowledge management and workers' innovativeness; knowledge management and business performance; organisational performance; value creation; organisational effectiveness; and firm performance (Liao, 2011; Carneiro, 2000; Bhatt, 2000). Related studies in field knowledge and innovation management had theoretical characteristics and dedicated some work to the establishment of a link between different aspects of knowledge management and listed organisational outcomes including innovation performance (Gooijer, 2000, Bailey and Clarke, 2001). Recent works based on empirical research have established a connection between knowledge management and organisational and innovation performance (Liao, 2011). The key challenge in the process of identifying and measuring the effects of applying knowledge management to improve employees' capabilities to enhance creativity and innovation is linked to the fact that neither practice nor theory has been able to develop an approach that would perform the sole function of examining the effects of knowledge management practices in firms creative and innovation process (Carneiro, 2000). Non-availability of unvarying methodology justified by lack of consistent attitude to what the key performance indicators for all organisations outcomes; and the effects of knowledge management as a multidimensional activity, which prevents their precise identification and measurement (Bailey and Clarke, 2001).

With respect to the above challenges, it can be established that the evaluation of the impact of knowledge management on organisational outcomes and performance may assume different indicators, as confirmed by the research presented in literature. For instance, Lee and Choi (2003) investigated the impact of knowledge management on competitiveness; Darroch (2005) examined the effect of knowledge management on financial performance, whereas Dosi (1983) experiment operational excellence. In the process of investigation, the impact of knowledge management on organisational outcomes shows that besides knowledge management's impact on employees' performance and irrespective of the way in which outcomes are measured or analysed, knowledge management exerts an important impact on an employee and firm innovativeness. Despite the significance of innovative capacity of an organisation to its survival and the number of works discovering the influence of innovativeness on different aspects of doing business, no unanimity has been extended on a uniform definition or methodology to analysis.

Early studies referred to innovativeness as mainly associated with research and development, so the definitions of innovativeness from that period were associated with the effects of this business function in the context of new product development (Dougherty and Hardy, 1996). The concept of innovativeness was expanded to other aspects and domain of doing business through the work of Wiig (1997). He associated innovation with the discovery, invention, and application of new products, systems, or processes. As defined by Quintane, Casselman, Reiche and Nylund (2011), three possible approaches to the definition of innovation are - innovation as a process; innovation as an outcome; and knowledge-based conceptualization of innovation. The opinions of these authors were that "innovation should be considered as duplication of knowledge considered new in the context it is introduced to and demonstrated useful in practice".

Over a period of time, different scholars have contributed to the classification of innovation such that the categories can be found in literature. Studies have validated many types of innovation which include administrative innovation, technological innovation, product innovation, and process innovation (Jimenez-Jimenez and Sanz-Valle, 2005, Huang and Li, 2009). Despite the lack of consensus among commentators on most acceptable definitions of innovation, a number of scholarly studies have shown that knowledge management has a positive impact on the innovative capacity of an organisation and its employees (Carneiro, 2000). On the other hand, innovation as a prerequisite for sustainable competitive advantage for organisation is expected to exert a positive influence on organisational performance. Accordingly, all knowledge management processes are divided into knowledge creation processes, knowledge transfer processes, and knowledge embedding processes.

Reviewing the role of knowledge sharing across the supply chain to get the significant results for the organisational performance and creativity from theoretical perspectives provided scholars the opportunity to explore the linkages between individual, group and firms. Conclusion from literature on organisational learning established that studies related to impact of knowledge management and its consequential effect on employees' creative ability did not focus only on ways to transform existing knowledge, but also on how to create new knowledge that will transform the organisation (Bailey and Clarke, 2001). Organisations usually need to share some knowledge that possess in order to access external knowledge, which could contribute to develop their innovation capabilities as essential part of business transactions (Lee and Choi, 2003). The leakage of most important business process is the biggest impediment that inhibits knowledge sharing and collaboration (Jonhson and Jonson, 2004). Recent studies in knowledge sharing have focused on the negative aspects and concerns associated with the participation of knowledge, attributable to the



effects of indirect leakage of knowledge and the cost associated with that leakage (Foss *et al.*, 2010). Tactically, many studies have been conducted to explore and elucidate the reasons that make the relationship across supply chain facilitating participation in various resources including knowledge. Many indicated that there are difficulties and obstacles that exist when the developing of knowledge internally (Bailey and Clarke, 2001). Lots of studies have pointed to the importance of internal knowledge sharing in order to access external knowledge sources.

Studies have equally reported that inter-organisational exchange of knowledge and resources help organisations take advantages of the integration of knowledge and concentration which as a result increases the innovative capacity (Oladun, 2012); but the benefits attained may be inadequate due to the outflow of knowledge. It is not surprising that there are critical differences in the way the knowledge sharing is managed, either internally or externally (Oladun, 2012). In the views of Cohen and Levinthal (1990), gaining knowledge from externals not only permits more efficient application of related knowledge but also enables organisations to better comprehend and appraise the nature and commercial prospect of technology. According to Farooq *et al.*, (2005) and Chesbrough (2003), the outstanding opportunity for external knowledge sharing in helping to discover and examine the potential of that knowledge and potential markets, increasing the company's attractiveness as a collaborative partner with a high potential for innovation in intra projects.

Paralleled to the researches in internal knowledge sharing, studies in the field of external knowledge sharing are not advanced nonetheless. Partly, the reason is that external sharing of knowledge is not painstaking among the essential activities of the organisation. Numerous studies related to knowledge and supply chain management have been reviewed over time and most of them are established upon the ideology that, accessing and sharing of knowledge are often a prerequisite for innovation performance within the organisational context

(Kanter, 1991). Lots of evidences indicate that internal knowledge sharing across organisational unit provide competitive benefits (Gupta and Govindarajan, 1996). Internal knowledge sharing refers to the process through which individuals, teams, units, exchange, receive and influence the experience and knowledge of others (Argote et al., 2000). Internal and external knowledge sharing both have important implications for organisational performance and innovativeness. Many researchers focused on how knowledge sharing relates to innovativeness, for instance, Nonaka (1994) studied how internal knowledge sharing enables an organisation to create new ideas for new product development. Gupta and Sigal (1993) stressed that knowledge management occupies a strategic location in the organisation leading to increased innovative capabilities in operations which in turn increases the innovative performance as long as the organisation depends on the knowledge and capabilities that have not been developed internally. Knowledge sharing is a required behaviour and is expected to achieve strategic goals through collaboration and innovation. Knowledge leakage is in stark contrast; it is undesirable behaviour by employees who share the knowledge that the organisation would like to keep internally.

Theoretical review established five external parties' organisations can cooperate with, where the organisation can share knowledge and new ideas for innovation, as well as allow these parties access information and knowledge of their own (Laursen and Foss, 2005). Knowledge sharing with competitors is contentious, sharing of knowledge with customers is helpful in product development (Dosi, 1982). Sharing knowledge with customers is one of the most important relationships because customers can help organisations obtain new ideas about product and solutions, while sharing knowledge with competitors is likely to lead to negative consequences for the innovative performance, as it is controversial (Bailey and Clarke, 2001). In the same vein, Teece (2006), argued that organisations may abstain from knowledge sharing externally because of the potential threats for leakage of knowledge, but that

may lead to an advantage to achieve innovation in performance at the operational level. Sharing knowledge with customers is one of the most important aspects in enhancing innovation performance among employees within the organisation (Urban and Von Hippel, 1988); as it supports the product and market development (Tether, 2002). The customer's participation in the initial stages of product design helps to solve many problems related to design, as well as on the procedure of providing the product (Miller (1999). The consequence of customer engagement can lead to innovation in the product; this was established by many researchers. But others have found that there is a negative relationship to share knowledge with customers on innovative performance (ditto), particularly with regard to innovation in the product, and the market. Reviews of literature on innovative performance demonstrate that most of the studies identified five dimensions for innovative performance namely: Innovation in processes, innovation in products and services, market innovation, innovation behaviour, and strategic innovation. Many researchers identified different dimensions of innovation. Miller (1999) focused on innovation in new products and services, innovation in production methods for providing of services, taking risks using three dimensions including innovation in processes, innovation in products and services, innovation in the market due to its direct proximity to the activities of the supply chain.

Process innovation is related to providing new methods of production, modern management methods, modern techniques that can be used to improve the production and management processes. Innovation in processes is imperative in general innovative capabilities, in terms of the organisation's ability to exploit its resources and capabilities, and more importantly, the ability to re-assemble and configure resources and capacities to meet the inventive production requirements, and is considered so critical to achieve organisational success (Lee and Choi, 2003). Researchers did not address the innovation in processes clearly as pointed out by Kanter (1991), innovation in processes as a sub-

element of technological innovation. Technological innovation according to them is linked to innovation in machinery and production methods as tools for technological innovation. Amidst this viewpoint, the technological innovation is embodied in each of the innovation in new products that include a unique and modern technological content. Miller (1999) integrates two perspectives of product innovation - from the consumer's perspective, features such as the characteristics of innovation, embrace risk, and levels of change in behavioural patterns recognized; and from the firms' perspective, environmental considerations, and appropriateness with the organisations' projects. The technological and marketing aspects are all proportions of innovation in the product. Innovation in the market refers to the modern methods adopted by the organisation in order to enter and take advantage of the target markets. As the knowledge sharing is essential to the achievement of innovation, sharing knowledge with external partners leads to loss of important knowledge of the organisation, Examples include trade secrets, basic techniques, and other types of strategic knowledge (Oladun, 2014).

Study of Cooper (1999) indicated that the strength and ability of the partners or competitors to absorb knowledge assets affect the degree of damage from leakage. In case of working with a partner who has a high capacity to absorb knowledge, the company is losing the advantages of knowledge assets; the resulting fear for competitors to imitate the company's innovations hinders investment in research and development and therefore innovation. Such practices put the organisation to a difficult situation of losing the benefits and values of knowledge represented in new innovations in products and processes. Although organisations may leak some existing knowledge in order to achieve some gains in the markets, for example, releasing some information about the product that will be launched soon in the market to create more publicity and increased anticipation - a strategic marketing decision. Releasing of knowledge may be considered wrong behaviour when it is deliberated to harm company

(Bukhamsin, 2015). This means that a firm that faces leakage of sensitive knowledge will not gain innovation benefits from knowledge sharing. Despite the benefits of sharing knowledge internally, sharing knowledge with customers, and sharing knowledge with competitors on innovative performance (Jonhson and Jonhson, 2014), this exchange means there is a potential leak in the sensitive firm knowledge to other parties, accordingly, this leakage will harm and negatively affect the positive impact of knowledge sharing on innovation performance (Process, product and service, and market).

Knowledge management process facilitates another important process in organisations, namely learning process. Effective knowledge management can also increase the amount of knowledge required for organisational members and facilitate the rapid diffusion of knowledge within the organisation. Hence, knowledge management has a profound effect on transforming power of knowledge into innovation processes (Huang and Li, 2009). Many scholars have thus far argued that effective management of knowledge leads to increased innovation performance (Huang and Li, 2009; Darroch and McNaughton, 2002; Lin and Lee, 2005; Plessis, 2007; Nonaka and Takeuchi, 1995). Innovation Performance is a multidimensional concept that pertains to various parts and operations of an organisation. The nature of the activities in each innovation type is different, and they necessitate different strategies. There are three pairs of innovation performance, which are administrative and technical, product and process, and radical and incremental, that has gained significant attention in previous research (Damanpour, 1991; Gopalakrishnan and Damanpour, 1997). Evan (1966) and Damanpour (1987, 1991) state that the distinction between administrative and technical innovations is particularly important for studies in innovation because it reflects a more general distinction between social structure and technology; and the two innovation types can represent changes introduced in a wide range of tasks within organisations.

Similarly, Cooper (1998) emphasized the distinction between technological and administrative innovation which involves the proximity of the change in relation to the organisation 's operating core. Knowledge acquisition, which is related to using either existing knowledge or capturing new knowledge (Lin and Lee, 2005) enhances an employee's ability to efficiently perform his/her goals as well as increasing organisational learning (McElroy, 2000; Grant, 1996; Lin and Lee, 2005). Through acquiring knowledge from both inside and/or outside the organisation, each organisational member can increase his/her capacity to transform current knowledge to new knowledge and to generate new knowledge (Chen and Huang, 2009). Newly acquired knowledge increases stocks of knowledge available to organisations, decreases the uncertainty, and opens new opportunities for both applying and exploiting knowledge, thereby promoting the creation of innovative results among employees (Nonaka and Takeuchi, 1995). As innovation requires a concerted effort and experience in recognizing existing knowledge and capturing new knowledge (Drucker, 1993; Fabrizio, 2009), it basically increases through knowledge acquisition (Darroch and McNaughton, 2002).

Accordingly, knowledge acquisition is positively related to innovation. The process of knowledge management and knowledge application is related to the actual use of the current knowledge in order to solve existing problems (Alavi and Tiwana, 2002), and with making knowledge more active and relevant in creating values for organisations (Bhatt, 2001). Lin and Lee (2005) define knowledge application as the business processes through which effective storage and retrieval mechanisms enable workers to access knowledge easily. By effectively applying knowledge, employees and organisations increase their capabilities of managing different sources and types of knowledge effectively, using the right knowledge in the right form, decreasing making mistakes, and converting collective knowledge to advantages for organisations (Alavi and Leidner, 2001; Bhatt, 2001; Huang and Li, 2009). Hence, knowledge application

plays an important role in increasing administrative and technical innovation in organisations (Sarin and McDermott, 2003). Knowledge sharing is defined as a business process that requires collective knowledge, skills and expertise, and dissemination of knowledge across the organisational units (Chen and Huang, 2009; Lin and Lee, 2005).

Knowledge sharing also involves the exchange of employee knowledge, experiences, and skills throughout the whole organisation in order to establish new routines and mental models (Lin, 2007; Nonaka and Takeuchi, 1995). Organisational members can easily have access to knowledge by sharing knowledge among themselves and/or across different units, which reduces the amount of time and investment required to gather information. Through reducing time and investment for gathering information and establishing new routines and mental models, organisations can transfer their valuable resources to innovation processes. Additionally, sharing and exchanging knowledge causes high level of participation in learning and joint creation of new knowledge, which are critical for the development of innovative ideas (Chen and Huang, 2009; Tsai, 2001). Thus, knowledge-sharing processes tends to be positively associated with innovation.

Previous literature and researchers like Hilsop (2003), Morrow and McElroy (2001) and Moynihan (2001) discovered the gap among human resource management practices and organisational outcomes. It is one mediating instrument from successive innovation, which mediates among firm's factors and firm's outcomes. According to Alshekaili and Boerhannoeddin (2011), the affiliation among human resources and knowledge management practices advance innovational growth through mediating effect. Tung (2004) showed the knowledge management as a mediator and knowledge management mediates the link among firm beliefs, organisational value and organisational structure. It is necessary according to research point of view to observe the indirect association among firm advance innovation and HR practices through knowledge

management. Therefore, HR practices concluded a decision-making procedure that permits the organisation to manage efficiently the development of organisational advance innovation, so it is main hub of data traveling unit in the organisation (Shipton *et al.*, 2005; Usman 2012).

#### **2.1.4.3 Training and Development, Creativity and Innovation Performance**

Training seems to be associated with higher innovative performance (Beugelsdijk, 2008; Shipton, et al, 2006). It provides employees with the necessary knowledge, skills and ability (KSA) needed for innovation and openness for innovative ideas (Jiménez-Jiménez and Sanz-Valle, 2008). Innovative organisations tend to train and develop their employees on a team basis. According to Senge (1990) in: Barker and Neailey (1999), team learning is “the process of aligning and developing the capability of the team to create the results its members truly desire”. Team-based learning is seen as a good way to foster innovation performance, because “heterogeneity in decision making and problem solving styles produce better decisions through the operation of a wider range of perspectives and a more thorough analysis of issues (Tan and Nasuridin, 2010). An organisation with a diversity of perspectives should have more resources to draw on and should be more creative and innovative” (Richard, 2000, in: Beugelsdijk, 2008). Furthermore, team-based learning can act as a stepping stone approach on which other teams in the organisation can build, and it is therefore a platform for developing a major source of competitive advantage (Barker and Neailey, 1999). Training and development is argued to be the process of competence development and one of the HRM practices that were found to have direct influence on innovation performance among employees within the organisation. Bysted and Jespersen (2013) describe training as competence development and argue that when employee’s competences get



developed, their creative skills get stimulated which in turn might trigger their innovative working behaviours.

Employees that are creative and enthusiastic on the job see training as the most important reason why they need to stay on the job. Training and development are sources of ideas and innovations that safeguard organisations against future workforce turnover (Ldama and Bazza, 2015). In a study that examined the effect of human resource training and development in Nigerian hospitality industry, Audu and Gungul (2014) reported that training and development of employees are essential activities needed by all organisations considering the ever demanding technological improvement, innovation and technical advancement. Training helps employee master knowledge, skill, and ability which would contribute to innovation in terms of products development, production processes, and management practices in daily operation (Schuler and Jackson, 1987); develops the knowledge, skill, and ability of employees to perform effectively on their job leading to higher innovation performance. It provides employees with the necessary Knowledge, Skills and Ability (KSAs) needed for innovation and openness for innovative ideas (Jiménez-Jiménez and Sanz-Valle, 2008). According to Shipton et al. (2006) these KSAs are necessary when it is important to foster innovation, because employees will be better able to break with day-to-day survival at work. An organisation with a diversity of perspectives should have more resources to draw on and should be more creative and innovative (Richard, 2000, in: Beugelsdijk, 2008).

Organisations can boost their human capital to improve creative ability and outcomes through training and development practices. The connection between training and development practices and innovation performance can be described as a social exchange phenomenon in which employees experience training and development practices that are considered as organisation's commitment to their human resources, which employees then feel a need to reciprocate through positive attitudes and behaviours that are not formally

rewarded or contractually enforceable (Sanders *et al.*, 2010). Providing training and development will indicate that the organisation considers the employees as valuable and that it is keen to invest in them (Tremblay, Cloutier, Simard, Chênevert, and Vandenberghe, 2010). Employees will decide whether the chances to partake in training or to develop themselves are satisfactory. Benson, Finegold, and Mohrman (2004) maintain that workers will respond to development opportunities with progressive attitudes toward the organisation that offers the development. These progressive attitudes will result in behaviour that is valuable for both the organisation and for the employee. When employees recognise training and development opportunities as supportive and valuable, they will feel better equipped for evolving new ideas. Shipton *et al.* (2006) argued that training likened to other human resource management practices had the greatest effect on product innovation and on innovation in technical systems. Further studies have likewise revealed confirmation for the robust positive effect of training and development practices on employee's innovativeness in the organisation (Knol and van Linge, 2009; Pratoom and Savatsomboon, 2012; Zhang and Begley, 2011).

When it comes to training and development and its consequences on employee's creativity and innovation, scholars agree that extensive training is a strategic success factor in innovation matters (Lau and Ngo, 2004; Shipton *et al.*, 2006; Beugelsdijk, 2008; Jiang *et al.*, 2012). Prompt technological changes and varying customer demands require for an organisation to have employees that are continuously up-to-date who are able to creatively work with the cutting-edge developments on the market. Systematic training (either scheduled or formal or in between and informal) is therefore of central importance input in order to keep up with modern technology and to further diversify perspectives and opinions (Beugelsdijk, 2008). Furthermore, training can augment employees' knowledge, skills and abilities and task domain expertise (Lau and

Ngo, 2004; Amabile, 2002). Meanwhile, it is occasionally problematic for extremely educated individuals in technical positions to properly communicate, thus, training should also be focused on social skills. Also, De Leede *et al.* (2002) stated that high performing organisations tend to offer additional training regarding team work and communication. A likely problem is nevertheless, that employees regularly find that kind of training unusable, which then perhaps results in the training actually being useless. Therefore, trainings needs to be observed as a valuable prospect by workers in order to encourage positive results from individual employees particularly in the area of contribution to innovation. This can be attained by permitting employees participation in the planning and design of training activities (Jiménez-Jiménez and Sanz-Valle, 2008).

Literature stressed that not every form of training can be anticipated to be favourable to promoting employees' creativity and innovation in an organisation. Mere existence of training opportunities is consequently not sufficient to foster innovation, but they need to be suitable regarding their content and need to be perceived as valuable in order to be effective (Bhakin, 2011). To achieve the desired skill level that can promote innovation among employees, training must be in line with teamwork and job features as well as appraisal criteria, and should aimed at providing exact skills needed for newness and novelty (Jiménez-Jiménez and Sanz-Valle, 2008; Chen and Huang, 2009). Again, with employees clearly identifying training opportunities to be given and understanding their significance (on a firm level as well as on individual level), they are more likely to have a positive influence on their behaviours and innovative performance (Tan and Nasurdin, 2010) – this is an underlying argument from the perspective of social exchange theory. If employees feel the business makes an investment by providing training opportunities and assisting them to improve further in the development of their skills in terms of acquisition

and utilisation, they generally feel obligated to react impartially and give something approximately back to the enterprise (Jackson *et al.*, 2012).

Some other scholars contended that providing workers the chance to develop and grow within an organisation, and providing career opportunities will motivate employees to put additional strength into their work (Schuler, 1986); and might even inspire them to pursue training outside of work which will result in better knowledge base for the firm (Jiang *et al.*, 2012). Hurley and Hult (1999) presented that the employee insights of a culture that emphasizes learning and development by providing formal training, individual development opportunities and career management indeed positively relates to innovativeness and a firm's innovation outcomes. Decisions concerning which employees will be trained/promoted and how should be contingent on the aftermaths of recruitment and selection criteria and the appraisal that results from the performance management system.

Training and development has a positive effect on the skills, and knowledge of team and individual workers which in turn would impact on employee behaviour, attitude, motivation, and employee output (Way, 2002). Trainings designed to improve creativity are found to be positively related to employees' idea generation (Basadur, Wakabayashi and Graen, 1990; Scott, Leritz, and Mumford, 2004). A meta-analysis conducted by Scott (2004) in a large organisation, which contained 4,210 participants on the effect of training and development in employee's creativity and innovativeness. Training activities were reported to have a strong link with innovation and contributes to enhance creativity and idea generation on the part of employees (Gupta and Singhal, 1993). As Amabile *et al.* (1996) put it, the "adequacy of resources may affect people psychologically by leading to beliefs about the intrinsic value of the projects that they have undertaken". Thus, training and its accessibility are regarded as a resource, and the apparent opportunities for training affect employees' levels of idea generation (Amabile *et al.*, 1996). Training increases

employees' circles of knowledge and skills, which enhances skill set and workers are more responsive to the various choices and opportunities and feel more protected in experimenting and trying out new things (Shalley and Gilson, 2004). By receiving pertinent opportunities for training, workers are encouraged to come up with new ideas and to advance further in sharing the ideas with members of team (Jiang *et al.*, 2012; Shalley and Gilson, 2004). The fundamental works on human capital by Becker (1964) underscores the prominence of on-the-job training to employees and individual workers' productivity during their lifetime. He contends that organisations will only invest in definite training if they can appropriate the future rent of training. Competitive labour markets combine with a compacted wage structure, can also offer an encouragement for organisation-sponsored overall training since firms can appropriate parts of the expected rent.

These opinions seem to focus on the appropriateness of impending rents from the workers' increased productivity by engaging a model of price competition in which organisations compete over the future distribution of a given cake. Nonetheless, Schumpeter (1942) stated "it is not the kind of price-competition which sums up the rivalry for the new commodity, the new technology, the new source of supply, the new type of organisation (the largest-scale unit of control for instance) - competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the outputs of the existing firms, but at their foundations and at their very lives." The price competition in this case is only a part of the distribution of anticipated rents from training and this contributes to the firm's overall knowledge stock. An organisation's knowledge stock, in turn, is the foundation for the production of new knowledge and, ultimately, the complete innovation process. From the conceptualisation of new idea to its commercialization as a novel product or procedure, training plays a critical role especially in terms of knowledge and technical requirement for innovation performance (Kinhat, 2009). The overall

significance of continuous innovation is defined by Aghion (2006) in a model where technologically advanced entry creates a competitive environment that forces incumbents to innovate constantly.

On a closer look at the innovation process, Baumol (2002) argued that in a competitive environment where organisations do not dare to ease their innovative activities, innovation has to develop to a routinized process. In the process, “business firms systematically regulate the amounts they will invest in the research and development process; the type and number of recruitment for the purpose, and even hand-picked what it is that the organisations’ workrooms should invent. In addition, competition makes it too uncertain for companies to depend largely on their new products and processes on the unpredictable efforts of independent inventors. Way (2002) concludes that training has a positive impact on the skills and knowledge of employees and on employee’s behaviour, employee’s motivation and employee’s output. Training designed to enhance creativity is found to be positively related to the level of employee’s idea generation (Wakabayashi, and Graen, 1990; Scott, Leritz, and Mumford, 2004). Not only do specific training activities geared towards creativity and innovation contribute, but also the extent to which employees feel that they are given relevant opportunities to develop in their own job and career (Gupta and Singhal, 1993). Amabile, Conti, Coon, Lazenby, and Herron, (1996) maintained that training and its availability affect employee’s level of idea generation and in turn improves innovation performance. Adequacy of resources may affect people psychologically by leading to belief about the intrinsic value of the projects that they have undertaken. In line with this, training and its availability are viewed as a source, and the perceived opportunity for training affect employee’s level of idea generation (Amabile et al., 1996).

Several studies that sought to examine the effects of human resource management practices on innovation have consistently found a positive and significant effect of training on all types of innovation. For instance, Tan and

Nasurdin (2010), in a study of 674 large manufacturing companies found that training alone have a positive and significant effect on product innovation, process innovation and administrative innovation. Specifically, their study reveals that through extensive training activities, employees are able to expand their breath of knowledge and generate new understanding and new ideas; all of which will be able to stimulate innovations for the organisation (Tan and Nasurdin, 2010).

#### **2.1.4.4 Motivation, Creativity and Innovation Performance**

People will be most creative when they feel motivated primarily by the interest, enjoyment, satisfaction, and challenge of the work itself – and not by external pressures. This is the “Intrinsic motivation principle of creativity and innovation” (Amabile, 1996). Of recent, the proponents of Creativity and innovation in the organisation suggest that the social environment, particularly the presence or absence of external pressures in that environment can influence creativity by influencing people’s passion for their work. An overwhelming agreement noticed across the innovation literatures concludes that motivation has been found to be a powerful determinant of individual creativity and innovation performance, though, it is highly context dependent, together with other organisational inputs; motivation forms the basis for an individual’s ability for novel creations.

Recent research has shown that intrinsic motivators are better predictors of innovation performance than extrinsic motivators (Patterson and Kerrin, 2009), and that intrinsic motivators such as desire to contribute and task challenge are more often better predictors of outcomes than pecuniary extrinsic motivators (Sauermann, Cohen and Stephan, 2010). The elements that make up intrinsic motivation include a sense of self-determination in doing the work (rather than a sense of being a pawn of someone else), a feeling that one’s skills are being both fully utilized and further developed, and positive feelings about

the work, which may be akin to positive affect or positive emotion (DeCharms, 1968; Lepper and Greene, 1978; Deci and Ryan, 1985; Deci, Koestner and Ryan, 1999: as in: Amabile and Fisher, 2009).

The conceptual review of this study as related to motivation, creativity and innovation is entrenched in the principle of intrinsic and extrinsic motivation, which according to literature are the basis for creative behaviour of individual employees in an organisation. According to Amabile (1997), individuals can be creative and can produce creative work depending on the type of environment and the components associated with such environment. Woodman, Sawyer and Griffin (1993) present prototypes on creativity and conclude that certain characteristics and conditions impact creativity. Though, the replicas do not categorize the same aspects that influence creativity but value intrinsic motivation as the ultimate determinant of creativity. Amabile *et al.* (1994) states that intrinsic motivation is positively connected with creativity and that extrinsic motivation is negatively associated with creativity. According to this study, individuals who pursue a career that is hard, such as arts or sciences, are more intrinsically motivated and creative than individuals with other careers. Ryan and Deci (2000) study indicates that intrinsically motivated individuals are more creative than extrinsically motivated individuals.

Eisenberger and Aselage (2009) conducted a study on the effects of extrinsic motivators on intrinsic motivation. The results showed a positive relation among a reward for high performance and intrinsic motivation, the outcomes also indicate a positive relation between intrinsic motivation and creativity. Kachelmeier *et al.* (2008) implemented experiments to determine the difference in productivity when performance-based compensation is based on quantity and/or creativity processes. Quantity incentives result in high quantitative performance; however, these incentives have a damaging impact on creative performance. Creativity inducements result in high creative



performance, but these inducements have a negative influence on quantitative performance. The results of Kachelmeier *et al.* (2008) recommend that the indicators which are measured and rewarded are the metrics that individuals try to pursue in their performance. The crowding-out theory holds that intrinsic motivation declines when extrinsic motivators are introduced (Frey and Jegen, 2001). Additionally, owing to the effect of extrinsic motivation on intrinsic motivation, extrinsic stimuli can lead to weakened output (Bonner and Sprinkle, 2002). Amabile *et al.* (1994) state that intrinsic and extrinsic motivations are two distinct processes of individual motivation. According to the motivation-hygiene theory, factors that are extrinsic and intrinsic motivators are no opposites; an increase in one type of motivation does not result in a decrease in the other type of motivation.

Additionally, Cerasoli *et al.* (2014) states that with respect to performance, incentives and intrinsic motivation are not necessarily opposed. The results from the meta-analysis of Cameron and Pierce (1994) show that rewards do not adversely influence intrinsic motivation. In specific situations, voiced rewards increase intrinsic motivation (Cameron and Pierce, 1994). The results of the experiments of Eisenberger and Aselage (2009) show a positive relation between expected rewards for high performance and performance pressure, and performance pressure and intrinsic motivation. This indirect relation between expected rewards for high performance and intrinsic motivation is caused by reward expectancy for high performance that results in individuals experiencing pressure to do well (Eisenberger and Aselage, 2009). The results of the meta-analysis study of Deci, Ryan, & Knoester (1999) indicate that tangible rewards have a negative effect on intrinsic motivation. Accordingly, this relation is caused because extrinsic motivators weaken the responsibility of individuals for motivating and regulating themselves. Gagné and Deci (2005), state that it is well-known that use of significant extrinsic rewards to motivate work behaviour can be damaging to intrinsic motivation.

According to Wiersma (1992) extrinsic motivators diminish intrinsic motivation if they are observed as controlling. This is because the introduction of extrinsic motivators is usually accompanied with extra scrutiny and appraisal, which moderates the autonomy of individuals (Deci *et al.*, 1999). According to Gagné and Deci (2005) extrinsic motivators undermine intrinsic motivation because it changes the perceived locus of causality among organisational variables meant to promote creativity and innovation. As stated by Deci and Ryan, (2008), autonomy combined with competence and relatedness is the source of intrinsic motivation which positively impacts creativity, and extrinsic motivation negatively influences creativity.

The literature does not come to an agreement on the relation between intrinsic and extrinsic motivation and how it affects creativity and innovation. However, the two forms of motivation are no opponents, which is important to note. Since the assumption that intrinsic and extrinsic motivations are opposites indicates balance between the two types of motivation, in which an action in one type of motivation leads to a reaction in the other type of motivation. In a meta-analysis study conducted by Hammond (2011) on the effect of motivation on individual level-innovation, there was a positive relation between intrinsic motivation and innovation. In addition, the relationship between extrinsic motivation and innovation is also positive, but this relationship is weak than the relationship between intrinsic motivation and innovation. Cerasoli *et al.* (2014) also conducted a meta-analysis investigation on the use of intrinsic or extrinsic motivation as indicators for innovation performance. Findings from the research indicate that intrinsic motivation is the greatest indicator for quality and dependent innovation performance, while extrinsic motivators are the best indicator for quantity dependent innovation performance. According to the authors, extrinsic motivators should be related to direct tasks, such that the output is dependent on the simplicity of the task and the commitment of employees. Tasks that entail excessive deal of engagement, personal investment,

complexity, and complete quality should be less linked to incentives and much more closely linked to intrinsic motivation (Cerasoli *et al.*, 2014).

Since innovation in firms is complex and quality dependent, it is expected that intrinsic motivation is positively related to innovation and that extrinsic motivation is negatively related to innovation. Lawson and Samson (2001) define creativity as one of the seven essential fundamentals for the innovation capability of an organisation. Amabile (1988, 1997) presents the componential theory of creativity, in which individual and organisational components have to be present in order for individuals to be creative and enterprises to be innovative. Under the ideal environments, when these components are present, creativity and innovation can arise. Janssen (2000) and De Jong and Den Hartog (2007) reported that creativity is key for organisational success. For example, McLean (2005) postulates that the relationship between creativity and innovation is not surprising as creativity is the process of individuals generating new ideas; whereas innovation is the process of companies capturing these ideas and transforming them into marketable products or services. Creativity is the leading step in the innovation process since it offers input, and is a major source for innovation (Amabile, 1997; Lawson and Samson, 2001). Creativity is a central component in the innovation process of an organisation.

Intrinsic motivation is the inner drive to do the work due to the interesting nature, engagement or positive challenge inherent in the task. In its highest form, it is denoting passion and can lead to complete absorption in the work (Csikszentmihalyi, 1990). The components that make up intrinsic motivation include a sense of self-determination in doing the work (rather than a sense of being a pawn of someone else), a feeling that one's skills are being both fully utilized and further developed; and positive feelings about the work, which may be similar to positive affect or affirmative emotion (Amabile and Fisher, 2009). Intrinsic motivation refers to the motivational mindset in which individual workers are primarily interested in a job for its own sake, rather than for the

external benefits or rewards related to the job (Deci and Ryan, 1985). The most important source of creativity (Amabile 1983, 1998; Amabile et al., 1996 as in: Gumusluoglu and Ilsev, 2007) is when an employee is intrinsically attracted to a task, he or she is more likely to focus on it and explore and experiment with it, hence he/she exhibits more creative behaviour.

Related studies concluded that when employees are intrinsically motivated, they exhibit more creative performance (Tierney *et al.*, 1999). Oldham and Cummings (1996), report that supportive supervision is an important determinant of intrinsic motivation and creativity at work. In line with this, transformational leaders who care for their employees' feelings and needs; facilitate their skill development; show them ways to achieve the goals and express confidence in them (Bass, 1990); are likely to enhance their interest in their tasks and in turn enhance innovation performance. The recognition and encouragement that individual consideration by a transformational leader offers are likely to increase the willingness of the employees to focus more and do better in their tasks; and the challenge from this leader's intellectual stimulation is likely to energize the employees to explore and be more attracted to different dimensions of their tasks (Gumusluoglu and Ilsev, 2007). This will lead to enhancement of interest in the task itself and higher creative achievements (Amabile, 1983). In their study, testing the mediating role of intrinsic motivation on creativity, Shin and Zhou (2003) found that intrinsic motivation partially mediated the influence of transformational leadership on followers' creativity. For employees high on conservation (i.e. employees who value conformity, security, and tradition), intrinsic motivation fully mediates this relationship (Shin and Zhou 2003).

Rewards, a component of motivation has been found to have positive effect on employees' creative ability and innovative work behaviour in an organisation. Jiang *et al.* (2012) argued that employees' rewards affect their "motivation to be creative, offer new ideas and willingness to experiment with

new behaviours”. Some scholars have studied the effect of compensation on innovation by focusing on specific compensation systems, such as those geared towards incentivizing innovation (i.e Jiang *et al.*, 2012; Zhou, Zhang and Montoro-Sanchez, 2011) or offering performance-based pay (Beugelsdijk, 2008). Although these systems result in employees experiencing financial incentives to behave according to the criteria underlying the system; such as creating new products, bringing in new ideas, or improving productivity and produce perverse effects. Innovative work behaviour is encouraged when employees sense independence rather than when they feel pressured to undertake incentivized tasks for which their behaviours are controlled (Amabile, Hennessey, and Grossman 1986).

Furthermore, compensation is what organisations pay employees in exchange for their labour in which regular task-specific behaviours are demonstrated (Folger and Konovsky, 1989). Compensation may be explicit or performance-based pay. Most studies in organisational innovation favoured performance-based pay but also cautioned on its consequences if handled casually. The relationship between performance-based pay and innovations is contended to be complex and is associated to a probable risk (Jennie Karlsson, 2013). On the one hand, performance-based pay may contribute to and stimulate creativity and initiatives for improvements. Introducing these individual incentives may also negatively affect the willingness of employees to contribute to solving problems, which they are not directly involved in (Lau and Ngo, 2004). By introducing individual rewards, it might corrode the vital sensitivity of we-ness which is argued to be necessary for both knowledge sharing and innovations among employees in the organisation (Beugelsdijk, 2008). Performance-based pay has also been found to have an influence in generation of incremental innovations, but not on radical innovations (Jennie Karlsson, 2013). Other researchers have studied the effect of innovation on different kinds of rewards and distinguish between material and immaterial incentives. Li *et al.*

(2006) found that unimportant incentives such as independence at the workplace and allowance of self-growth were positively related to technological innovation, whereas material incentives were negatively related to both the interest and behaviour towards creativity and innovation. In contrast, Jiang *et al.* (2012) reported that rewards influence both the ability of and the motivation for employees to be creative, which is positively related to both administrative and technological innovation.

Several researches have revealed on an intrinsic motivational orientation as a significant factor in creativity and innovation performance (Amabile, 1990; Barron and Harrington, 1981). According to Simon (1967) the main purpose of motivation is to control devotion and attention of employees towards desired outcomes. Certainly, abundance of the contemporary study about motivation in industry revolves around attention and self-regulation (Kanfer, 1990). Additionally, many theories have postulated that the goals and effect of motivation is on self-regulatory mechanisms (Kanfer and Ackerman, 1989). As motivational mediations such as evaluations and reward systems convey attention away from heuristic phases of the creative activities and towards the technical or rule-bound features of task performance, they are likely to negatively affect intrinsic motivation towards a creative task. Amabile (1979) reported that expectation of assessment condensed creative performance while technical merits appeared unaltered. Even though it may be assuming that actual positive evaluation improves creativity as a result of positive impacts on self-efficacy, such evaluation may negatively influence ensuing creative performance, for it conduces to expectations of future evaluation (Amabile, 1983). An employee's extrinsic reward has an interaction with his choice. Financial reward that is offered in return for performance on a given task for which a worker has no choice could increase creativity. Nevertheless, when an employee is given a reward for agreeing to perform the task, creativity may actually be altered.

Intrinsic motivation is the "motivational state in which an individual is fascinated and energized by the task itself instead of by some external outcomes that might be acquired through doing the task" (Zhou, 1998). Relatedly, the progression of performing the task is seen as an end in itself, instead of a means to an end (Zhou, 1998). Intrinsic motivation tends to result in more flexible cognition, preference for complexity and novelty, and looking for higher levels of challenge. Therefore, an intrinsically motivated individual is more likely to ascertain many alternative solutions leading to higher creativity (Zhou, 1998). The positive relationship between intrinsic motivation and creativity has been supported by a number of studies (Amabile, 1979, 1985; Koestner, Ryan, Bernieri, and Holt, 1984). Intrinsic motivation has two components which consist of cognitive and affective components. According to Deci and Ryan (1985), cognitive evaluation theory addresses the cognitive component which assumed that people have the need to feel competent and autonomous. Thus, intrinsic motivation is considered and perceived as the competence and self-determination (Gagne and Deci, 2005). Cognitive evaluation theory posited that external factors such as tangible rewards, surveillance and deadlines tend to diminish supposed self-determination and hence intrinsic motivation. On the other hand, optimally challenging activities and positive feedback are shown to promote intrinsic motivation (Gagne, and Deci, 2005). Affective components have been proposed such as interest and excitement, elation and deep task involvement as flow, as well as happiness, surprise and fun (Amabile, Hill, Hennessey and Tighe, 1994). It is further argued that the orientation towards intrinsic motivation is part of stable personality (Amabile *et al.*, 1994; Amabile, 1997).

In componential theory of individual creativity (Amabile, 1997), three components for individual creativity are domain expertise, creative-thinking skill and task motivation were theorised. She contends that when task motivation is primarily intrinsic, it is more favourable to creativity. The Intrinsic Motivation

Principle by Amabile (1997) courteously summarizes current understanding, “Intrinsic motivation is helpful to creativity. Controlling extrinsic motivation is detrimental to creativity, but informational or enabling extrinsic motivation can be helpful, particularly if original levels of intrinsic motivation are high. Informational extrinsic motivation is the reward and feedback that recognize competence or inform a person on how to develop performance. Enabling extrinsic motivation refers to reward and feedback that directly enhance a person's participation in the work, such as allocation of more resources (Amabile, 1997).

The element in the component of task motivation is fundamental and is connected to the intrinsic motivation principle of creativity, which states that, people are at their most creative when they are intrinsically motivated by the challenge, joy, satisfaction and interest in the work itself (Amabile, 1996). Intrinsic motivation is commonly used in explaining why creative individuals show a lot of vigour and commitment in their job. Extrinsic motivation, on the other hand, denotes factors at work that are determined by the aspiration to achieve goals outside of the work itself, as attaining a promised reward, achieving a position or to meet a deadline (Styhre and Sundgren, 2005). Combinations of intrinsic and extrinsic motivation are common, but intrinsic motivation is argued to be primary for a person to do a given task. There are however synergies between extrinsic and intrinsic motivation, where extrinsic motivators can act either as a constraint or as a support for creativity (Amabile, 2008). Controls regarding how work can be done or rewards that are perceived to be created as attempts to control behaviour, will weaken a person’s self-determination and will consequently never be positively combined with intrinsic motivation. Instead it would rather decrease both intrinsic motivation and creativity (Amabile, 1997).



Reward, recognition and feedback that rather confirm a person's competence and feedback that provide the person with information about how to improve its competence, are argued to have a positive effect as support for creativity in case it does not undermine the person's sense of self-determination. Additionally, overall goals that direct a person to accomplish a task as well as enabling rewards, which involve more freedom, time or resources to work on exciting ideas, are argued to support rather than detract intrinsic motivation (Collins and Amabile, 1999). The components expertise and creative thinking skills define what a person is proficient of doing, while the component of task motivation will determine what the person will actually do and will define to what range the person will engage his expertise and creative thinking skills in the creativity performance. A high degree of intrinsic motivation can to some extent make up for a shortage in expertise or creative thinking skills, since that makes it more likely that the person draws skills from other domains or apply a huge effort in attaining the necessary skills (Amabile, 1997).

High-level of motivation are required for innovation and innovations are viewed as displaying a devotion and total absorption in work (Eysenck, 1995). Although, theories on innovation and creativity never fail to refer to intrinsic motivation as one of the most important antecedents of creativity and innovation, few studies have empirically studied the association between intrinsic motivation and innovation (Patterson and Kerrin, 2009). Clearly, intrinsic motivation is a pre-requisite for innovation (West, 1987, Amabile, 1998 and Frese, Teng and Wijnen, 1999). In exploring environmental influence on motivation, evidence suggests that constructive evaluation (i.e. informative, supportive, recognizes accomplishment) can enhance organisational innovation (Patterson, Kerrin and Gatto-Roissard 2009). Sauerman and Cohen recently analyzed the impact of individual motivation on innovation and performance. They found that intrinsic and extrinsic motivation affected both individual effort and the overall quality of innovative behaviours (Sauerman and Cohen, 2008).

As reported by Patterson and Karrin (2009), extrinsic motivation, such as pay was not as important as certain aspects of intrinsic motivation, such as the desire for intellectual change in enhancing innovation.

Empirical studies have also shown that when employees are intrinsically motivated, they exhibit more creative performance (Tierney et al., 1999). As noted by Oldham and Cummings, (1996), supportive supervision is an important determinant of intrinsic motivation and creativity at work. It is argued that employees can make up for their deficiencies during the process of creativity through intrinsic motivation. A high degree of intrinsic motivation can, to some extent, make up for a shortage in expertise or creative thinking skills, since that makes it more likely that the person draws skills from other domains or applies a huge effort in attaining the necessary skills (Amabile, 1997).

#### **2.1.4.5 Innovative Work Environment**

Contextual theories of organisational innovation provide a framework to identify dimensions of innovation work environments. Woodman, Sayer and Griffin (1993) and Amabile (1996) both proposed that innovative behaviour within organisations is a function of two categories of work environment inputs: group characteristics and organisational characteristics. The framework depicts innovation process from three levels: individual, team and organisation, which are essential facets to shaping organisational innovation, On the individual level, Personality (Costa and McCrae, 1992), thinking model (Walker, 1996) and academic basis (Amabile, 1996), motivation, especially intrinsic motivation (Frese, 1999) are four essential factors for individual creativity. Innovation process is a social and cognitive process with the elements of the process being events that occur within person and between people (Rui and Ying, 2001).

The literature has reliably recognised some characteristics of work environments that are prominent in encouraging innovation performance. In the overall, research indicates that a supportive and stimulating work environment

increases idea generation and innovation. Several other resources within the organisation add to provide a supportive and stimulating work environment comprising supportive management practices and leadership; constructive assessment and comment; and supportive and stimulating co-workers. Adler and colleagues (1999) identified two organisational mechanisms that allow employees to make their own choices in an ambidextrous organisational context within organisation; routines designed at rendering creative activities systematic and job enrichment schemes which positively influence employees' flexibility and innovative potential. Tushman and O'Reilly recommended that innovation within organisations requires managing the conflicting goals of building on the past and describing the future and that the key rudiments of these enigmatic aims are a decentralised organisational structure; a shared vision and culture; flexible and supportive leaders and managers. A shared vision appears to enable teams to manage the inconsistency of combining exploratory and exploitative innovation; it increases team members' ability to resolve conflicting plans (O'Reilly and Tushman, 2004); and produce opportunities for exchanges across exploitation and exploratory elements (Tsai and Ghoshal, 1998). The study of Gibson and Birkinson (2004) revealed that leaders play an important role in nurturing ambidexterity by reassuring a supportive organisational context characterised by discipline, support, elasticity, and trust. As reported by Jansen (2008) who investigated the role that senior team attributes to innovation and the role of transformational leadership style play in facilitating innovation performance. He establishes that a shared vision, shared values, collective aspiration and goals, and contingency rewards are significant factors for organisational innovation performance.

In the dynamic environments occasioned by fast globalization and improvements in technology, "innovation" plays a key role in long-term survival and development of organisations (Ancona, 2001). Innovation has been perceived as significant goal for many firms and has potentially possible

influence on organisational performance and bottom line (Mumford, 2002; Drazin, Glynn, 1999). Study shown that organisation's success measured by growth, profitability, and productivity is vastly interrelated with the emphasis that an organisation dwells on innovation, especially in the High-Technology industry and some manufacturing (Baldwin, 1994; Bommer, 2002); in order to incites continuing interest among researchers and practitioners. In view if the foregoing, it is then contended that innovation management in organisations should be related with the flexible company's features and the capabilities of the workforce (Borch, 2000; Tessa, 2004). However, innovation in many firms is mostly caught-up far more often than it is aided and abetted due to several factors including individual and environmental factors (Amabile, 2004). Therefore, to drive the feature, process about innovation performance and explore measures to foster innovation among employees within an organisation is a critical aspect of organisational effective management.

Literature evidenced that there were increasing demand for research in this field based on reviewing the available innovation literature. Contextual theories of organisational innovation and management offer an agenda to classify dimensions of innovation work environments. (Woodman *et al.*, 1993; Amabile, 1996), they suggested that innovative behaviour within firms is a function of two classes and category of work environment inputs, which includes the group and organisational characteristics. Amidst the adoption and the implications of these strands of theories, a model of supportive work environments for individual employee innovative behaviour and performance was proposed which emphasies the work environment as a major determinant of innovation performance. Accordingly, innovation performance process was viewed from the three distinct levels, which include individual, team and organisation, which are critical facets that shape innovation performance.

From the individual level viewpoint, workers' personality (Costa and McCrae, 1992); thinking model (King, Walker, 1996); and academic basis (Amabile, 1996; Stevens and Campion, 1994), motivation, (intrinsic motivation) (Frese *et al.*, 1999) are major pre-positive fundamental factors for individual innovation within an organisation. In work setting, employees participate in the innovation process by combining some innovative task teams. Organisational innovative outcomes is basically achieved through the work of teams entrenched in organisations (West, 2004). According to Guzzo (1992) the dominant input-output process model for conceptualizing group performance and innovation are complements in the innovation setting. The inputs comprise the employees' individual factors as indicated above and aspects of organisational context like leadership style, support for innovation and risk taking, performance reward and availability of adequate resources. Given a scheduled group of workers and the organisation context context, the thoughtful use of processes is the major means of producing anticipated innovative products. Teamwork creativity and innovation, which is referred to as organisational climates for innovation is part of factors proposed by innovation management scholars as a way of harnessing useful ideas leading to high innovation performance.

Innovative work environment is a moderator in the relationship between human resource management practices and innovative work behaviour and performance. The perceived impact that human resource management practices have on employee's innovative behaviour depends on an individual's insights of their work environment (James and Jones, 1976). Consequently, the connection between human resource management practices and innovation performance will be reinforced when employees perceive a supportive environment that is advantageous to innovative behaviours. Individual employees tend to infer situations in manners that are psychologically important to them (Jones and James, 1979), and this includes peculiar interpretations, generalizations, and insinuations (James and Sells, 1981).

According to James and Sells (1981), the atmosphere that an individual “identifies” is a product of cognitive creation and constructions, reproducing many forms of filtering, abstraction, generalization, and interpretation. The consequence of this process of filtering and interpreting establishes a psychological climate. Primarily, environment was seen as generic conception, symbolising several proportions of organisational practices that push employees towards having positive experiences of their work organisation. Nevertheless, because employees experience various events, practices, and procedures in organisations, Schneider and Reichers (1983) concluded that climates desirable to be for something and resolved that to speak of organisational climate without ascribing a reference to its consequences is meaningless. Hence, a further specific approach should be applied that focuses on criterion oriented environment (Jones and James, 1979); particularly for the climate for innovation (Scott and Bruce, 1994); and workers’ creativity (Van Esch *et al.*, 2016). Therefore, an innovative environment is one that supports the introduction and development of new ideas, identifies individual creativity, which is characterized by individual autonomy and ownership (Siegel and Kaemmerer, 1978). As Perceived by majority of scholars, human resource management practices will likely reinforce innovative work behaviour and performance more than when the employees concerned also perceive a supportive innovative environment.

Established on social exchange theory’s underpinnings, an innovative work environment should transfer to individual employees that innovative work behaviour and performance is an organisationally valued behaviour through which employees can effectively recompense their organisation - it specifies to workers that innovative results are valued. Such an innovative environment is then likely to enhance the positive influence that human resource management practices can have on innovative work behaviour by creating a condition for creativity and risk taking. Supportive supervision will lead to more innovative

work behaviour, if individuals also perceive an innovative environment in which initiatives can be taken without fear of revenge and mockery in case of failure (Ekvall, 1996), with sufficient autonomy (Siegel and Kaemmerer, 1978). For instance, employees will not only have considered their supervisor as supportive but also see that as a wider organisation since it encourages employees to be innovative and rewards them thus.

In his study on contextual factor relating to innovation among workers in Thailand, Hunter (2005) suggested that innovation arises as a result of the inter-play between individual and work context factors with the most prominent factor as the organisational climate and environment. Climate for innovation is a cognitive explanation of an organisational innovation indicating a motivating situation, Individual employees' will react principally to cognitive demonstrations of innovation environments rather than the processes which encompass numerous kind of interactions within an organisation (Gilson and May, 2005). The inter-change of information and knowledge (Gladstein, 1984; Guzzo and Shea, 1992; West and Anderson, 1996); social influence and stimulus (Guzzo and Shea, 1992); the appearance of endorsement or condemnation of group members (Guzzo and Shea, 1992), involvement in decision making (West and Anderson, 1996) and boundary management (Ancona and Caldwell, 1988; Gladstein, 1984) are majorly the constituent factors promoting the work environment leading to innovation. Innovation practice is a social and cognitive process with the components of the process being actions that follow within individuals and between groups. A remarkable element in the process is individual perceived support for the environments where they work (Scott and Bruce, 1994).

For innovation team, the outputs are innovative behaviour and innovative products. On organisational level, the ultimate innovation performance depends on the fit between individual or team innovative outputs and the external market. Individual innovation performance is usually a function of antecedent

circumstances, specifically the factors on organisation level that contribute to innovative environment. Accordingly, three key leadership features are mostly necessary for innovation: domain specific expertise, social and problem-solving skills, and transformational leadership behaviour, these factors have been proved to motivate innovation effectively (Mumford, 2002), particularly, the transformational leadership. Intrinsic motivation has also been found to create conducive environment for employees and in turn enhance their creative thinking leading to innovation. Research advocated that management practices intended to expose individuals to new and dissimilar experiences and to advance their skills are linked with high levels of innovation performance (west, 2004) - these kinds of activities are always viewed as support for innovation.

Moreover, management is exposed to new ideas, encourages risk taking, individuals have the independence to take initiatives, ideas are assessed in a fair manner and supportive manner also assist to promote innovation. Further research advocates that performance based rewards will inspire innovation application (Eisenberger, 1996). According to Cardinal (2001), rewards are related with innovation performance when regarded as performance acknowledgement. Nevertheless, the structural design must not shift works' attention from the task to reward (Cameron, 1996). Similarly, adequate provisions of such resources as equipment, facilities, and time are critical to innovation (Angle, 1989). Dougherty (1996) equally highlighted the resource availability during development, assessment, and implementation of creative ideas with an organisation. Accordingly, these resources appropriately will enable individuals contribute absolutely in the creative task oriented activities. Leadership support for innovation, performance reward and resources supplying serves as pointers through which an individual receives organisational expectations for his innovative behaviour and potential innovation outcomes and performance.



Initial studies tended to lay emphasis on identifying the individual traits and characteristics related to innovation performance. There is now universal agreement that an individual's knowledge, intelligence, personality and intrinsic motivation are the key requirements for innovation potential among employees in the organisation. However, exploring innovation in organisations necessarily encompasses social activities and actions such as gaining resources and influencing employees and teams. Innovation within an organisation arises from the collective determinations and efforts of various individuals within a social environment. Recently, there has been a change towards investigating the various factors inducing team and work-group innovation. In the work of Anderson and Gasteiger (2007), an overview of research in the field of creativity and innovation in organisations shows possible policy implications on innovation. Some recent literature reviews have been devoted exclusively to exploring the relationship between teamwork and innovation (West *et al.*, 2004). By divergence, the influence of other social means, such as leadership have received comparatively little attention. The vast amount of studies on leadership in general has tended to lay emphasis on the link between leadership and change, rather than on the specific relations between leadership and innovation. Port and Patterson (2006) proposes that ascertaining the managerial capabilities to enhance employee innovation is a fruitful possibility for further research.

An organic group structure is characterised by free limitations of authority and responsibility and a propensity to work as a group, rather than breaking projects down into discrete tasks for individuals. Equally, mechanistic groups are characterised by being rule bound, hierarchical and formal in operation. Organic group structures tend to be more innovative, since autonomy and freedom are better. Work groups that are autonomous are an essential component of innovation (West, *et al.*, 2004; Bailyn, 1985; West, 1987); and most effective when combined with clear-cut goals and objectives from management. Autonomy is strategic for idea generation and mechanistic forms

of group may have a role in coordinating the implementation of ideas. Literature on work environment and innovation performance encompasses diversity, dissent and minority group as critical factors influencing groups consisting of people with a wide variety of backgrounds and perspectives are more likely to consider a wider variety of approaches to tasks. In other words, a work environment with team members drawn upon different knowledge and skills, disciplinary orientations or professional backgrounds are likely to be better at generating and implementing new ideas, particularly when given adequate time to assimilate different perspectives and approaches (Watson *et al.*, 1993). Heterogeneity in terms of attitudes, gender, and education (Shin and Zhou, 2007) is also related with improved group innovation performance. Though, research proposes that much demographic diversity will improve the likelihood of conflict within a group, which could have adverse implication for productivity and innovation (Gonzalez-Roma and West, 2003).

Interestingly, several studies have unbelievably found that factors such as diversity, conflicts, controversy and group dynamics (minority and majority), which constitute the work environment have effect on employees and organisational innovativeness. During the 1980s, Tjosvold presented the concept of constructive controversy, which indicates the value of social interaction and explicitly, controversy in decision making with the social context of work environment. Constructive controversy arises where team members trust they are in cooperative environment (underscoring reciprocally beneficial goals rather than a win-lose result, where they sense their personal competence is acknowledged and where members use processes of mutual influence rather than attempted dominance). Constructive task related controversy is possible to increase innovation performance within teams. Research undoubtedly establishes that tolerant and motivating expression of minority opinions in groups and organisations are essential motivations for creativity and innovation

performance (De Dreu and West, 2001; West, *et al*, 2004). Exchange to a minority opinion in groups is most likely to occur when the minority is dependable and confident in presenting reasons with logical inclination.

Behavioural styles that are persistence are likely to promote attitudinal change and influence over the majority for acceptance. The minority group must replicate a visible commitment to the norms, values and interests of the majority in order to gain influence. High levels of conflict have been shown to be both beneficial and detrimental for creativity and innovation (Carnevale and Probst, 1998). An explanation for seemingly contradictions about the relationship between conflict and creativity has been advanced by De Dreu and Nijstad (2008). During a laboratory based research, findings provided support for the assumption that high levels of conflict stimulate creativity and innovation in domains correlated to the conflict but obstruct creativity and innovation in domains unrelated to the conflict. It is also possible that the kind of conflict moderates the relationship between controversy and creativity or innovation. Researchers have lately identified three different types of conflicts: relationship conflict (members have controversial personal issues, such as dislike); task conflict (relates to diverse viewpoints and opinions about a task); and process conflict (awareness of different viewpoints on how to accomplish a task, including spreading of resources and responsibilities) (Shalley, 2002). It is plausible to conclude that moderate task related conflict and minority dissent, laterally with high levels of participation, are likely to be beneficial for innovation performance.

Researchers also concluded on the significance of group integration skills like the ability to manage conflict in an accommodating context (West *et al*, 2004; Shelley, 2002). Tjosvold (1998) recommended that managing team conflict effectively results in greater moods of participative safety amongst team members. Limited literature available in this area posited that the longer the group is together the less innovative they are, as teams grow and develop

resistant to change habit over time. Initiating change in an organisation may not be possible if this occurs at a peak time in firm's annual sequence of activity. The concept of entrainment has been used to clarify that phases of activities are paced by the numerous other cycles. In relating this concept to work environments in organisations, an entraining process holds that there are windows of opportunity where the timing of the creation of a project group (or additional involvement in an innovation process) can be critical to its longer term success.

West and Anderson (1990) suggested series of interrelated four factors model of team climate that could possibly influence innovative work environment. The model proposes that group innovation is connected to four factors which includes participative safety (employees feel psychologically safe in suggesting new and improved ways of doing things and all participate in decision making); vision (the team's goals and objectives are obviously defined, shared, attainable and valued); support for innovation (the expectation, approval and practical support towards group members attempts to introduce new and improved ways of doing things in the work environment); and task orientation (the commitment of the team to attain the highest possible standard of task performance). There is worthy proof to support the existence of these four factors in relative to group climate and there exists a team climate inventory as a measure of these measurements. Groups with a clearly distinct and shared vision and goals are more likely to develop new working methods and processes, since their efforts are fixated and have direction. Studies on teams in different organisational contexts show that participation in decision making is essential because it increases the possibility that group members obligate to decision outcomes, and will be willing to offer new ideas (Borrill *et al*, 2000; Burningham and West, 1995; Carter and West, 1998; Poulton and West, 1999; West and Richter, 2008).

Furthermore, innovation necessitates group commitment to accomplish high task performance, and entails members to offer enunciated and enacted support for innovation attempts among employees in the organisation. A range of studies (West and Anderson, 1996; Borrill, 2000; Carter and West, 1998) have confirmed an association between team members' support for innovation and individual/group innovation. West (2008) in his study identified six environmental factors which influence innovation performance at the group level. These include clarifying and ensuring commitment, participation in decision making, managing conflict and minority in a constructive manner, supporting innovation, developing intra-group safety and trust and reflexivity. Psychological safety is a quite new concept, which relates to a shared trust held by members of a team of inter-personal risk-taking (Edmondson, 1999).

To understand how to design a workplace conducive to innovative work behaviour and performance, researchers and practitioners need to understand how work characteristics can influence the attitude and emotion of employees for stability of mind during work hours. Lots of theoretical models have been advanced to this end, and in most recent period, the job demands resources model of Bakker and Demerrouiti (2007) provided a concrete structure for exploring how the psycho-social environment influences innovation outcomes at both individual and organisational levels. The basic principle of the job demand model is that job demands and job resources (psycho-social factors) act as originators and initiators of processes that forecast a range of individual and organisational outcomes, including innovative work behaviour and performance (Bakker and Demerrouiti, 2007)). The psycho-social environment denotes the complex interactions between the job content, work organisation, management and related additional environmental and organisational conditions on one hand, and the individual's needs and competencies on the other (Bakker and Demerrouiti (2007).

The taxonomy of environmental factors influencing individual and organisational innovation outcomes developed by Leka, Jain and Lerouge, (2017) recommended dimensions such as job content, workload and work pace, work schedule, control and autonomy, inter-personal relationships at work and home work line. Integrating these dimensions into the work environment could either be a source of demands or resources for the employee to be creative after all. Some studies that have examined the associations between control, autonomy, quality of social interactions at work, support from the organisation, cognitive and emotional demands, time pressure and work life balance have found that innovative work behaviour is influenced by all these environmental factors (Martin, Salanova and Peiro, 2007).

#### **2.1.4.6 Challenges of Creativity and Innovation Performance**

Innovation as the most practically debate-able and vast research areas in most organisations have been associated with certain forces or factors that serves as drivers as well as challenges militating or inhibiting the successful implementation of creative ideas leading to innovation between individual employees, group/team and the organisation as a whole. Accordingly, the renowned barriers to creativity and innovation performance are explained at three different levels – (i) individual; (ii) group; and (iii) organisation levels. Researchers have established numerous characteristics that ease creativity and innovation performance among employees and within organisations. Review of literature shows that research concentrating on the individual and group are considerably smaller in quantity than those that focused on the organisational level. Reasonably, enormous amounts of work lay emphasis on multiple-levels concurrently, however, it is likely to situate the elements discussed within these three specific levels, which are relatively overlapped.

##### **Individual level**

Organisations and groups comprise of individuals who are frequently seen as the rudimentary component of organisational creativity and innovation. It is rather unexpected that less empirical and scholarly work focuses explicitly on the individual-level than on organisational-level. Employees' creativity has remained exhaustively the focus in past studies on creativity, thus, no longer seen to be of pronounced interest among numerous scholars (Bjorkman, 2004; Klijin and Tommic, 2010; De-Stobbeleir, 2011). There are four different major subject areas which address the individual facet of organisational creativity and innovation - self-management (individual-efficacy, individual-regulation, and self-designed goals); motivation (intrinsic and extrinsic); mood and affect; and knowledge acquisition and accumulation (training, feedback, and internal-external relations). Self-management is the concept used in the studies related to

self-efficacy, self-esteem, self-regulation, creative identity, and self-designed goals, which have been established to have a positive relationship with creative performance (Axtell, 2000; Tierney and Farmer, 2011; Chong and Maa, 2010; De-Stobbeleir, 2011; Ejaz, 2011; Mathisen, 2011; Richter, 2012). Accordingly, there is the strong conviction that individual actions and creative capabilities are positively linked to individual creativity and innovation, while low self-esteem might hinder employee creativity ability (Williams, 2002). The fact that self-management dynamics are seen as essential factors that drives individual and organisational creativity emphasises the prominence of providing workers roles that are autonomous and conveys sufficient obligations to enable self-management (Axtell, 2000).

The self management elements are also related to all aspect of motivation. Intrinsic motivation is conventionally acknowledged as a vital component of creativity; while extrinsic-rewards are established to be unfavourable to creativity (Amabile, 1983; Baer, 2003). The role of extrinsic-motivation particularly towards achieving the right-combination of intrinsic-extrinsic motivation was argued by different studies as the panacea for increased creativity and innovation among employees (Mumford, 2000; Baer, 2003; McLean, 2005; Sundgren and Selart, 2005, Griffin, 2009).

There is a common consensus among scholars that intrinsic-motivation is an indispensable driver of creativity and innovation, while extrinsic-rewards are generally seen as barriers to creativity (Amabile, 1983). Nonetheless, extrinsic-rewards and extrinsic-motivation are extensively debated from the view-point of being factors that nurture creativity and innovation (Mumford, 2000; Walton, 2003; Sundgren-Selart, 2005; Mc-Lean, 2005; Griffin, 2009); and informative-feedback and evaluation essentially enhance intrinsic-motivation and creativity and innovation performance among employees in an organisation (Zhou, 1998; Sundgren-Selart, 2005). Hence, there is universal conclusion that motivation is a



substantial element; however, there are wavering opinions on the role and the correct stability of intrinsic-extrinsic motivation and their effect on creativity and innovation. The third subject developed was mood/affect, denoting both emotion and mood have been established to have progressive effects individual creativity (Amabile *et al.*, 2005; Adler and Obstfield, 2007; Klijin and Tommic, 2010; Baron and Tang, 2011). Creativity is specifically disposed to affective-influences owing to the cognitive-variations that stimulate it (Amabile *et al.*, 2005). Individual employees usually remember mood congruent information, and more information inclines to be elicited during a good-mood (Walton, 2003; Elsbach and Hargadon, 2006). Some studies contend that there might be relationships between negative-affection and creativity among employees (George and Zhou, 2002; 2007); nevertheless, their outcomes are fewer reliable than in the situation of positive affection (Amabile *et al.*, 2005; Klijin and Tommic, 2010).

An undesirable mood can be considered as an obstacle to creativity and innovation (Amabile *et al.*, 2005), though Elsbach and Hargadon (2006) maintained that it may also serve as a propelling force when workers identify that creativity is acknowledged and rewarded in their organisation. Accordingly, Elsbach and Hargadon (2006) added that adverse effect may assist to motivate creative-work when assignment pressures are less, however once the pressure is extraordinary, positive-affection may be necessary to encourage the stream of creative ideas. Similarly, knowledge and experience of the field, which is the fourth subject, are usually observed as essential requirements for creativity (Amabile, 1996; Weisberg, 1999; Mumford, 2000; Egan, 2005; Sundgren and Styhre, 2007). Some scholars argued diverse ways of accruing knowledge through training/workshops (Birdi, 2005); internal-external relations (Madjar, 2005; 2008; PerrySmith, 2006). Though, earlier knowledge may also prevent organisational creativity in terms of triggering secureness and inflexibility in thinking (Woodman, 1993; Klijin and Tommic, 2010).

## **Group level**

Studies explicitly investigating group-level of creativity are more than that which focus on individual level creativity. Similar to the individual creativity level, scholars identified four main themes as reported in the literature. Majority of the work done at the group level of creativity concluded that diversity, group-management, group-climate/culture, and creativity enhancing techniques are the four most prominent factors which can promote creativity or impede its implementation among employees in an organisation. Diversity encompasses functional/hierarchical positions, skills, background, and the group members' knowledge (Walton, 2003; Egan, 2005; Bunduchi, 2009; Burbiel, 2009; Hemlin, 2009; Andriopoulos and Lewis, 2010; Yoon, 2010; Richter, 2012). Groups that are "rich-in-diversity" will remain more creative, whereas homogeneous groups, whose memberships retain over-lapping skills, have fewer prospects to advance creative ideas. Diversity may equally adversely affect creativity and innovation. Most times, it can lead to mis-interpretation of other members' ideas, which is dangerous, particularly in the practical team context. Also, geographic distribution might aggravate the group associates' dissimilarities and this may build the foundation for feelings of isolation or dis-appointment (Chamakiotis, 2013.)

Secondly, group-management which comprises elements such as the group's self-management (Axtell, 2000; Isaksen and Lauer, 2002; Kylén and Shani, 2002; Björkman, 2004); group leadership (Hemlin, 2009; Chamakiotis, 2013); organisational encouragement (Castiglione, 2008; Hemlin, 2009); support for innovation (Axtell, 2000; Hemlin, 2009); and feedback (Zhou and George, 2001; Hemlin, 2009). Group-management suggests that the group must be competent to manage itself efficiently, while organisation-level-management must be suitable in terms of permission and aiding the group's tasks. Prospective obstacles to creativity are mainly the unrestricted control of some participants,

which might diminish other participants' creativity (Chamakiotis, 2013). The creativity enhancing group culture/climate obliges the group associates to have confidence in each other (Andriopoulos, 2001; Sadi and Al-Dubaisi, 2008; Hemlin, 2009); connect well in the group (Andriopoulos, 2001; Al-Beraidi and Rickards, 2003; Egan, 2005; Sadi and Al-Dubaisi, 2008; Hemlin, 2009; Misra, 2011); ensure a sense of belongingness, be cohesive, and commitments (Al-Beraidi and Rickards, 2003; Egan, 2005; Hemlin, 2009; Misra, 2011); and ensure positive attitude towards other group participants (Egan, 2005). It is likewise essential to ensure clear purposes for the group task (Al-Beraidi and Rickards, 2003; Egan, 2005), an open environment (Andriopoulos, 2001; Hemlin, 2009), support for learning-culture (Thompson 2003; Yoon, 2010), psychological-safety (Andriopoulos, 2001; Hemlin, 2009; Kessel, 2012), and collective dream and objectives (Al-Beraidi and Rickards, 2003).

Creativity is improved indeed if group participants are motivated (Amabile, 1983), however, acceptable pressure and job demand are necessary to stimulate the motivation of group for creativity (West, 2004; Hemlin, 2009). Moreover, a climate that permits productive-conflicts between group participants is a driver of group creativity (Egan, 2005; Isaksen and Ekvall, 2010; Hei, 2014). Though, excessive dis-agreement or requisite for conformity could turn to a barrier (Pech, 2001; Egan, 2005; Isaksen and Ekvall, 2010; Hei, 2014), other elements that possibly hinder creative and innovation group climate consist of destructive attitudes, a monitoring or compelling environments, absence of psychological-safety, and time or prospect pressures (Amabile, 1996; Egan, 2005; Kessel, 2012).

Fourthly is the creativity enhancing technique which contrasts from other aforementioned themes due to its focus mainly on creativity, as implicit to generation of ideas and various perspectives. Whereas, the other themes focused

on creativity more broadly and area such as brainstorming in particular was largely used to generate ideas and multiple perspectives from multiple participants (McFadzean, 2000; Al-Beraidi and Rickards, 2003; Thompson, 2003; Walton, 2003; Egan, 2005; Litchfield, 2008). Nevertheless, Walton (2003), Egan (2005), and Elsbach and Hargadon (2006) contended that brainstorming does not continually create favourable aftermaths and that the periods are not automatically active at resilient creative outcomes. Notwithstanding, the interconnected difficulties is that most members in brain-storming sessions usually trust that it is an operational strategy for increasing group-creativity (Egan, 2005). Other creativity enhancing techniques like lateral-thinking (Butler, 2010); and creative problem solving-techniques (McFadzean, 2000) were discussed by studies in related fields. Many scholars recommended that ideation can help existing structures to promote creativity among workers (Goldenberg and Mazursky, 2008).

### **Organisational level**

Organisation level creativity as an important factor that determines creativity and innovation among employees in the organisation has been the mostly researched area compared to the individual and group levels. Besides, organisation level issues are argued by several studies within creativity and innovation literature. Thus, it is simply normal that opinions relating to the organisational-level of creativity are the most varied. For organisational-level, six distinctive themes were discussed which include: management/leadership; knowledge; resources; structure/systems; spatial-physical dimensions; and organisational culture/climate. Firstly, management-leadership is related with increasing creativity. Management related factors impacting organisational creativity comprise of providing workers with adequate freedom/autonomy (Daymon, 2000; Mumford, 2000; Sundgren, Selart, 2005; Moultrie and Young, 2009; Andersen and Kragh, 2015); adequate resources (Epstein, 2013); work

design (Elsbach and Hargadon, 2006; Amar and Juneja, 2008); managerial support (Sundgren, Selart, 2005; Wang and Casimir, 2007; Di-Liello and Houghton, 2008; Andersen and Kragh, 2015); instituting creativity bolstering cultural-practices (Isaksen and Ekvall, 2010; Epstein, 2013), and surviving with inconsistencies related to management of creativity (Andriopoulos and Lewis, 2010; Knight and Harvey, 2015). Practically, leaders need to inspire employees to reason logically, and concurrently preserving a shared-direction for the creative-work in the organisation (Andersen and Kragh, 2015).

Though freedom/autonomy is mostly being considered as drivers (Amabile, 1997; Daymon, 2000; Sundgren, Selart, 2005), but finding an appropriate equilibrium among autonomy and freedom depends on the important of the job, since excessive autonomy and independence can turn to a hurdle to creativity and innovation (Mumford, 2000; Bunduchi, 2009). Most studies concentrate on leaderships style (Andersen, 2000; Farmer, 2003; Sundgren and Selart, 2005; Politis, 2005; Wang and Casimir, 2007; Pryor, 2010). Transformational leadership style (Al-Beraidi and Rickards, 2003; Shin and Zhou, 2003; Wang and Rode, 2010) or participative and democratic leadership styles (Andriopoulos, 2001; Somech, 2006; Mathisen, 2012) are all essential determinants of organisational creativity and innovation, since leadership-style inspires workers' creativity directly and impacts the climate and culture of an organisation, particularly in small-medium organisations (Somech, 2006; Mathisen, 2012). Studies have reported that there is empirical evidence that revealed western-cultures such as in Asian countries are mostly authoritative-leadership style, and suitable to enhancing creativity among employees (Zhou and Su, 2010). Furthermore, the leaders emotional-intelligence was established to be beneficial to individual creativity (Zhou and George, 2003; Rego, 2007; Castro, 2012). Though leaderships and management related factors remained regularly debated as drivers of creativity in the literature, it may be sufficing to

assume that management/leadership styles that fail to accomplish the above-mentioned principles would act as likely barriers to creativity.

Organisation level knowledge is the second theme, covering parts such as organisational knowledge, which denotes the organisation's competence and readiness to acquire and learn fresh knowledge (Borghini, 2005; Basadur and Gelade, 2006; Amar and Juneja, 2008; Tajeddini, 2009; Shahin and Zeinali, 2010); knowledge grouping (Umemoto, 2004; Borghini, 2005; Sundgren and Styhre, 2007); and cross fertilization of knowledge (Umemoto, 2004; Mc-Lean, 2005; Madjar and Ortiz Walters, 2008; Mahmoud Jouini and Charue Duboc, 2008). Meanwhile, knowledge is a vital component of organisational creativity; it can be an obstacle in certain circumstances (Sundgren and Dimenäs, 2005; Mahmoud Jouini and Charue-Duboc, 2008). It is generally established that the creation of creative-outputs needs sufficient resources such as time and money (Andriopoulos and Gotsi, 2000; Andriopoulos, 2001; Barrett, 2005). It must be stressed that resource adequacy increases creativity, but surplus resources might lead to ineffectiveness (Mumford, 2000; Bunduchi, 2009). Deficient in resources in the area of time, capital, and expertise create a corporate barrier to creativity (Sadi and Al-Dubaisi, 2008).

Fourthly, organisation structure/systems entail factors such as rigidity of organisational structure (Walton, 2003; Sundgren and Dimenäs, 2005); as well as formalisation and strong hierarchy (Mc-Lean, 2005; Wang and Casimir, 2007), act as barriers to organisational creativity. A highly hierarchical organisation, particularly where workers in positions of low power incline to assume a more careful and re-active style, and show less creativity (Walton, 2003). Thus, creative capacity is typically considered to flourish in a loosely-structured working environment with more flexibility and less boundaries (Pryor, 2010). Also, an organic form of structure may likely boost creative abilities (Cooper, 2005). Conversely, there are studies with inconsistent outcomes, which disagree on the prominence of rules and structure for creativity

(Brown, 2010; Bissola and Imperatori, 2011; Çokpekin and Knudsen, 2012). For the fifth theme, most factors according to literature in fostering creativity among the employees are the designing of a physical-space to find the optimum equilibrium concerning space for communication and space for concentration (Haner, 2005; Sailer, 2011). A spatial setting that has noise pollution, too congested, or in which workers are unable to regulate the extent of contact or privacy, can impede creativity (Martens, 2011).

The last theme, which comprises issues, related to the organisational climate/culture is argued extensively by many scholars as the creation of a strong difference among climate and culture (Ahmed 1998; Andriopoulos, 2001; Isaksen and Lauer, 2002; Isaksen and Ekvall, 2010). The expressions are frequently used inter-changeably (Mc-Lean, 2005). Accordingly, a few of the allied factors are equally denoted inter-changeably with the same seeming connotation. A host of features of organisational climate and culture have been found to motivate organisational creativity. They comprise autonomy (Daymon, 2000; Mumford, 2000; Sundgren, Selar, 2005); challenges (Moultrie and Young, 2009; Isaksen and Ekvall, 2010); collaborations and unrestricted information-flows (Mumford, 2000; Andriopoulos, 2001; Sundgren and Dimenäs, 2005), freedom (Moultrie and Young, 2009; Isaksen and Ekvall, 2010); unrestricted exchanges of ideas (Mumford, 2000; Mc-Lean, 2005; Sundgren and Dimenäs, 2005); knowledge sharing and management (Lapierre and Giroux, 2003; Basadur and Gelade, 2006; Schepers and Berg, 2006), encouragement of creativity (Martins and Terblanche, 2003; Barrett, 2005; Sundgren and Selart, 2005); and high participation rates (Andriopoulos, 2001; McLean, 2005; Schepers and Berg, 2006). An organisation's climate or culture without the aforementioned qualities might create a barrier to organisational creativity (Martins and Terblanche, 2003; Mostafa, 2005; Mostafa and ElMasry, 2008; Sadi and Al-Dubaisi, 2008). Too much, or extremely little of an attribute such as challenge (Elsbach and Hargadon, 2006) could be a barrier as other

associated barriers may comprise of willingness to maintain the status quo, high need for conformity, unwillingness to take risks, and rigidity (Pech, 2001; Mostafa and ElMasry, 2008; Sadi and Al-Dubaisi, 2008; Unsworth and Clegg, 2010).

#### **2.1.4.7 The Nigerian Brewing Sector**

The Nigerian brewing industry came to light in the 1940s. Commercial production of beer in Nigeria started in 1949 when the Nigeria Breweries Limited (NBL) established its first brewing plant at Iganmu in Lagos. Local competition did not start until the early 1960s with the establishment of Golden Guinea (1962), Guinness (1963), West African Breweries (1964) and the North Breweries (1970). There was sharp reduction in the number of breweries in Nigeria due to SAP programme and effect of local raw materials source policy in the 1970s.

Brewing is classified under the Food, Beverage and Tobacco (FBT) industry in Nigeria. The Industry is one of the largest and main subsectors with contributions of about 53% of the rebased manufacturing sectors contribution to Gross Domestic Product in 2013 (Agusto, 2014). Nigeria's Food Beverage and Tobacco industry is largely dominated by the beer and carbonated soft drink (CSD) categories, packaged Juice, Spirit and Wine with Ready-To-Drink (RTDs) beverages are increasingly gaining market penetration and share. The brewery industry has been largely dominated by two companies over the last five decades, however it is gradually moving from a duopoly industry, to an oligopolistic one. Heineken, one of the big four brewing giants in the world has a 71% market volume share in the Nigerian Brewery Industry, through its two subsidiaries, Nigerian Breweries Plc (61%) and Consolidated Breweries (10%). Diageo, another prominent brewery has a 27% market volume share through its stake in Guinness Nigeria Plc. South African Breweries Miller (SAB Miller) a



new entrant to the market has a growing stake in the industry through the acquisition of two regional brewing companies, Pabod Breweries in Port Harcourt and International Breweries with plants in Ilesha and Onitsha (Agusto,2014). Notably, Nigerian Breweries Plc has the largest capacity and coverage, with about ten brewing and malting plants located across the country, estimated to have total capacity of 15.4 million hectolitres (mhl). Guinness Nigeria Plc operates three brewing plants with estimated total beer capacity of 6.5mhl and mainstream spirit capacity of 1.6 million equivalent units, Consolidated Breweries has estimated capacity of 3.7mhl, while SABM has built up its capacity to approximately 1.8mhl. As at 2012-year end, the volume of the Nigerian beer market was estimated at 20mhl, with an estimated annual growth rate of 5 - 7% until 2020.

However, as a result of high cost of living, reduced disposable income and insecurity challenges in Nigeria, the sectors performance declined by 2.5% in 2013 until 2015 when the sector started receiving boost. A further breakdown of the Nigerian beer market indicates that Lager beer accounts for 58% of the total market share; Stout has 27% and the balance of 15% attributable to spirits, wines and RTDs. In the malt segment, Nigerian Breweries controls 61.4% of the market share while Guinness controls 30.1%, leaving the balance (8.5%) to the other breweries. The Nigerian brewery industry is also categorised into the premium, mainstream and value product segment. The introduction of Alomo bitters by Kasapreko Company Limited, an alcoholic herbal drink in 2010, challenged the dominance of all other alcoholic spirit drinks including beer, thus posing a great competition in the spirit segment of the alcoholic drink market. The product was favoured by the majority as a result of the perceived medicinal benefits accorded to herbal products. Growth in consumption of spirit consumers, prominent among is Alomo bitters, was partly responsible for the drag in the performance of beer in 2012 and 2013 (Agusto,2014). Consequently, Guinness Nigeria Plc, recently launched Orijin bitters and Orijin RTD - a blend

of herbs and fruits with bitter-sweet flavor. The long-term prospects for growth of the Nigerian Brewing Industry remain attractive and which anticipate further acquisitions of smaller and inoperative brewery plants by larger plants, in order to consolidate and compete in the value segments.

The Nigerian brewing market has been described by many as a terrain of two dominant players (duopoly). The market can be approximated as an Oligopolistic-Duopoly (market dominated by small number of firms); with two major players controlling about 90% of the entire market while other fringe players control a thin margin of the market (Meristem, 2014; Oyeyinka, 2002). Amidst this market structure, there exists considerable product competition especially between the two industry leaders. Initially, Guinness controlled the stout market until the introduction into the market of complementary brands by International Breweries. Nigerian Breweries Plc is the biggest player in the industry with a total installed brewing capacity of 15 million hectolitre which accounts for 61% of the aggregate volume share.

The competitive landscape in the African brewing market is shaped by four global players: SABMiller, Heineken, Castel and Diageo with a pooled market share of above 80% in the continent. Africa has a beer market of 92 million hectolitre (mhl) with 32% of this demand coming from South Africa alone. Nigeria has the second largest beer market with a production size of 15 mhl per annum representing 15% of African market (Vetiva, 2010). To put this in perspective, the Nigerian beer market has a size roughly equivalent to the size of the whole of Southern Africa. Three global players in the brewing industry are operational in the Nigerian market with Diageo and Ab-Inbev (new entrant) being active players through their majority-controlled subsidiaries: Guinness Nigeria Plc (Guinness) and International Breweries Plc (IB).

There is an emerging theme among the key players with gradual convergence of the beer and carbonated soft drink market segments. Brewers are increasingly exploring the soft drink market by enlarging their product

portfolios, through their non-alcoholic product variants and capturing an increasing share of consumers' discretionary spending. A classic instance is the drive of International Breweries toward product portfolio optimization by the introduction of the herbal root brand to its product kit. Spirits, the key strength of the Diageo Group (the parent Company of the second largest Nigerian brewer - Guinness), is still a very shallow market in Nigeria as it remains unappealing in aggregate consumption basket but recently, the company had commenced the production of spirit in Nigeria (GNP Annual report, 2016). However, its stout brand remains a market favourite, with Nigeria ranking as the second largest market for the Guinness Stout brand world-wide (Vetiva, 2014).

Nigerian brewing industry is increasingly attracting the attention of global majors such as SAB Miller, Ab-Inbev, Carlsberg and Castel due to the potential in the brewery market. These interests re-affirm the growth opportunities embedded in the sector which is expected to generate a positive development into the industry in terms of volume growth and deeper market penetration. The most feasible and outstanding form of innovation in the Nigeria brewing industry is product innovation. While taste may remain materially the same, the repackaged products of brewers have consistently impressed a new look appeal in the minds of consumers. Brewers have successfully deployed this "old-wine in- a-new-skin strategy" to stimulate fresh demand for their products by leveraging on its psychological impact on consumers. Nonetheless, there are pockets of newly introduced global trademarks into the Nigerian market and market acceptance has been quite encouraging. Canned products (a major innovation) are becoming an increasingly potent means to enhance beer availability, affordability and acceptability, helping to secure a larger share of consumer spending.

## **2.2 Empirical Review**

This section examines prior studies on human resource management practices and innovation performance among scholars presented varied perspective and findings. It will also examine the perspectives of scholars on the role of individual, organisational and contextual factors on innovation with a view to critiquing and providing alternative ideology in advancing the subject area.

### **Kimberly and Evanisko -1981**

Kimberly and Evanisko (1981) studied “organisational innovation: the influence of individual, organisational, and contextual factors on hospital adoption of technological and administrative innovations”. They contended that individual, organisational, and contextual variables are better predictors of innovation. Two different types of innovation (product and administrative innovation) were considered in their study. The study was comparative in nature, it adopted a regression approach in its analysis, and was designed to confront three major challenges observed in previous work on organisational innovation. As basis for justification, they argued that previous studies on the subject focused on single innovation or class of innovations; and frequently used small sample size for analysis. They further claimed that studies examining the combined effects of individual, organisational, and contextual factors on innovation are scarce. The study concluded that individual, organisational and contextual factors are better predictors of adoption of technological innovations than administrative innovations. The study further concluded that organisational level variables and size in particular are indisputably better predictors of product and administrative innovation than either individual or contextual variables.

No doubt, the study made important contributions to innovation studies, particularly in the aspect of specific factors other than technology and finances in the process of innovation at the organisational level. From their definition and

conceptualization, there are issues that require clarifications and reconceptualization because of their applicability to today's organisation regarding innovation. The definition of individual variables according to the study was not comprehensive enough to incorporate those characteristics of individuals which can promote creativity and innovation among employees in the organisation. The study categorised individual variables into three clusters: characteristics of organisational leaders, characteristics of organisations themselves, and characteristics of the organisation's context. Also, job tenure, cosmopolitanism, educational background and organisational involvement by leaders were all part of the variables considered. Although, these variables are good in themselves as predictors of personality trait than creativity traits, it can be reconceptualised to better fit into creativity and innovation context in the organization.

On the other hand, Kimberly and Evanisko (1981), argued that the structural characteristics of an organisation significantly influence its adoption behaviour. Their contention was that certain features of organisations themselves either facilitate or encourage adoption of innovation. In this respect, they included five organisational variables in their framework and analysis: Centralisation, specialisation, size of the organisation, functional representation and external integration. These variables are similar to that of Rogers' (1984), and the variables appeared mechanistic and bureaucratic in nature. To foster creativity and innovation among employees in the organisation, firms need more of humanistic and flexible approaches to enhance worker's creative ability. The last predictors of innovation according to them is the contextual variables, which emphasized the importance of environmental context in the process of innovation. These include competition, size of the city and the age of the organisation. Kimberly and Evanisko (1981) declared that these variables are rarely examined empirically, but was acknowledged in the literature as a good predictor of innovation. The challenges with these variables as conceptualized

by Kimberly and Evanisko (1981) was that competition has taken another dimension especially as a result of globalization. The size of city and age of organisation may be less considered as critical factors in the process of innovation due to the crucial role played by technology in most modern organisation, therefore, the contextual variables as conceptualized by their study need to be re-examined.

Kimberly and Evanisko's (1981) study seems to have object and sectoral biases. The generality of the findings from their study was limited to health sector which was not a manufacturing entity where the impact of the variables can be adequately measured on firm's innovation in terms of profitability and shareholders interest. Again, the study excluded a vital innovation type (process innovation) in the analysis, which suggested that the study was incomplete. For a firm level or organisational innovation, the three forms of innovation (product, process and administrative innovation) should be considered.

Though, their study was a breakthrough by looking at innovation from a holistic perspective, but the study emphasized more on adoption than creation of innovation, hence its applicability in a typical manufacturing firm may be difficult. Also, the conceptualization and measurement used in the analysis for individual, organisational and contextual variables may not be able to completely address the issue of creativity and innovation because of the narrow definition. Due to the issues raised above on Kimberly and Evanisko's study, the present study attempted to deploy a more comprehensive variable measures in the manufacturing organisation to promote creativity and innovation. It is important to state that Kimberly and Evanisko's (1981) study only considered an aspect of technological innovation and administrative innovation, but did not consider process innovation which is an important aspect of technological innovation. Finally, the present study attempted a reconceptualization and redefinition of contextual, individual and organisational variables to include

factors that are directly related to creativity and innovation which include the practices of human resource management.

### **Tan and Nasurdin - 2011**

Tan and Nasurdin (2011) studied “Human Resource Management and Organisational Innovation”. With rapid globalization, firms particularly those in the manufacturing sector have to continuously innovate for competitive advantage. One way to do so is via effective human resource management practices (Tan and Nasurdin, 2011). Their study examined the relationship between human resource management (HRM) practices and organisational innovation in Malaysian firms. It was a cross-sectional study with a sample comprised of 674 large manufacturing companies from six states in Malaysia, which were identified as having a high percentage of innovating companies. The independent variables comprised of five human resource management practices (i.e. performance appraisal, career management, training, reward system, and recruitment). Three types of organisational innovation (product innovation, process innovation, and administrative innovation) served as the dependent variables. The study is a correlational study that investigated the direct relationship between the level of human resource management practices and the level of the three types of organisational innovation: product innovation, process innovation, and administrative innovation. The study found partial support for the main hypothesis. Training alone was found to have a positive and significant effect on the three forms of innovation. In addition, performance appraisal positively and significantly affects administrative innovation. The study concluded that training contributed significantly towards explaining the three types of innovation: product, process, and administrative innovation, while performance appraisal was only seen to have positively impacted on administrative innovation.

The study used panel data to investigate the relationship between human resource management and innovation performance at the firm level. It may be difficult for such dataset to adequately extract the process through which the practices of human resource management influence the ability, behaviour and attitude of workers to contribute to innovation, especially when they are implemented as bundle or system of practice. Because employees are aware and they react to the working environment, this type of study requires getting information from the workers themselves through interviews and a well-designed questionnaire that can show relatively the areas where human resource management influenced the workers to perform better in terms of innovation. Because the study used cross-sectional data, the effect of certain human resource management may not be immediate, as such, the study's methodology may not have been appropriate. Therefore, a more appropriate methodology that includes triangulation of approach (i.e. qualitative approach) may provide a more robust outcome.

### **Crowley and Bourke – 2016**

Crowley and Bourke (2016) studied “The Influence of Human Resource Management Systems on Innovation”. The successful implementation of human resource management (HRM) practices is important for firms' performance, and there is a growing understanding of the benefits to firms when human resource management practices are applied together (Crowley and Bourke, 2016). Crowley and Bourke argued that for human resource management practices to impact on innovation performance, it is better implemented as a bundle rather than in isolation. Their study investigated whether human resource management practices are significantly more effective when implemented as ‘bundles’ or ‘systems’ of complementarities than when they are implemented individually in firms. The study used the National Workplace Survey (cross-sectional data), a dataset rich with information on



human resource management practices at the firm level compiled in 2009. Specifically, the study was conducted to establish whether human resource management practices when applied together, rather than in isolation, are important for firm innovation performance. Crowley and Bourke applied Principal Component Analysis (PCA) to identify bundles of HRM patterns that were emerging at firm level. Surprisingly, the bundles identified were very similar across manufacturing and service firms, and each bundle was intuitively closely related and strongly complementary. The study clearly identified that the patterns are extremely uniform between HRM complementarities and the effect they have on innovation in manufacturing and service firms.

Furthermore, the technological intensity indicators do not indicate any clear differences, hence, it appears from the study that HRM practices when applied together will have a positive effect on firm innovation across both manufacturing and service firms regardless of their technological intensity. Four human resource management bundles: performance management and appraisal; knowledge sharing; involvement and empowerment in decision making; and flexible employment contracts were identified. Result from their study shows that all the four bundles of HRM management implemented together were positively associated with innovation in service firms, and three were positively associated with innovation in manufacturing firms. The study concluded that human resource management practices when applied together are important for firm innovation. Crowley and Bourke (2016) further argued that since the human resource management bundles were nearly all significant when applied together and most of the HRM practices when examined independently were insignificant, the study therefore found strong support for the importance of HRM complementarities for firm performance.

There are major shortcomings from the above study. First, the study used panel data to investigate the relationship between human resource management and innovation performance at the firm level. It may be difficult for such dataset

to adequately extract the process through which the practices of human resource management influence the ability, behaviour and attitude of workers to contribute to innovation, especially when they are implemented as bundle or system of practice. Because employees are aware and they react to the working environment, this type of study requires getting information from the workers themselves through interviews and a well-designed questionnaire that can show relatively the areas where human resource management influenced the workers to perform better in terms of innovation. Secondly, innovation at the firm level is not about a single outcome of organisational effort. It can be product, process (technological innovation); administrative/service (non-technological) as well as either incremental or radical innovation. Crowley and Bourke's study did not examine the effect of the four human resource management on types of innovation separately. For instance, performance management and appraisal when tested separately may be significant with only administrative innovation in the organisation without positive effect on product and process innovation. Measuring the effect of human resource management on innovation at the organisational level is a complex task, combining HRM practices may not show specifically whether a particular practice is related to a specific type of innovation or not. It is on the basis of the above shortcomings that this present study attempted to examine the impact of individual human resource management practices on the three types of innovation performance at the organisational level.

### **Ebiasuode, Onuoha and Nwede - 2017**

Ebiasuode, Onuoha and Nwede (2017) studied “Human Resource Management Practices and Organisational Innovation”. The study assessed the impact of human resource management (HRM) practices on innovation in banks in Bayelsa State, Nigeria. The purpose of the study was to investigate the influence of individual human resource management practices on innovation in Nigerian banks. Data was collected using questionnaire which was administered to 143 employees from selected banks. The Spearman Rank-order correlation coefficient was used to test the relationship between human resource management and innovation, while the partial correlation was adopted to evaluate the moderating effect of corporate culture on the relationship between human resource management practices and innovation. The study adopted four human resource management practices: performance appraisal, career management, corporate culture and, training and development, while the three levels of innovation (product, process and administrative innovation) were used as the dependent variables. The results from the study revealed a positive and significant relationship between performance appraisal and all measures of innovation. Career management has negative relationship with product and process innovation and a positive relationship with administrative innovation. Training and development is negatively related with all the measures of organisational innovation, while corporate culture has no moderating effect on HRM practices and innovation. Ebiasuode and colleagues concluded that human resource management practices have a significant influence on innovation.

Unlike Crowley and Bourke (2016), Ebiasuode and colleagues’ study investigated the impact of individual human resource management practices on innovation separately. The study reported the impact of each human resource management practice on the three types of innovation considered individually. Unfortunately, the study de-emphasized the role of organisational and individual

factors particularly with respect to social relationship and trust in the corporate culture concept as included in the study. The implication of the above shortcomings is that the necessary factors to build innovative work behaviour among the employees were not adequately addressed by Ebiasuode and colleagues' work, and this has consequential implication on workers' creative ability. While this was noted, the current study explores the social exchange theory in addressing the above shortcomings by including social and organisational factor in the variable of consideration.

## **2.3 THEORETICAL FRAMEWORK**

The theoretical framework of this study draws on both psychological and sociological perspectives. Thus Peter Blau's Social Exchange Theory and Teresa Amabile's Componential theory of Creativity and Innovation provided the framework for the study. To foster innovation performance among employees, brewing organisations are deemed to have taken into consideration various inputs (tangible and intangible resources) needed to enhance the creative ability/capabilities of the organisation and its workforce. It is noted that the working environment can play a critical role through rewarding social relationship between employees and the organisation as well as motivation needed to promote innovative work behaviours.

The behaviour and attitude of employees towards their job can be influenced by the activities of HRM through its various practices that are aimed at supporting employees to nurture their skills to perform better and build their career for future development. This study was motivated by the work of organisational sociologists hinged on the variance and process ideology who believed that there are contextual, structural and individual factors in explaining innovation at the individual, group and organisational level. Organisational sociologists are primarily interested in the organisational features that are compatible with the adoption of innovation within organisations. Variance sociologists are interested in factors that explain variance in innovation adoption at the level of employees within the organisation. They assess the relative importance of contextual, structural and individual factors in explaining innovation performance at the organisational level (Gopalakrishnan and Damanpour, 1997). Process sociologists view innovation as a complex and intricate series of events involving a multitude of activities, decisions, individual behaviours and social system. They also study the impact of cognitive process of the organisational members on employee's innovativeness. The proposed theoretical accounts for this discussion are Peter Blau's Social Exchange Theory

(1964) and Componential Theory of Creativity and Innovation (1997) by Teresa Amabile.

### **2.3.1 Social Exchange Theory (SET)**

Social Exchange Theory (SET) is among the most influential paradigms for understanding work place behaviours (Blau, 1964). The concept of Social Exchange and the norms of reciprocity have long been used by researchers to describe the motivational basis behind employee's behaviours and encouraging factors for positive employee's attitude. Positive actions directed at employees by the practices of human resource management which are aimed at supporting the working conditions in terms of acquisition of new skills; freedom to decide on the best method in the performance of task; and the intrinsic motivation that can enhance their creative ability to deliver innovation will lead to establishment of high quality exchange relationship that will create feelings of obligation for employees to reciprocate in positive ways to their organisations.

SET was originally developed to account for the development and maintenance of interpersonal relationship, but has since been applied to employment relationships (Shore, Tetrick and Barksdale, 1999). The general presumption is that workers can form distinguishable social relationships with the employing organisations if there is feeling of genuine obligation from both parties. These distinct relationships have implications for behaviours, particularly, since individuals return the benefits they receive, they are likely to match goodwill and helpfulness towards the party they have a social exchange relationship with (Cropanzano and Mitchell, 2005). Social exchange theory holds that employees are likely to reciprocate the organisation's favorable treatment with behaviours that promote its goal attainment efforts. Although, different views of social exchange have emerged overtime, theorists agreed that social exchange involves a series of interactions that generate obligations (Emerson, 1976) which are usually seen as interdependent and contingent on the

action of another person; and that those interdependent interactions have the potential to generate high-quality relationship (Cropanzano and Mitchell, 2005).

The main thrust of SET according to Blau (1964) is to differentiate social exchange and economic exchange. According to him, social exchange refers to the relationship that entails unspecified future obligation, which generates an expectation of some future return for contributions. The relationships in social exchange are based on individuals trusting that the other parties to the exchange will fairly discharge their obligation in the long run (Holmes, 1981). Trust is one of the critical tenets of social exchange process, especially in the short-run where some temporary or perceived asymmetries may exist between an individual's inducements (i.e. the benefits received from participation in the social exchange relationships) and contributions (i.e. the individual's input into the relationship) (Yakubu, 2011). Trust and investment in human capital are critical factors in the social relationship; parties invest in the relationship with some inherent risk that the investment may not be repaid (Blau, 1964; Cotterell, Eisenberger and Speicher, 1992). Accordingly, in the organisation context, social exchange theory has been applied to describe the psychological process underlying the employee's attitude and behaviours (Setton, Bennett and Liden, 1996).

The implementation of progressive human resources management practices that affect employee's skills and motivation can create competitive advantage for organisations due to the strategic value of HR in creating organisational culture and social relationship that cannot be readily replicated by other organisations. Social exchange is the most basic form of exchange (Blau, 1964) and it is based on norms of reciprocity (i.e. managerial expectations - recognition, empowerment and investment in human assets). These expectations will certainly be reciprocated according to social exchange. The need to create a climate of trust and capabilities to bring the organisations and the employees together is embedded in the social exchange relationship, anchored by social

rewards expectations and contributions. The exchanges occurring between the employee and his/her organisation go well beyond simple economic exchange as social exchange elicits positive effect, trust and kinship. From the organisation's point of view, SET holds that "social exchange occurs when an individual is attracted to his organisation; if the association can bring some social rewards and their interest in the expected social rewards draws them to each other". The relationships create an environment of reciprocity between the employee and his organisation, which in turn positively affects the employee's creative tendencies.

In applying the social exchange theory to explain the influence of HRMP on Innovation performance, the rationale behind this explanation is the "norms of reciprocity", "trust" and "investment in human asset". Employees who perceived a highly supportive work environment are more likely to reciprocate the organisation with positive attitudes such as high-level of effective commitment and favorable work behaviour that can bolster creative capacity accompanied by socio-emotional factors. Specifically, HRM practices which are intended to promote supportive work environment (i.e. autonomy, motivation, knowledge management and training) are prerequisite for enhanced innovation performance. In short, the underlying premise in the social exchange theory predicts that the exchange of favorable treatment could be prolonged if the receipt of resources from another party is highly in need and valuable (Eisenberger, 1986).

At its core, innovation is interactive as well involves socio-political processes that are expected to be resisted by organisational members who are committed to the existing framework of thoughts and actions (Janssen, 2003; Kanter, 1983). Considering the socio-political nature of innovation process, employee's willingness to invest in creative activities may depend largely upon the extent to which they perceived the support from their organisation. Human Resources Management Practices such as autonomy/freedom, focused training, employee motivation and knowledge management are considered as practices



that are supportive, which can strengthen social relationships leading to innovation. Basically, it is assumed that when employee's various needs are met, a perception or belief about how the organisation, supervisor and co-workers feel about them is formed. If the belief is positive, employees perceive support, safety and are confident to present their new ideas. Employees evaluate the support expected from the supervisor and the co-workers before engaging in creative course of action. When the employee feels confident of getting the support needed for creative action, they may consider engaging themselves in innovative behaviour. The reciprocal exchange between employees, organisation, supervisors and co-workers seems to be an important factor for improving the understanding of innovative behaviours among employees.

Social exchange theory explains how innovative behaviour among employees arises out of a feeling of being obligated towards the organisation, supervisor and the co-workers to provide innovation-relevant contributions. It is assumed that this feeling of obligation is the result of perceived support from the organisation, so far as they provide resources relevant to innovation (Yakubu, 2011). For instance, sharing of information and knowledge among the employees, providing opportunity for skills update (training and development), motivation and freedom to adopt best practices in solving organisational problems are support mechanisms which can be provided through human resource management practices.

### **2.3.2 Componential Theory of Creativity and Innovation (CTCI)**

Componential theory of Creativity and Innovation was developed in 1983 by Teresa M. Amabile. The theory is a comprehensive model of social and psychological components necessary for an individual to produce creative work that will eventually be implemented to become innovation. Amabile indicated two general categories of work environment that are either stimulants or obstacles to innovation within the organisation. Stimulants refer to

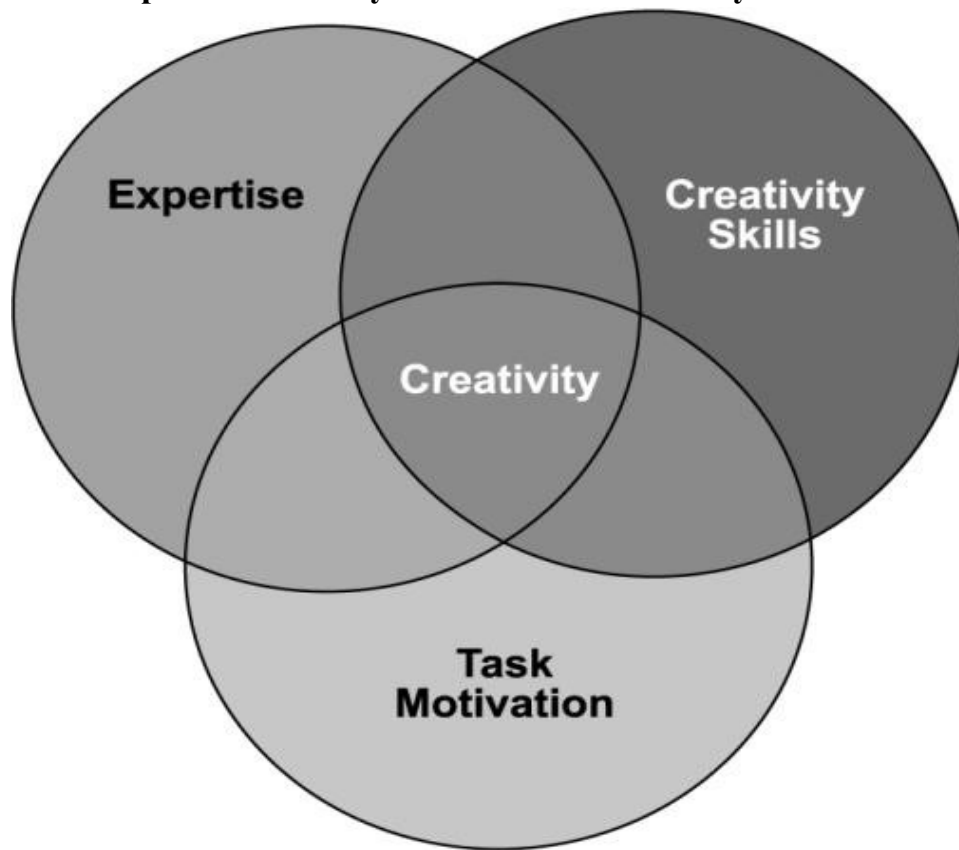
organisational and supervisory encouragement, work group support, sufficient resources and challenging work, while obstacles form of environment refers to organisational impediments and work load pressures (Amabile, 1996). The theory is built on the foundation of the componential theory of individual creativity and further incorporates into a broader model including the work environment in 1997.

According to her, organisational settings has revealed a number of work environment factors that can block innovation, such as norms of harshly criticizing new ideas; political problems within the organisation; an emphasis on the status quo; a conservative, low-risk attitude among top management; and excessive time pressure (Amabile, 2005). Other factors that stimulate innovation such as a sense of positive challenge in the work; work teams that are collaborative, diversely skilled, and idea-focused freedom in carrying out the work; supervisors who encourage the development of new ideas; top management that supports innovation through a clearly articulated creativity-encouraging vision and through appropriate recognition for creative work; mechanisms for developing new ideas; and norms of actively sharing ideas across the organisation (Amabile, 2012). Innovations most likely occur when there is an overlap of people's skills and their deepest passion (strongest intrinsic interest).

Componential theory of creativity and innovation describes the influence of the organisation's work environment on the creativity of individuals and teams, and in turn, the influence of individual and team's creativity on overall innovation performance of employees within the organisation. Accordingly, there are organisational components that are deemed necessary for overall innovation; these are features of the organisation that constitute the work environment for individual working within the organisation. The central prediction of componential theory of creativity and innovation is that, element of the work environment will impact individual's creativity and that creativity

produced by individuals and teams of individuals serves as a primary source for innovation within the organisation (Amabile,1996). The most important feature of the theory is the assertion that the social environment can have an impact on any of the components but the impact on task-motivation appears to be the most immediate and direct (Amabile, 2002). Four components are necessary for creativity to take place out of which three are within the individual employee working in the organisation (domain-relevant skills, creative-relevant processes and intrinsic task motivation) and the fourth component is outside the individual employee (social environment in which the individual is working). Figure 2.1 below shows the individual component necessary for creativity and innovation according to the componential theory of creativity and innovation.

**Figure 2.1: Componential theory of Individual Creativity**



**Source:** Amabile, 1997

**Expertise -:** This explains the fundamentals for all creative work. It includes the cognitive pathways used for solving a task or a problem (Amabile, 1997). The expertise component also includes the memory for factual knowledge and technical skills in the knowledge domain in combination with a set of cognitive pathways, and also special talent in the work domain. The expertise component is also the source of intelligence and the repertoire of knowledge used to solve problems. This repertoire consists of both declarative knowledge (i.e., factual information, causal beliefs, or perceptual orientations) and procedural knowledge such as the strategies, rules, and skills for acquiring, storing, retrieving, and manipulating declarative knowledge (Grant, 1996).

**Creativity skills -:** This component focuses on personal characteristics such as self-discipline, risk-taking orientation, tolerance of uncertainty, the ability to explore new pathways, working style (Styhre and Sundgren, 2005), being persistent to frustration and relatively not bothered by social approval. The cognitive style included in these skills are favouring to take on new perspectives on problems and to apply techniques for exploring new cognitive pathways. Even if the expertise level is extremely high, the person will not produce creative work if the skills in creative thinking lacks. The cognitive skills are to some extent dependent on personality characteristics. However, by learning and practicing techniques to improve the cognitive flexibility and intellectual independence, creativity skills can be increased (Amabile, 1997).

**Task motivation -:** This component is the driving force for creative actions in an organisation. This element is fundamental and is connected to the intrinsic motivation principle of creativity, which states that people are at their most creative when they are intrinsically motivated by the challenge, joy, satisfaction and interest in the work itself. Intrinsic motivation is commonly used for explaining why creative individuals show a lot of energy and engagement in their work tasks. Extrinsic motivation, on the other hand, refers

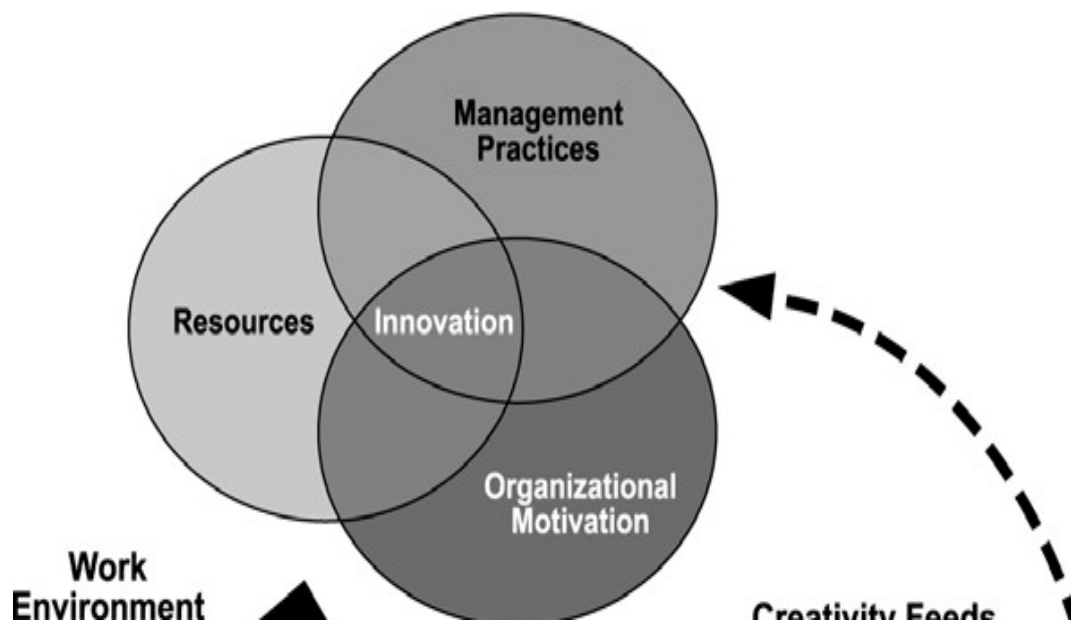
to factors at work that are driven by the desire to achieve goals outside of the work itself, as attaining a promised reward, achieving a position or to meet a deadline (Styhre and Sundgren, 2005). Combinations of intrinsic and extrinsic motivation are common, but intrinsic motivation is argued to be primary for a person to do a given task.

There are however synergies between extrinsic and intrinsic motivation, where extrinsic motivators can act either as a constraint or as a support for creativity. Constraints regarding how work can be done or rewards that are perceived to be constructed as attempts to control behaviour, will undermine a person's self-determination and will therefore never be positively combined with intrinsic motivation (Amabile, 1999). Instead it would rather decrease both intrinsic motivation and creativity (Amabile, 1997). Reward, recognition and feedback that rather confirm a person's competence and feedback that provide the person with information about how to improve his/her competence, are argued to have a positive effect as support for creativity in case it does not undermine the person's sense of self-determination.

Additionally, overall goals that direct a person to accomplish a task as well as enabling rewards, which involve more freedom, time or resources to work on exciting ideas, are argued to support rather than detract intrinsic motivation (Amabile, 1999). The components expertise and creative thinking skills determine what a person is capable of doing, whereas the component of task motivation will determine what the person will actually do; and also determine to what extent the person will engage his expertise and creative thinking skills in the creativity performance (Amabile, 2001). A high degree of intrinsic motivation can to some extent make up for a shortage in expertise or creative thinking skills, since that makes it more likely that the person draws skills from other domains or apply a huge effort in attaining the necessary skills (Amabile, 1997).

From the basic model of individual creativity developed in 1983, Amabile expanded the theory to encompass both creativity and innovation in the organisation. The basic model of individual creativity remains the same but the assumption was added that the same four components in the original model influence the creativity of teams working closely together (Amabile, 2012). More importantly, a parallel set of components was proposed for innovation to expand the theory stating that innovation depends on the resources in the task domain (analogous to domain relevant skills at the individual level); skills in innovation management (analogous to an individual's creative-relevant processes); and motivation to innovate (analogous to individual task-motivation). These components constitute the work environment impacting individuals and team (Amabile, 2012). Figure 2.2 below shows the expansion of the theory that encompasses innovation.

**Figure 2: Expanded Theory of Creativity and Innovation**



**Source:** Amabile, 1997

From the above diagram, the component of resources from the model includes everything that the organisation possesses to aid work in the target for



innovation. These resources include a wide array of elements such as sufficient time for producing novel work, people with necessary expertise, funds allocated to various project work and availability of training (Amabile, 1997). On the other hands, the component management practices according to the theory include management at both the level of the organisation as a whole and the level of individual departments and projects. The component suggests that creativity and innovation are fostered in the organisation by allowing a considerable degree of freedom or autonomy in the conduct of one's work. It also emphasized the importance of matching individuals to work assignment on the basis of both skills and interest to maximize a sense of positive challenge in the work (Amabile, 1987). In addition, management practices for innovation include the ability to constitute effective work group that represents a diversity of skills and are made up of individuals who trust and communicate well with each other. Clearly, from the theory, the interaction of the work environment with individual creativity as well as the inclusion of resources, organisational motivation and management practices is what guaranteed innovation. In applying this to the context of this study, human resources management practices such as training, knowledge management; team management and motivation are all capable of influencing the work environment to foster organisational innovation.

The initial model propounded in the 1988 did not consider the clear theoretical resemblances among the processes of individual creativity and innovation performance both at the individual employees, group and teams within the organisations. As depicted in figure 2.2 above, the two models representing the process of individual creativity and innovation at the organisational level is apparently analogous to each other. Comparing the individual creativity components and organisational innovation components indicated that the innovation mechanisms (components) have multiplicative impact on both individual employee and the organisation regarding innovation

performance. Same as the innovation components impacted the several stages of innovation, so the creativity components equally affect the stages of individual creativity. Interestingly, studies evaluating the validity of the componential theory of creativity and innovation have confirmed that all the stages within the creative processes can be described in the same ways as those used for the innovations process.

The first phase in the creative process encompasses identification of goals or problems, and this is called ‘task presentation’. Individual employees’ resilient intrinsic-motivation to resolve a specific problem or grab an interesting prospective advantage can boost the process. These can be in form of task/assignment from the individual group or supervisor. The second phase within the individual creative process includes organisation of a successful procedure such as time for knowledge building; acquisition of skills and explicit information important to solving related problems. It is assumed that the higher the stock of ‘domain relevant skills’ in individual’s employees, the better the creative ability. The domain relevant phase is usually brief in order to avoid being locked for longer time at the stage. The third phase in the individual creativity process is meant to engender opportunities and it is referred to as the ‘idea generation phase’. This comprises of employees’ suggesting a further potentials for unravelling problems to achieve specific goals. This stage (idea generation) depends predominantly on two major ‘individual creativity components’: (a) creativity relevant processes, and (b) task motivation. The fourth phase is referred to as the ‘idea validation stage’ which was designed to evaluate potential solutions provided by individual employees. Specifically, this phase in the individual creative process is about scrutinising ideas alongside standards and benchmarks for the tasks and measures to guarantee the practicality or correctness of the new ideas evolving from the third phase, although, this phase hinged mostly on the individual skills in the task’s domain. Finally, the fifth phase in the individual creative process is referred to as

‘outcome assessment’ phase where judgments and choices are made based on the outcomes of the fourth phase. This is where the organisation draws a feedback loop leading to innovation expected in the organisation.

Examining the three major phases from individual creativity process, and the focus on newly added psychological-factor included in the creativity and innovation model which is meant to influence creativity and innovation performance, there were suggestions on the need to re-examine the basic tenet of the original model for better impact on creativity and innovation in the organisations. Attempting to re-examine the central notion underlying the original model from studies spanning over two decades and half, there has been several studies challenging the core constructs of the componential theory of creativity, particularly the aspect of intrinsic motivation principle with overbearing influence in the creativity process. The intrinsic/task motivation principle in the individual creativity model assumed that individuals (people) are most creative when they are motivated mainly by the interests, enjoyments, satisfactions, and challenges of the work, but not by extrinsic-pressures or motivators in the social-environment (Amabile, 1996). Extrinsic motivations are a concept related to any motivating factors that evolves sources that are external to the immediate work itself such as contract for reward, external commands, etc.

Despite several variations, the intrinsic motivation norm of creativity has been conventionally supported by many experimental and non-experimental research piloted by scholars in different field particularly in organisational behaviour, sociology, psychology and innovation management (Lee, and Wu, 2013; Amabile, 1996). One of the major challenges to the intrinsic motivation principle was noticed within two strand of research: group of researchers investigating the behaviourists traditions. They contended that creativity can be certainly improved, and is rarely weakened by contracted for reward. The other

group of researchers was noticeable scholars for their call to examine the distinctions and exigencies for positive and negative influence of intrinsic and extrinsic motivation on creativeness. Studies investigating the distinctions and exigencies proposed two main alterations to the original intrinsic motivation principle.

The first alteration is recommended by the study of Adam-Grant and James-Berry in their work exploring the likely interactive impact of intrinsic motivation and pro-social motivation that fixated on psychological process which guides employees' thoughtfulness to other perceptions on what is beneficial and improving the influence of intrinsic motivation on creativity (Grant and Berry, 2011). This study argued that 'intrinsic motivation' accelerates creativity mainly by increasing the originality of reactions, and that 'pro-social motivation' increases the effect of intrinsic motivation by guaranteeing that the novel reactions will also be suitable, beneficial or appreciated to some group of other individuals. Most of the works emanated from this strand of studies are mostly related to creative missions and projects in which the result is hypothetically helpful to others. Accordingly, the pro-social motivation increases creativity by improving the relevance of the work itself. Such outcome is expected to be particularly strong for persons who have a "passion" (Song *et al*, 2012) or "services" work coordination. Consequently, the initial alteration of the intrinsic motivation principle concluded that the positive influence of intrinsic motivation on creativity is higher in individuals who have a passion or service work coordination.

The later alteration to the intrinsic motivation principle is more substantial since it recognises that extrinsic motivation has a positive part to play in the creative process. Indeed, a process characterised as motivational-synergy (Amabile, 1996); and that some extrinsic-motivation can have substantial impacts and interaction with intrinsic-motivation in facilitating creativity. Over the years, several research and scholarly works have provided empirical support

for the belief that motivational-synergy plays a crucial role in creativity and innovation process, especially as envisioned by the componential theory of creativity and innovation. Further propositions hold that there are two possible techniques through which extrinsic-motivation, instead of declining intrinsic-motivation and creativity, may provide additive impacts for intrinsic motivation, and thus promotes creativity and innovation performance. The cognitive evaluation theory as reviewed by Deci and Ryan (1985) regarding informational extrinsic-motivators - which provides individuals the information that authorises or permits people to shape their competencies, or confirm the importance of their tasks; against controlling extrinsic-motivators - which leads individuals to feel controlled by an external force which discourages their intelligence and self-determination.

Furthermore, individuals usually attach different meanings to motivation, whether intrinsic or extrinsic. For instance, motivation, depending on the perception of people, may alter the intended purpose and affect creativity either way (positively or negatively). Specifically, extrinsic-rewards might be perceived in different ways by employees', depending on their capabilities, job orientation, crafts-manship and area of specialisation. Rewards that organisation bequests as carrots to encourage behaviour for optimum performance and creativity may sometimes be viewed by employees as a control strategy, while rewards offered as recognition for a task well-done may be seen by most employees to be more informational.

Similarly, extrinsic-motivation techniques can also have positive influence on intrinsic-motivation and creativity through what is referred to as the "motivation work cycle match". This mechanisms and synergistic-extrinsic motivator is expected to assist in the area of special-facilitative-function merely at certain phase of the creativity process. Intrinsic motivation may be specifically essential in the task presentation, problem formulations, initial engagement of the creative process; and idea generation phases, where

originality is determined. Reasonably stronger extrinsic-motivation might be particularly beneficial to those phases that contributes most to the usefulness, appropriateness and correctness of the ideas, and those activities that are tedious such as preparation, idea validation and communication. According to this ideology, when the preliminary level of intrinsic-motivation to do the job is high, moderately strong synergistic-extrinsic-motivation at second and fourth phases would not undermine the intrinsic-motivation required at the third phase and this will continue throughout the creativity process circle.

Attempting to validate the philosophies of the intrinsic-extrinsic motivation and individual creative process and performance, Cerasoli, Nicklin and Ford (2014) reported that the role of intrinsic-extrinsic-motivation in creativity and innovation performance is interrelated at both end of the individual creativity loop. Their study established that intrinsic and extrinsic motivations (rewards) are not necessarily opposed and therefore ought to be seen as complementary when probing performance and creative influence or impacts. However, their findings further revealed that intrinsic-motivation remains central as performance predictors, irrespective of whether extrinsic-incentives are available; and that extrinsic-incentives can crowd-out intrinsic-motivation impacts if the inducements are presented with a direct link to performance. Generally, and if not strategically managed extrinsic-rewards could weaken the facilitative-impacts of intrinsic-motivation on creativity and innovation performance. Considering the opinions above, it is contended that the opposing impacts of extrinsic- motivators on employees' creativity arise since they are fundamentally observed by the individuals as supervisory.

The componential theory of creativity and innovation and other commentators predict that intrinsic motivation is beneficial to creativity and innovation, though it controls extrinsic-motivation to neutralise it negative effects on creativity. However, informational/enabling extrinsic-motivation mechanisms can as well be conducive for creativity, especially when the

preliminary stages of intrinsic-motivation are strong enough. The extrinsic motivation characteristics of organisation's environment that supports logic of know-how or deep-task commitment, particularly when it is combined with job autonomy/freedom would assist the synergistic-extrinsic-motivators, fostering intrinsic-motivation. A Study conducted by Amabile (2002) also provided empirical facts that supports these propositions. Amabile and Kramer identified four different "feeds" of employees psychological - experience which includes the experiences of intrinsic-motivation towards the job. Two of the feeds perform the synergistic-extrinsic-motivators functions. Rewards and recognitions which confirm competencies without affecting employees' sense of self determination can better promote creativity. Inspiration from a manager or colleagues during difficult jobs or monotony can preserve an employee involved in the job. Therefore, the componential model of creativity and innovation drives the synergistic- extrinsic-motivation as a constituent of the motivation component of employee creativity leading to innovation performance among employees in an organisation.

## **2.4 Synthesis of Social Exchange Theory (SET) and Componential Theory of Creativity and Innovation (CTCI)**

The synthesis of the theories of social exchange and componential theory of creativity and innovation provided an in-depth understanding of factors that promote creativity and innovation among employees in the organisation. Such factors include resources, Management practices and forms of motivation. Similarly, organisations are social systems in which there are expectations from the employer and employees which is the basis for social exchange. The expectation of workers in the exchange process will determine their level of commitment and creativity towards achieving the goal of the organisation. Certain human resource management practices can mediate and shape employees' attitude towards being innovative in their task. As pointed out in the seminal work "Exchange and Social life", Blau (1964) conceived relationship as social association that takes the form of exchange activities whether tangible or intangible as well as more or less rewarding or costly between at least two or more persons. In the workplace, one party (i.e. the organisation, a supervisor or colleague) can provide another party (i.e. the employee) with various forms of benefits (i.e. training, support from management, motivation and knowledge source), when the receiver deems the benefits valuable (Homans, 1981), they will likely obligate to reciprocate in some way.

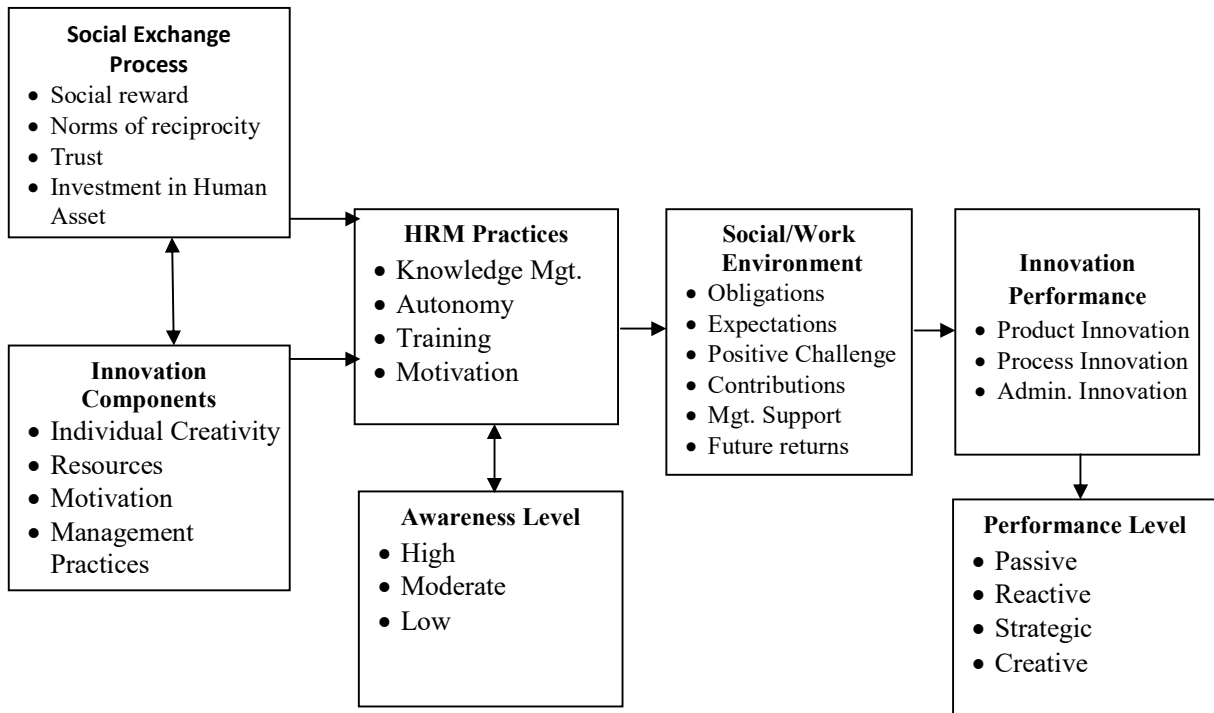
SET emphasized the form of relationship needed to exist between individual employee and the employing organisation, explaining how the norms of reciprocity can serve as the basis for employee's motivation. A socially rewarding relationship that entails obligations, trust, investment, contributions and future expectation of returns for both employees and employers can promote innovative work behaviour, and therefore enhance innovation performance. Managerial expectations such as recognition, empowerment and investment in human capital will create a climate of trust and capabilities to bring the organisation and the employees to a state of positive social relationship which



will in turn enhance employee's creative ability. To enhance innovation according to SET, organisations must ensure climate of trust that is socially rewarding to motivate the employees to reciprocate the organisation's fair treatment.

Similarly, explaining the nexus between HRM practices and innovation performance using the Componential Theory of Creativity and Innovation provided an insight into the socio-psychological components necessary and the exact form of motivation needed in the work environment to enhance innovation performance among employees. Unlike the SET which emphasized on relationship needed to improve innovation, the Componential theory on the other hand proposes that, aside from the main resources/inputs needed to deliver innovation in the organisation, the work environment can nurture or inhibit the process of innovation. The theory states that organisational settings have a number of work environment factors such as positive challenge, management support, effective team and diverse skills that can enhance innovation in the organisation. It further explains the influence of work environment on individual and team creativity as well as its overall effects on innovation performance. A parallel component was proposed for innovation comprising resources, management practices, organisation motivation and work environment. They were meant to support the individual and team's creativity and in turn enhance innovation performance. CTCI is a social psychology theory designed to enhance creativity and innovation through consideration for the work environment being a critical factor that determines the ability of employees to innovate.

## 2.5 Conceptual Framework



Source: Author

## **2.6 Explanation of the Conceptual Framework**

From figure 2.4, the conceptual framework shows that every organisation has its peculiar work environment related factors which determine the capabilities of workforce and its competitiveness in the larger market. There are environmental, individual, organisational and human related factors that play vital roles in achieving increased innovation performance within the organization. The interplay between the human resource management practices and other resources/skills as well as socially rewarding relationship will generate the required knowledge, relationship and motivation needed to enhance innovation. Within this framework, human resources management practices such as Autonomy, Knowledge Management, Training and Motivation are management expectations/practices to shape the work environment and support employees for better innovation performance. Specifically, this study explores how human resource management practices related workplace exchange among employees (knowledge management), and between employees and the organisation (adequate motivation and satisfying training opportunities) that can influence the psychological wellbeing and innovative behaviour of employees in brewing firms.

Employees see human resource management practices as the firms' commitment to them which represents a form of exchange whereby benefits received through organisational HRM practices make the employees feel obligated to reciprocate with commitment to the organisation. Specifically, workers evaluate the equity of the exchange by comparing their inputs and output with those of other colleagues and only if each party perceives equity in relation to the exchange does a reciprocal relationship arise, wherein each feels indebted to the other. This in turn will elicit innovative behaviour as a result of extra-role an employee will perform in addition to the expected daily task originally assigned.



## **CHAPTER THREE**

### **METHODOLOGY**

This chapter focuses on the methods, procedures and processes that were considered in the course of data collection and analysis for this study. The scope of this chapter included the research design, the study area, study population, sampling size and selection procedures, research instruments, method of data collection and instrument, reliability, methods of data analysis, ethical consideration, field experience and inclusion criteria.

#### **3.1 Research Design**

Survey design was adopted, while the study was descriptive and cross-sectional in nature. The adoption of both methods for the study therefore was to enable the study explore the advantages of both, and to use the strength of one to support the weakness of the other.

#### **3.2 Study Area and Organisation**

The study was carried out among employees of International Breweries Plc and Guinness Nigeria Plc in Edo and Osun States, Nigeria. Guinness Nigeria Plc brewing plant in Benin, Edo state and the Ilesha plant of International Breweries Plc were purposively chosen for the study. The two brewing firms were purposively selected because of their constant introduction of innovation into the Nigeria market, ownership and management structure, and their performance rating between 2013 and 2016. Shares and stock index was also part of the major factors considered in choosing the two breweries.

##### **3.2.1 Guinness Nigeria Plc**

Guinness Nigeria Plc (GN Plc), a subsidiary of Diageo Group is regarded as an iconic Africa company renowned internationally for its brands of unmatched quality. GN Plc was incorporated in April 1950 as a trading

company and built its first brewery plant in 1963 in Lagos, Nigeria. It remains the first Guinness brewery company established outside of Ireland and Great Britain. For almost 65 years of operation in Nigeria, GN Plc has three brewing plants in Nigeria located in Ogba, Lagos, Benin City in Edo state and Aba in Abia state. The Benin and Ogba Breweries were established in 1974 and 1982 respectively (Osemeké, 2012).

In 2011, the Benin and Ogba breweries were expanded to further increase the capacity and meet the growing demand for Guinness products which include the acclaimed brands: Guinness Foreign Extra Stout, Guinness Extra Smooth, Malta Guinness, and Harp Lager beer. Other brands from Guinness Nigeria Plc include Gordon's Spark, Smirnoff Ice, Armstrong Dark Ale, Satzenbrau Pilsner, Top Malt, Harp Lime, Dubic, Extra Lager and most recently, Malta Guinness Low Sugar. The company through sustained innovation is one of the major breweries in Nigeria, owned by the Diageo Group with market value of N273bn (US\$1.82bn), represents 4.1% of the market cap of Nigerian equity market size (Vetiva, 2010).

### **3.2.2 International Breweries Plc**

International Breweries Plc was incorporated in December 1971 by its founder and first Chairman, Dr. Lawrence Omole in collaboration with some of his business associates, under the name International Breweries Limited. The Company commenced production in December 1978 with an installed capacity of 200,000 hectoliters per annum of the company's flagship product, TROPHY lager beer. The Company was listed on the floor of the Nigerian Stock Exchange in April 1995. Following the increasing demand for its products, in December 1982, the Company embarked upon an expansion programme to increase its brewing capacity to 500,000 hectoliters annually. Towards the end of the 1980s the company's fortunes deteriorated, production volumes declined and losses were repeatedly incurred and it was not until after the last decade after

recapitalization at the beginning of 2008, that the prospects for a better future for the company began to take shape (Oyeyinka, 2002). The subsequent intense period of new investment has transformed the company and provided it with a solid foundation for growth and profitability.

From the initial two products, Trophy Lager beer and Betamalt, since 2010, the company has introduced Trophy Black, Castle Milk Stout, Castle Lager and Redds in returnable bottle and can. More recently, following the modification in the structure of the parent company ownership, additional products have become available. These include Grand Malt in cans, La Voltic Water and other Castle brands, all from the SAB Miller portfolio brands bought in for re-sale. The company's major plant is located at Omi-Asoro, Ilesa in Osun State with other plants in Onitsha, Anambra State as well as its corporate headquarters relocated to Lagos State. In October 2016 SABMiller Limited, the parent company of International Breweries Plc was acquired by Newbelco SA/NV, which merged with Anheuser-Busch InBev (a Brazilian-Belgian company). Subsequent to this acquisition, which was completed in March, 2017, certain legal restructuring activities have been carried out by the group, hence International Breweries Plc, Ilesa is now within the Anheuser-Busch InBev (AB-InBev) group. (International Brewery Annual report, 2017).

### **3.3 Study Population**

The population for this study comprised all permanent staff of the selected organisations which included Senior Managers at corporate level, Heads of Departments and Units. The survey of workers was also conducted to provide additional information that will complement the data collected from qualitative sources. For the qualitative, 30 respondents were the target population for qualitative data, while the target population for the worker's survey was 741 employees from the two organisations.

### 3.4 Sample Size and Selection Procedures

Multi-stage sampling method was adopted which include purposive, stratified and convenient sampling technique. Purposive sampling was used to select two breweries, participating departments and employees who participated in the In-depth and key informant interview. Out of the 741 target population, 361 respondents were sampled and the selection criteria were based on stratified and convenience sampling techniques. The sample size was determined using Yamane sample size formula (1967) to select the proportion of employees from International Breweries Plc and Guinness Nigeria Plc in the study location. The sample size was calculated thus:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = the sample size

N = the population size

e = the level of precision ( $\pm 5\%$ )

#### **Organisation A: International Breweries Plc**

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{547}{1 + 547(0.5)^2} = 231$$

#### **Organisation B: Guinness Nigeria Plc**

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{197}{1 + 197(0.5)^2} = 130$$



A total of 361 respondents were selected from the two organisations. Two hundred and thirty-one (231) selected from International Breweries Plc, and One hundred and thirty (130) selected from Guinness Nigeria Plc. Twenty-four participants were purposively selected for the In-Depth Interviews (IDI) among heads of departments, while Six participants among senior managers in-charge of human resource, operations & production services and marketing & innovation were purposively selected for the Key Informant Interview (KII). Eight departments/units which include human resource, production services, brewing, marketing & innovation, sales & distribution, total quality management, packaging and customers care were purposively selected for the study.

**Table 3.1: Sample size for quantitative and qualitative Data IB Plc & GN Plc**

<b>Target Participants</b>	<b>Total Sample size</b>	<b>International Breweries Plc (IB Plc)</b>	<b>Guinness Nigeria Plc (GN Plc)</b>	<b>Instrument</b>
Employee Survey	361	231	130	Questionnaire
Senior Managers	24	12	12	IDI
Top Managers	6	3	3	KII
<b>Total</b>	<b>391</b>			

**Source: Fieldwork, 2017**



In selecting respondents and participants for the study, a multistage non-probability sampling technique was used. The first stage was the purposive selection of eight departments/units whose tasks and activities are directly or indirectly related to innovation in the two selected organisations. They include: human resource, production services, brewing, marketing & innovation, sales & distribution, total quality management, packaging and customers care departments.

The second stage was the stratification of the population into senior and junior categories. There are more junior than senior staff in the selected organisations and for the sample to be representative, a percentage/quota distribution technique was adopted. The stratum that has the highest number of sample (junior allocated) 60%, while the one with relatively small size (senior) allocated 40%. Since the population is known and the sample size for each organisation determined using Yamane formula, two hundred and thirty-one respondents were selected from International Breweries Plc with 40% (93) senior and 60% (138) junior staff selected as respondents. Similarly, one hundred and thirty respondents were also selected from Guinness Nigeria Plc. The distribution was done in proportion of 40% (52) senior and 60% (78) junior staff selected as respondents. The rationale behind using percentage/quota method at this stage was because there were more junior than senior staff in both organisations. In addition, most of the employees in the two brewing firms discharge their duties at the shop-floor on shift basis, where production related operations take place, hence the use of convenience sampling considered most appropriate.

The final stage of selection was done through convenience sampling. Due to the structure of work in breweries, most of the employees work on shift basis and this made it impossible to use other sampling technique in the final selection of respondents. The total sample size was divided into eight equal numbers such that all the departments selected will have equal numbers of respondents.

Consequently, questionnaire was distributed according to availability of employees in each department until the required number was achieved. To avoid multiple participation, a register was created with unique identification number detailing the identity of employees who had already been captured. Purposive sampling method was used in the qualitative data gathering through key informant interviews and In-depth interviews.

**Table 3.2 Multi-Stage Sampling Procedure**

<b>Stages</b>	<b>Sampling Techniques</b>
1st Stage	Purposive sampling of International Breweries Plc and Guinness Nigeria Plc.
2 <sup>nd</sup> Stage	Purposive sampling of eight departments from the selected organisation: Human Resource, production services, brew Marketing & Innovation, sales & Distribution, Total Quality Management packaging and customers care.
3 <sup>rd</sup> Stage	Convenient sampling of 231 and 130 from IB Plc and GN respectively

**Source: Fieldwork, 2017**



### **3.5 Inclusion and Exclusion Criteria**

The inclusion criteria for respondents in this study covered all permanent employees who must have spent three years and above in the organisations. This criterion was adopted from OECD community survey on innovation (Organisation for Economic Cooperation and Development, 2005). To this end, eight departments/units (Human Resource, production services, brewing, Marketing & Innovation, sales & Distribution, Total quality management, packaging and customers care) were given consideration in the course of this study. Meanwhile, all employees on contract appointment were excluded from the study. This study adopted the bench mark of three years for measuring innovation (OECD, 2005), hence new product, new process and new administrative practices and procedures that were introduced within three years (2014 - 2016) were considered as innovation in the selected breweries.

### **3.6 Research Instruments**

Copies of questionnaire were administered to employees across departments and units in the selected breweries, while interviews were also conducted within the plant site of the selected breweries.

#### **3.6.1 Questionnaire**

Questionnaire was administered on the employees of the two breweries. Variables that formed questionnaire were adapted from previous similar studies. The questionnaire was divided into six sections; the first section centered on social demographic characteristics of the respondents while the second section examined the predominant HRM in the selected organisations. The third section (Section C) assessed the level of firm innovation. Section D addressed the level of awareness of the influence of HRM practices on innovation performance while section E focused on the effect of specific human resource management

practices (autonomy, knowledge management, training & development) on innovation performance. Finally, section F focused essentially on issues related to benefits and challenges associated with the implementation of HRM practices in enhancing Innovation performance among employees in the selected organisations. Although 361 copies of questionnaire were administered to respondents in International Breweries Plc, Ilesha and Guinness Nigeria Plc, Benin, only 351 copies of questionnaire were retrieved from both organisations representing 97.2% response rate. Specifically, 231 copies of questionnaire were administered in International breweries Ilesha, only 223 were found usable representing 96.5% response rate. In addition, 130 copies were administered in Guinness Nigeria Plc, Benin plant but 128 copies of questionnaire were found useable representing 98.5% response rate.

### **3.6.2 In-Depth Interview (IDI)**

Twenty-four in-depth interviews (IDIs) were conducted in the study location. A total number of eight respondents comprising of managers and head of units from Human Resource Management, Production Services, Brewing, Marketing & Innovation, Sales & Distribution, Quality Control, Packaging and Customers Care department whose line of tasks are directly or indirectly related to innovation were selected from each of the organisations. Also four respondents each from the two organisations comprising of senior staff who were not captured by the questionnaire also took part in the in-depth interview through purposive selection.

### **3.6.3 Key- Informant Interview (KII)**

A total of six key informants' interviews (KIIs) were conducted to gather rich and experience based information for this study. Three Senior Managers each from Human Resource, Production Service and Marketing and Innovation



department were interviewed from both organisations. The Key Informant Interviews were conducted in each of the plant sites of the two organisations (International Breweries and Guinness Nigeria Plc).

### 3.7 Pre-test

Pre-test of the instrument was done on 30 respondents in Sona breweries Otta, Ogun State (a subsidiary of Nigerian Brewery Plc) within the similar department selected for the main study, and its consistency in yielding the same results was thus verified to ascertain its reliability. The work environment and categories of staff in Sona brewery are similar to those of International breweries and Guinness Nigeria Plc.

**Table 3.3 Specific Objectives and Analysis Plan**

No	Objectives	What to Measure	Analysis Plan
1	Characteristics of respondents Brewing Firms	<ul style="list-style-type: none"> <li>• Socio-demographic Characteristics</li> </ul>	<ul style="list-style-type: none"> <li>• Frequencies</li> <li>• Charts</li> </ul>
2	Dimensions and Approach of Human Resource Management practices	<ul style="list-style-type: none"> <li>• Types of HR practices</li> <li>• HR Approach Adopted</li> </ul>	<ul style="list-style-type: none"> <li>• Frequencies</li> <li>• Content Analysis</li> </ul>

3	Level of Innovation Performance	<ul style="list-style-type: none"> <li>• Product Innovation</li> <li>• Process Innovation</li> <li>• Administrative Innovation</li> <li>• Innovation Performance</li> </ul>	<ul style="list-style-type: none"> <li>• Frequencies</li> <li>• Tidd &amp; Bessant Classification</li> <li>• Content Analysis</li> </ul>
4	Level of Awareness on the Influence of HRM Practices on Innovation Performance	<ul style="list-style-type: none"> <li>• Employee's Autonomy</li> <li>• Knowledge Management</li> <li>• Training and Development</li> <li>• Employees Motivation</li> </ul>	<ul style="list-style-type: none"> <li>• Frequencies</li> </ul>
5	Effect of HRM Practices on Innovation Performance	<ul style="list-style-type: none"> <li>• Relationship between autonomy, motivation, knowledge</li> <li>• management and training and development &amp; organisational innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Frequencies</li> <li>• Regression</li> <li>• Content Analysis</li> </ul>
6	Challenges and benefits associated with implementation of HRM practices to enhancing innovation performance	<ul style="list-style-type: none"> <li>• Most Challenging factor</li> <li>• Most significant benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Frequencies</li> </ul>

**Table 3.4 Matrix of Research Instrument for Data Collection based on Study Objectives**

<b>S/ N</b>	<b>Research Instrument</b>	<b>Objective 1</b>	<b>Objective 2</b>	<b>Objective 3</b>	<b>Objective 4</b>	<b>Objective 5</b>
1	In-depth Interview (IDI)	√	√	X	√	√
2	Key Informant Interview (KII)	√	√	X	√	√
3	Questionnaire	√	√	√	√	√

**Note:** √ = Applicable, X= Not Applicable



### 3.8 Reliability of Research Instrument

Cronbach's Alpha reliability coefficient was used to determine the reliability of the instrument. Values of the overall Chronbach's Alpha coefficients for each construct which ranges from 0.613 to 0.874 suggesting satisfactory level of construct reliability and consistency. The coefficients oscillate around 0.6 which meet the reliability criterion of Jolibert and Jourdan (2006).

**Table 3.5 Reliability of Measurement**

Constructs/Variables	No. of Items	Chronbach's Alpha	
		IB Plc	GN Plc
Product innovation	6	0.693	0.613
Process innovation	5	0.730	0.661
Administrative innovation	8	0.634	0.646
Motivation	5	0.817	0.796
Autonomy	5	0.858	0.874
Knowledge Mgt.	5	0.754	0.759
Training & Development	5	0.806	0.659

**Source: Field work, 2017**

### **3.9 Procedure for data collection**

For collection of primary data, semi-structured questionnaire was used to collect quantitative data while interview guide was used to collect qualitative data (KII and IDI) which complimented findings from the copies of completed questionnaire. Prior to administration, approvals were sought from both organisations after which each respondent was briefed about the purpose of the study. Their consent was sought and thereafter the administration of the questionnaire on the respondents commenced. At the commencement of the interview, the purpose of the study was made known to the participants and their approval to conduct the study on them was also sought. Assurances on confidentiality of data and persons were guaranteed to the participants and the place of the interviews was made free of interference as much as possible. Additional permission was sought before the interviews were recorded

### **3.10 Data Management**

Copies of questionnaire administered were serially numbered to ensure that all copies were tracked for the purpose of retrieval. Data from quantitative source were managed through the process of collation, storing and processing. Upon return from the field, data were cleaned, coded, and imputed using

statistical package software before analysis. Interviews were recorded and discussions were transcribed and uploaded into qualitative data software (Atlas-ti) for analysis.

### **3.11 Method of Data Analysis**

Quantitative and qualitative data analysis was used for this study. Quantitative data collected through questionnaire necessitated statistical analysis at univariate and multi-variate levels. An adapted and modified methodology for classifying innovation performance by Tidd and Bessant (2007) was also used in this study.

#### **3.11.1 Quantitative data analysis**

Data were analyzed at the univariate and multi-variate levels. Data on the socio-demographic characteristics of the respondents were analyzed at the univariate level using descriptive statistics such as frequency distribution, charts and percentages in describing the attributes of the respondents. At the multi-variate level, linear regression was used to show the relationship between the dependent and independent variables. The dependent variable (innovation performance) which is in scale form is quantitative in nature, therefore the use of parametric statistics is most appropriate. Also, a methodology by Tidd and Bessant for classifying innovation performance and Technology capability was used to show the level of innovation performance among employees in the selected breweries.

#### **The Tidd and Bessant Approach**

The approach was designed to assist policy makers in the organisation come up with mechanisms that will enable firms focus their resources in areas of greatest need through appropriate selection of policy targeted at policy design. The approach which can be applied in management of innovation and

technology capabilities studies across organisations was adapted and modified by this study for classification of level of innovation performance among employees.

**Table 3.6 Tidd and Bessant’s Classification of Innovation Performance Level (Modified)**

<b>Unaware/Passive</b>	<b>1.00 – 1.99</b>	<b>Very Weak</b>
<b>Reactive</b>	<b>2.00 – 2.99</b>	<b>Average</b>
<b>Strategic</b>	<b>3.00 – 3.99</b>	<b>Strong</b>
<b>Creative/Innovativ</b>	<b>4.00 – 4.99</b>	<b>Very Strong</b>

The procedure for the computation which is the basis for classification as shown above is stated below:

- i. Calculate the mean score for all cases and items
- ii. Calculate the mean score for all forms of innovation
- iii. Calculate the aggregate mean score for innovation (innovation performance)
- iv. Locate where the mean score belongs in the table and classify accordingly.



### **3.11.2 Qualitative data analysis**

Data generated through Key Informant Interviews and In-depth Interviews were content analyzed. Verbatim quotations were used in the course of the analysis where necessary. Major themes were identified, corroborating and contradicting phrases and responses were grouped separately using qualitative data analysis software (Atlas-ti). It is important to note that throughout the analysis, triangulation of qualitative and quantitative data was adopted.

## **3.12 Study Variables and Measurement**

### **3.12.1 Measurement of Level of Innovation Performance**

The questionnaire was drawn based on a 5-point Likert scale with 19-item statements adapted from Tan and Nasurdin (2010) which centered on technological and administrative innovation (product, process and administrative innovation) with the following values attached: very low =1, low =2, moderate =3, high = 4 and very high = 5. Afterwards, the average scores of all respondents and items were calculated to get the level innovation performance. The final and aggregate score is then located on the table which is classified into four categories to ascertain the actual level of innovation performance among the employees of the selected organisations.

### **3.12.2 Measurement of Employees level of Awareness**

Employees' level of awareness of the influence of HRM practices on innovation performance was measured using 3-point likert scale with 24-item statements which centered on autonomy, knowledge management, training and development and motivation with the following values attached: low awareness = 1, moderate awareness = 2 and high awareness = 3. Afterwards, the score of each respondent was calculated resulting in a minimum value of 24 (1x24 items)

and a maximum value of 72 (3x24 items). The summation of values of responses yielded a minimum score of 24 and maximum score of 72. The range of the value was 48 and the median was 36. Thus, respondents who scored  $\leq 36$  had low awareness, 37 - 48 moderate awareness and  $\geq 49$  high awareness.

### **3.12.3 Measurement of HRM Practices**

The questionnaire was drawn based on a 5-point Likert scale with 24-item statements adapted from Tan & Nasurdin (2010) which centered on the four dimensions of human resource management practices selected for this study (knowledge management, employees' autonomy, motivation and training & development) with the following values attached: very low effect =1, low effect =2, moderate effect =3, high effect = 4 and very high effect = 5. This was then used in the regression model to test the relationship between HRM practice and innovation performance among employees in the selected breweries.

### **3.13 Ethical Consideration**

Throughout the data collection stage, the principles of confidentiality of data and person as well as voluntariness were adhered to.

**Confidentiality of data:** During administration of questionnaire and interview sessions, the identity of the respondents and participants were protected. None of the data instruments required their names, addresses, telephone numbers or any form of identification that can be used to trace the identity of the participants.

**Voluntariness:** In this study, none of the participant was forced or coerced during the interviews. Participants voluntarily participated in the study having known the purpose, methods and the benefit of study which is academic. Whenever the participant felt the need to take break for the purpose of official engagement or discontinue participation in the study, they were excused.

**Non-maleficence to participants:** No physical risk was associated with participation in this study. There were situations where participants felt the need to complete their task before participation due to the shift nature of work hours; such persons were asked to re-schedule an appointment that will be convenient for their participation.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION OF FINDINGS**

This chapter represents data presentation, analysis and interpretation. The chapter consists of eight (8) sections, each dealing with specific objectives of the study. These include, socio-demographic attributes of respondents, predominant human resources management practices, human resources management approach adopted by the selected organisations, level of innovation performance (product, process and administrative innovation) among employees, employees level of awareness about the influence of human resources management

practices on innovation performance, effect of selected human resources management practices (autonomy, knowledge management, training and development and motivation) on innovation performance among employees as well as challenges and benefits associated with the implementation of human resources management practices in relation to innovation performance. Specifically, this study investigated the influence of employees' autonomy on innovation performance; influence of knowledge management practices on innovation performance, influence of motivation on innovation performance; and the relationship between training & development and innovation performance among employees in International Breweries Plc and Guinness Nigeria Plc.

The presentation includes the results of both quantitative and qualitative data. Descriptive and inferential statistics such as frequency distribution table, regression as well as Tidd and Bessant's classification were used to present quantitative data while content analysis and verbatim quotation were used to present qualitative data. Both results were triangulated to facilitate discussion.

#### **4.1 Findings**

Findings from the study are presented in line with the objective of the study for clarity and easy accessibility. Necessary inferences are drawn from some of the findings in line with the theoretical framework of the study, while observed differences between present study and extant literature are reconciled using appropriate sociological explanation.

## 4.2 Socio-demographic Characteristics of the Respondents

This section shows the sex, age, ethnic affiliation, religious affiliation, marital status, educational qualification, service period and cadre of respondents in both breweries selected for the study.

**Table 4.2.1: Distribution of respondents by socio-demographic characteristics**

Variables	Categories	International Breweries Plc		Guinness Nigeria Plc		Total	
		Frequency	Percentage %	Frequency	Percentage %	Frequency	Percentage %
<b>Sex</b>	Female	64	28.7	32	25.0	96	22.4
	Male	159	71.3	96	75	225	72.6
<b>Age (years)</b>	18 -22	9	4.0	2	1.5	11	3.1
	23 -27	32	14.4	24	18.8	56	16
	28 -32	87	39.0	33	25.8	120	34.2
	33 – 37	61	27.4	20	15.6	81	23.1
	38 – 42	21	9.4	24	18.8	45	12.8
	Above 42	13	5.8	25	19.5	38	10.8
<b>Ethnic Affiliation</b>	Hausa	7	3.1	3	2.3	10	2.9
	Igbo	56	25.1	29	22.7	85	24.2
	Yoruba	126	56.5	37	28.9	163	46.4
	Others	34	15.3	59	46.1	93	26.5
<b>Religion Affiliation</b>	Traditional	4	1.8	10	7.8	14	4.0
	Christian	153	68.6	101	78.9	254	72.4
	Islam	66	29.6	17	13.3	83	23.6
<b>Marital Status</b>	Single	56	25.1	41	32.0	97	27.6
	Married	154	69.1	78	61.0	232	66.1
	Separated	10	4.5	5	3.9	15	4.3
	Widowed	3	1.3	4	3.1	7	2.0
<b>Highest</b>	SSCE	14	6.3	4	3.1	18	5.1
	Professional	16	7.2	13	10.2	29	8.3
	OND/NC	79	35.4	37	28.9	116	33.1

<b>Education Level</b>	E						
	First Degree	95	42.6	55	43.0	150	42.7
	Postgraduate	19	8.5	19	14.8	38	10.8
<b>Service Period (years)</b>	Below 3	68	30.5	14	10.9	82	23.4
	3 – 5	112	50.3	39	30.5	151	43.0
	6 – 8	23	10.3	21	16.4	44	12.5
	9 – 11	5	2.2	42	32.8	47	13.4
	Above 11	15	6.7	12	9.4	27	7.7
<b>Cadre</b>	Senior	93	41.7	43	33.6	136	38.7
	Junior	130	58.3	85	66.4	215	61.3
<b>Total</b>		<b>223</b>	<b>100.0</b>	<b>128</b>	<b>100.0</b>	<b>351</b>	<b>100.0</b>

Source: Fieldwork (2017)

Male dominated the workforce in both breweries at International Breweries Plc (71.3%) and Guinness Nigeria Plc (75%). Most of the respondents, International breweries Plc (80.8%) and Guinness Nigeria Plc (60.2%) were between 23-37 years. On the basis of ethnic affiliation, most of the respondents (56.5%) from International Breweries were Yoruba. However, for Guinness Nigeria Plc, 46.1% of the respondents were from other ethnic groups comprising of respondents from Esan, Afemai, Etsako and Akoko-Edo extraction in Edo State. This result was expected because the brewing plant is located at Ikpoba Okha, Benin City, Edo State. Christians dominated the workforce of the two breweries, International breweries (68.6%) and Guinness Nigeria Plc (78.9%). The distribution of respondents from IB Plc and GN Plc respectively according to the marital status indicated that majority (69.1% and 61%) were married. High percentage of the respondents (42.6%) IB Plc and (43%) from Guinness Nigeria Plc had first degree. The distribution of respondents according to length of service indicated that most of the respondents (50.3%) had spent between 3-5 years with International Breweries. However, for

respondents from Guinness Nigeria Plc, 32.8% of the respondents had spent between 9 -11 years with the organisation. The distribution of respondents according to cadre showed that greater percentages (58.3% and 66.4%) were junior staff.

### 4.3 Predominant Human Resource Management Practices

This section discusses the predominant human resource management practices and the type of HR approach adopted in International breweries and Guinness Nigeria Plc. In this study, four human resource management practices were examined: (1) knowledge management, (2) training & development, (3) motivation and (4) employees’ autonomy. It is however important to note that, the study focused mainly on influence of HRM practices on innovation performance among employees in the two selected breweries in Edo and Osun States, Nigeria. Respondents were asked to choose between whether their organisations have policies and programmes that suggest the existence of employees’ autonomy, training and development, knowledge management and motivation in the organisations. This is particularly important because certain human resource management practices are considered in the innovation management literature as being strategic in facilitating innovation at individual, group and organisational level. According to Janssen (2014), eight human resource management practices are observed to be most prominent and significantly influencing innovation performance and Innovative Work Behaviour (IWB) in the organisation. These practices include employee autonomy, task composition, training and development, reward (motivation), job demand, feedback, knowledge sharing and job rotation.

**Table 4.3.1: Distribution of Respondents on Existence of HRM Practices (Multiple responses)**

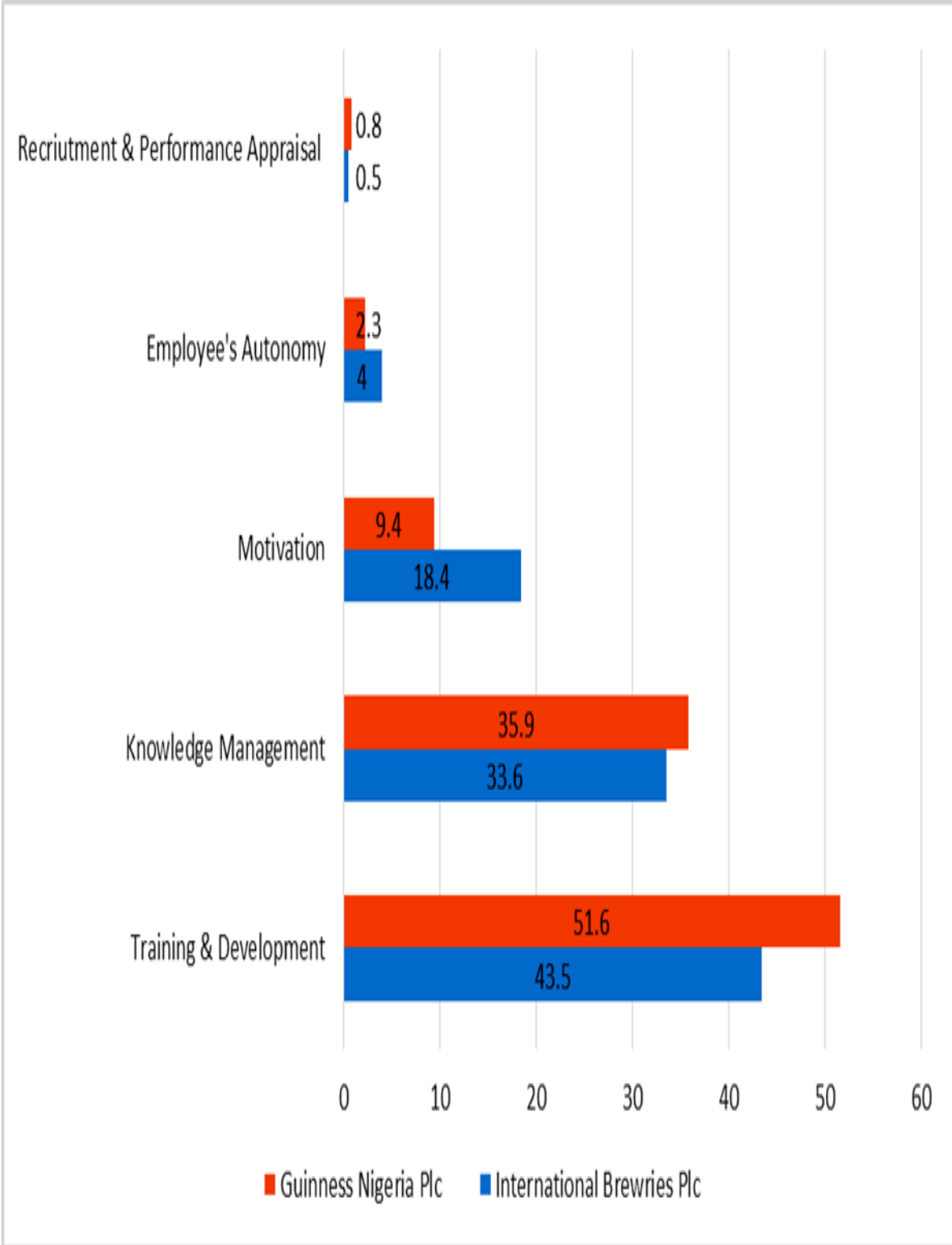
	<b>Inter. Breweries Plc</b>	<b>Guinness Nigeria Plc</b>	<b>All</b>
--	-----------------------------	-----------------------------	------------

<b>HR Practices</b>	<b>Frequenc</b>	<b>Percentag</b>	<b>Frequenc</b>	<b>Percentag</b>	<b>Frequency</b>	<b>Percentag</b>
		<b>(%)</b>		<b>(%)</b>		<b>(%)</b>
Training & Development	206	93.2	119	93.0	225	90.4
Knowledge Management	206	92.4	114	89.4	320	91.4
Employees' Autonomy	181	81.2	109	85.2	290	82.6
Motivation	182	81.6	108	84.6	290	82.6

**Source: Fieldwork (2017)**



Table 4.3.1 shows that a larger percentage of respondents at International Breweries Plc (93.2%) and Guinness Nigeria Plc (93%) indicated that training and development is one of the HR practices in existence in the organisations. Majority of the respondents, 92.4% from IB Plc and 89.1% from GN Plc emphasized that there is knowledge management policy in their organisations. For employee's autonomy, most of the respondents (81.2% and 85.2%) from IBP and GNP confirmed that there is autonomy for workers in both organisations. Furthermore, a greater percentage of respondents (81.6% and 84.6%) confirmed that motivation (reward system) is one of the predominant human resource management practices in IBP and GNP respectively. Though, other human resource management practices such as recruitment, performance appraisal and compensation are also parts of the human resources management practices in existence in these organisations.



**Source: Fieldwork (2017)**

#### **Figure 4.1: Percentage Distribution of Predominant Human Resources Management Practices**

Findings from figure 4.1 reveals that training and development is the most predominant human resource management practices in both breweries, International Breweries Plc (43.5%) and Guinness Nigeria (51.6%). It is further observed that knowledge management, IB Plc (33.6%) and GN Plc (35.9%) is the second most predominant HRM practices. However, employees' autonomy is the least predominant in the two breweries, International breweries (4%) and Guinness Nigeria Plc (2.3%). Findings further revealed that other HRM practices such as recruitment and performance management, IB Plc (0.5%) and GN Plc (0.8%) are in existence in the two breweries. This is consistent with the study of Oltra and Alegre (2011), who found that most manufacturing firms only considered learning and development (training and development) as the most important practice to facilitate knowledge transfer in order to improve performance.

The purpose for which this study examines the predominant types of HRM practices in the selected breweries was to ascertain whether the type of human resources management practices adopted in the selected organisation are innovative HR practices or not. This is particularly important because certain human resource management practices are considered in the innovation literature as being strategic in facilitating innovation performance. The conclusion across innovation studies regarding set of HRM practices that can enhance innovation holds that certain human resource management practices are positively related to innovation than the others (Beugelsdijk, 2008). The opinions from innovation management studies state that organisations can use human resource management practices as a strategy to drive innovation because certain practices are more important than others. For instance, Janssen (2014) in his study on the influence of human resource management practices on innovative work behaviour found that eight human resource management

practices are observed to be most prominent and significantly influence Innovative Work Behaviour (IWB) in the organisation. These practices include employee's autonomy, task composition, training & development, reward (motivation), job demand, feedback, job insecurity, and job rotation. According to Janssen, autonomy, training and development, feedback, and job rotation were found to positively affect innovation work behaviour, therefore contributing to the constituent of factors that drive innovation at the individual and organisation level. These relationships are mainly explained by the motivation of employees to engage in IWB as well as by the establishment of a mutual relationship between employers and their employees, which is reflected in the Social Exchange Theory (Homans, 1958) as in Janssen, 2014.

Similarly, Jiménez-Jiménez and Sanz-Valle (2008) state that the innovation-triggering HRM system has been refined and positively tested. Specifically, practices such as flexible job design and empowerment (autonomy), team work, effective knowledge management system, motivation (inclusive reward system) extensive and long-term oriented training, broad career opportunities, behaviour-based appraisal are all considered to be positively related to innovation. Studies have found a positive relationship and confirmed the positive impact of practices such as task autonomy, motivation, effective knowledge management system, task rotation, performance-based-pay training and innovation (Walsworth and Verma, 2007; Beugelsdijk, 2008). The evidence from literature in support of the relationship between certain human resource management practices as drivers of innovation suggest that an organisation willing to enhance its innovation must consider those practices mentioned above as part of its organisational policy. However, the contributions of the practices vary according to organisations which may sometimes determine the degree of contributions of such practices to innovation.

Findings from this study indicate that the four human resource management practices: autonomy, knowledge management, motivation and training & development as evidenced from the literature as innovation drivers which received priority and desired attention in the selected organisations. This also suggests that the organisations are aware of the strategic importance of these practices as enunciated by previous studies. Again, the four practices identified as most predominant in these organisations are part of the specific practices considered to be appropriate to enhancing innovation performance (Beugelsdijk, 2008; Jiménez-Jiménez and Sanz-Valle 2008; Walsworth and Verma 2007). Despite the availability of empirical evidence linking employees' autonomy to workers' performance, the findings show that the practice (employees' autonomy) was given less priority in the two breweries. Although, this may be as a result of the nature of the brewing business which does not requires much autonomy on the part of the employees particularly during product development and production.

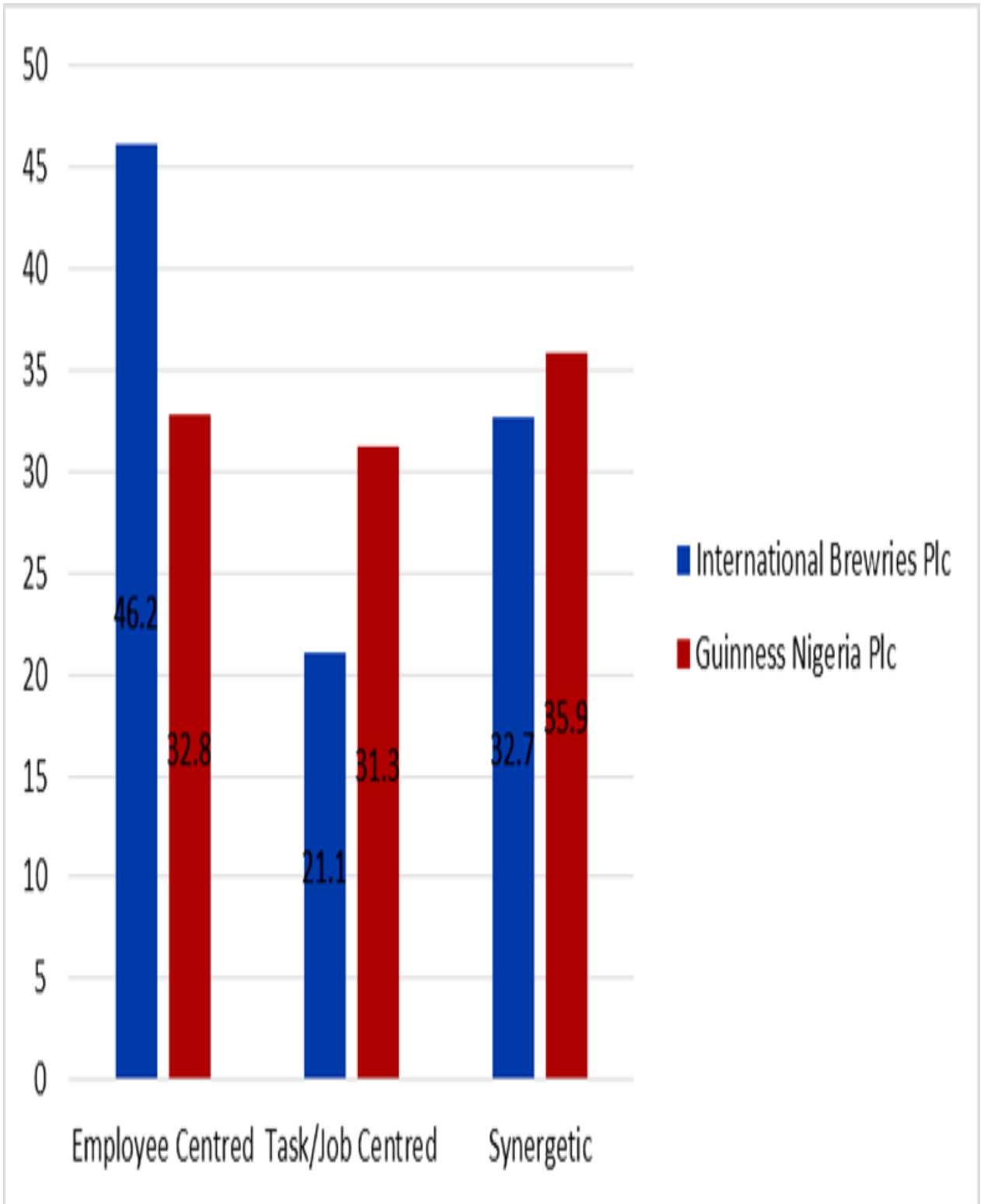
**Table 4.3.2: Distribution of Human Resource Management Approach**

<b>Variables</b>	<b>International Breweries Plc</b>		<b>Guinness Nigeria Plc</b>		<b>All</b>	
	<b>Frequen cy</b>	<b>Percentage %</b>	<b>Frequen cy</b>	<b>Percenta ge %</b>	<b>Frequen cy</b>	<b>Percenta ge %</b>

<b>Employee Centered</b>	103	46.2	42	32.8	145	41.3
<b>Task/Job Centered</b>	47	21.1	40	31.3	87	24.8
<b>Synergetic</b>	73	32.7	46	35.9	119	33.9
<b>Total</b>	<b>223</b>	<b>100</b>	<b>128</b>	<b>100</b>	<b>351</b>	<b>100</b>

**Source: Fieldwork (2017)**

Findings from table 4.3.2 reveals that the human resource approaches adopted by the two brewing firms are not the same. The approach in International Breweries Plc (46.2%) is employee centered, indicating that the HR policies and programmes adopted by the management of the organisation is employee oriented (Soft approach) of HRM. However, the finding also reveals that the human resource approach adopted in Guinness Nigeria Plc (35.9%) is synergetic - combination of both employees centered and task/job centered (employees and task oriented Approach) which integrates some elements of the two extreme approaches. As noted by Rui and Ying (2001), firms whose activities involve less production of construction and machines adopt either the combination of task and employee oriented approach or employee oriented approach as its management approach to reduce stress and encourage participation. It is however important to state that the perception of employees among the three types of HR approaches (employees centered, task/job centered and synergetic) adopted by their organisations did not show a distinctive opinion. This may be attributed to lack of proper on-boarding programmes and continuous update on HR policies and reviews.



**Source: Fieldwork (2017)**

**Figure 4.2: Percentage Distribution of Human Resource Approach**



The HR policies in the selected organisations were considered to be friendly, protective of employee rights. As opposed to the policy in most private organisations in Nigeria, employees are allowed to go on maternity leave, study leave, sick leave and some other benefits which are expected to enhance the loyalty and commitment of the staff to the organisation. However, the policy in the two organisations prohibits consumption of Alcohol between the hours of 8.00am and 5.00pm, particularly during operation. This was considered by some respondent to be a job centered policy rather than employees centered but in the overall, majority of the respondents concluded that both employees centered and task/job centered approach are in existence in the organisation and they are meant to support the workforce in achieving their daily target in a friendly working environment. More so, from the perspective of a human resource director, HR policies are geared towards ensuring that employees are well motivated and at the same time disciplined to make them responsible in performing their roles.

In other to empirically establish the typology of human resource management practices that are most prominent in the selected brewing organisations, as well as examine the HR philosophy and approach in the selected brewing organisations, a qualitative analysis was conducted as pointed out in the methodology in earlier chapter. Before the respondents were asked about the predominant human resource management practices in their organisations, general questions were asked about their age, length of service and educational qualifications. Again, to ensure that the respondents and the researcher (interviewer) spoke about the same meaning of the term human resource management practices and to ensure that what the researcher intends to measure is actually measured; the definition of human resource management practices (HRMP) as used in the research work was presented to the respondents

“as a system of operational functions such as staffing, selection, job design, training and (career) development, performance appraisal and compensation”

The HR systems in the brewing firms are very unique because they operate business model typology and this may be responsible for the reasons why the HR department is a do-without department as revealed by findings from the interviews. All the departments within the organisations have their respective HR business partners whose duties are to handles all HR issues as peculiar to other functional department and in line with the task of that department. For example, there is an HR staff handling peculiar functions in the production and brewing department. When question was asked about how relevant is the HR practices and activities are to the achievement of organisational goals in the organisation particularly in enhancing creativity and innovation. Human resource management together with its associated activities as well as practices is viewed as being of great importance and strategic to the realization of organisational goals particularly in enhancing innovation performance. The interviews revealed that most respondents considered HR as the beginning and end of what goes around in the organisation. The interviews further revealed that most of the senior managers and executives believed that HR is important because when articulating the business objectives at the beginning of the year, the central ideology is about people who will actualize those objectives for the organisation. Responses from the interviews showed that the HR policy of the organisation is more of employee centered. This suggests that brewing organisations in Nigeria considered human resource (employees) as the most valuable asset that can assist them achieves their organisational goals. Perception and opinions of respondents during In-depth and Key Informant interviews on the predominant human resources management practices and the human resource management approach adopted by the two breweries are presented in Box 4.1 and 4.2 below:

THEME	CATEGORIES	QUOTES
Predominant HRM Practices & Policy	Importance of HRM practices	<p><b>International Breweries Plc</b></p> <p><i>“Because we cannot boycott people in all our processes, every day we think of how to strengthen that department with global best practices that can motivate our employees, increase their performance with a view to drive innovation. HR is so key to our vision, organisations all over the world know the importance of HR, so we do too” (IDI/Male/44 years/IBP/Plant &amp; Brewing Manager/2017)</i></p>
	Predominant HRM practices	<p><b>Guinness Nigeria Plc</b></p> <p><i>“As you are carving the business goals and objectives for the year, you are also carving people’s objectives, there must be a way you integrate the people agenda, because it is the people agenda that will help you deliver the strategy. There is no way you can leave people out of what you are doing, it is too key to neglect and that definitely is the responsibility of the HR” (IDI/Male/37 years/Guinness/HRBP Production/2017)</i></p>
	HRM approach	<p><i>“Training is one of the opportunities we have here to develop ourselves. We send people to Industrial Training Fund, we have established various academy like marketing academy to up-skill our staff and keep them abreast of information in their respective field. We don’t joke with training” (IDI/Male/48 years/IBP/Warehouse Manager/2017)</i></p> <p><i>“The HR practice in our organisation is training, we make budget every year, even when we don’t have enough money, and other things may wait but not training. We place so many premiums on training and personal development because that is the only way to upgrade the skills of our staff to deliver without error. Of course, there is reward system and knowledge sharing mechanism but training occupies the centre stage in our organisation” (IDI/Female/32years/Guinness/Capability Coordinator/2017)</i></p> <p><i>“Human resource policy in this organisation is quiet friendly and also tries to bring out the best in people as much as possible. The policy creates enabling environment for the staff to succeed” (IDI/Male/35 years/IBP/Packaging Manager/2017)</i></p> <p><i>“When I came to this organisation, it was a task oriented approach, just like a slave, even by the time you are complaining about your health, they will remind you of your task but now, if you mention your health, they tell you don’t worry, we can get a back-up for you, just go ahead and take care of your health, you are like a very strong resources to us and we cannot afford to lose you. Our parent company is concerned about the workers because they are our enduring value. Machines alone cannot achieve our goals for us, it is the people, our staff comes first and that is our policy” (IDI/Male/30 years/Guinness/Distribution)</i></p>

**Box 4.1: Perceived Predominant HR Practices and Policy in IB Plc & GN Plc**

**Source: Fieldwork (2017)**

THEME	CATEGORIES	QUOTES
Predominant HRM Practices & Policy	<p align="center"><b>International Breweries Plc</b></p> <p><b>Importance of HRM practices</b></p>	<p align="center"><b>Guinness Nigeria Plc</b></p> <p>“Because we cannot boycott people in all our processes, every day we think of how to strengthen the HR department with best global practices that can motivate and increase the performance of our employees. HR is key to our vision, organisations all over the world know the importance of HR, and so we do”. (IDI/Female/45 years/Guinness/Customer care Manager/2017)</p>
	<p><b>Predominant HRM practices</b></p>	<p>“Majority of basic HR practices in any organisation are here too, recruitment, performance appraisal and conflict management are here, but training is a do without practice to us, it is our first priority when it comes to management practices because without it we can go anywhere”. (IDI/Male/48 years/IBP/Warehouse Manager/2017)</p>
	<p><b>HRM approach</b></p>	<p>“We have change from HRM to Peoples’ department, we are after our people, our parent company is concerned about our people because they are our enduring asset. Machine cannot on its own achieve our goal for us, it is the people, so our people come first in our policy”. (IDI/Male/41 years/IBP/ Senior Packaging Manager/2017)</p>

**Box 4.2: Perceived Predominant HR Practices and Policy in IB Plc & GN Plc**

Source: Fieldwork (2017)

Finding from Box 4.1 and 4.2 on employees' perception on predominant HRM practices is similar among the two breweries. Opinions suggest that Training and development (learning and development) is the most important and prominent HR practice in both breweries. It was revealed that training in these organisations could be through competency acquisition programmes, benchmarking in other breweries across the world, institutional academy and on the job training. Contrary to the findings from the quantitative analysis, views from Guinness Nigeria Plc suggest that the HR approach in the organisation is synergetic.

Generally, from the views of the respondents across the two brewing firms, human resource management activities and functions are key to the achievement of the strategic goal of the organisations, the purpose for which is to remain in business and maintain high market share and favourable competition. Due to constant change in customers taste and the nature of the industry, innovation drives the brewing business all over the world; and employees are important resource in the innovation process. It is the workers that will implement the strategies, operate the machines, design and formulate the products.

In the overall, it is evident that training and development, motivation (reward system), and knowledge sharing were found to be some of the most prominent HR practices in both breweries. However, the findings further revealed that other HR practices such as performance appraisal, recruitment, internship system, process improvement practices are in existence in the selected breweries No doubt; this objective defines the type of HR approach adopted as well as predominant HR practices in the selected breweries. This is consistence with Ugbeoke *et al.* (2014) who concluded from their finding on a study assessing the impact of strategic human resource management on tangible

performance and innovation, that organisations with policies that are employee centered and innovative HR practices are likely to promote innovations among its employees than those without flexible approach to people’s management.

#### 4.4 Level of Innovation Performance

This section discusses and compares the level of innovation performance in International Breweries Plc and Guinness Nigeria Plc. Innovation performance (product, process and administrative innovation) were measured by calculating the average scores for the three components of innovation performance, and the levels were categorised according to Tidd and Beasant (2007) approach for classifying innovation. Innovation performance is classified into four levels – Passive (1.00 – 1.99), reactive (2.00 – 2.99), strategic (3.00 – 3.99) and creative/innovative (4.00 – 4.99).

**Table 4.4.1: Tidd and Bessant’s Classification for Innovation Performance (Modified)**

<b>Categori es</b>	<b>Classificatio n</b>	<b>Innovation Performanc e</b>	<b>Characteristics</b>
<b>Unaware / Passive</b>	1.00 – 1.99	<b>Very Weak</b>	<p>Employees are poor and inefficient in all areas related to innovation.</p> <p>Lack competence in all important aspects of innovation such as product process and administrative innovation. Need policy, strategies and programme for recovery.</p> <p>Need to strengthen R&amp;D skills and</p>

			acquires more capabilities.
<b>Reactive</b>	2.00 – 2.99	<b>Average</b>	Poor creative ability to generate new ideas in all aspects of innovation. Reactive to competition and challenges; need to develop problem solving and creative thinking skills.
<b>Strategic</b>	3.00 – 3.99	<b>Strong</b>	Employees are relatively capable and have internal capabilities to contribute to innovation. Employees possess required skills and capability to contribute to innovation.
<b>Creative/ Innovative</b>	4.00 – 4.99	<b>Very Strong</b>	Employees are capable in all areas of innovation. They are able to identify consumers taste and match with new product and processes.

Table 4.4 shows the overall level of innovation performance (product, process, and administrative innovation) of employees in International Breweries Plc and Guinness Nigeria Plc using the average scores to classify the level of innovation according to the categorisation provided by Tidd and Bessant (2007) as modified. The average scores of all items consisting of all indicators on the three

components of innovation were calculated to get the aggregate score for all forms of innovation to determine overall level of innovation performance on the classification table.



**Table 4.4.2: Innovation Performance Level of Employees in International Breweries and Guinness Nigeria Plc**

Innovation Indicators	Average Score (Minimum =1; maximum=5)	
	International Breweries Plc	Guinness Nigeria Plc
<b>Product innovation</b>		
Introduction of new product	4.24	3.86
Improvement in existing products	4.34	3.92
New products in your organization	4.18	3.88
Improvement in product packaging	4.04	3.82
New product design and development	4.11	3.92
New products with other firms	4.08	3.22
	<b>4.16</b>	<b>3.77</b>
<b>Process innovation</b>		
New Technology	4.11	3.38
Improvement in method of production	3.85	3.66
Improvement in logistics for production	3.75	3.58
New supporting activities for production	3.69	3.64
Improvement in existing work process	3.62	3.78
	<b>3.80</b>	<b>3.61</b>
<b>Administrative innovation</b>		
Improvement in reward system	3.61	3.82
Improvement in training schemes	3.92	3.93
New knowledge sharing mechanisms	4.06	4.00
Change in organisation of work	3.92	3.56
Improvement in project team	3.40	3.48
New Managerial structure	3.80	3.77

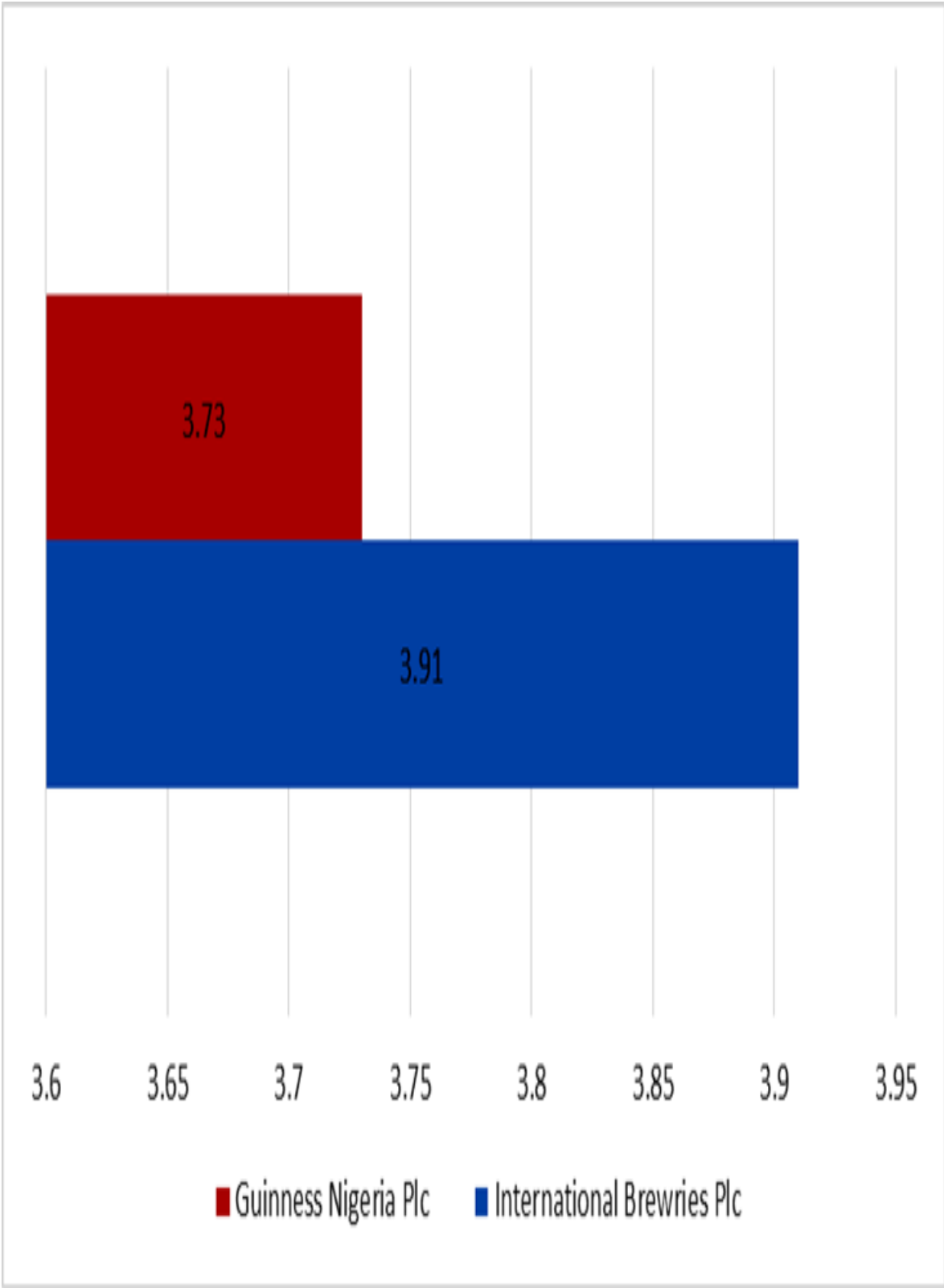
New Distribution License	3.98	3.74
New distribution network	4.23	3.86
	<b>3.87</b>	<b>3.77</b>
<b>Overall Innovation Performance</b>	<b>3.91</b>	<b>3.73</b>

**Source: Field work (2017)**

The aggregate score of innovation performance in International Breweries Plc is 3.91. This can be located in the third category on the classification table indicating that the innovation performance level of employees in International Breweries Plc is at the strategic level suggesting a strong innovation. Specifically, employees in International Breweries Plc are relatively capable and have internal capabilities in terms of technologies and organisation resources to contribute to innovation in the organisation. The innovation performance is high among employees of International Breweries Plc, which is one of the strategic means to gain access to the market by the organisation. Such strategic approach according to the findings of this study include rebranding, reformulation, optimization in production process and various online tools for staff development.

Similarly, the overall innovation performance of employees in Guinness Nigeria Plc is 3.73. This can be located in the third category on the classification table indicating that the innovation performance level of employees in GN Plc is at the strategic level according to the classification suggesting a strong innovation performance among the employees in the organisation. Guinness Nigeria Plc is relatively capable in terms of technology and internal capabilities to innovate. The innovation performance is high among employees of

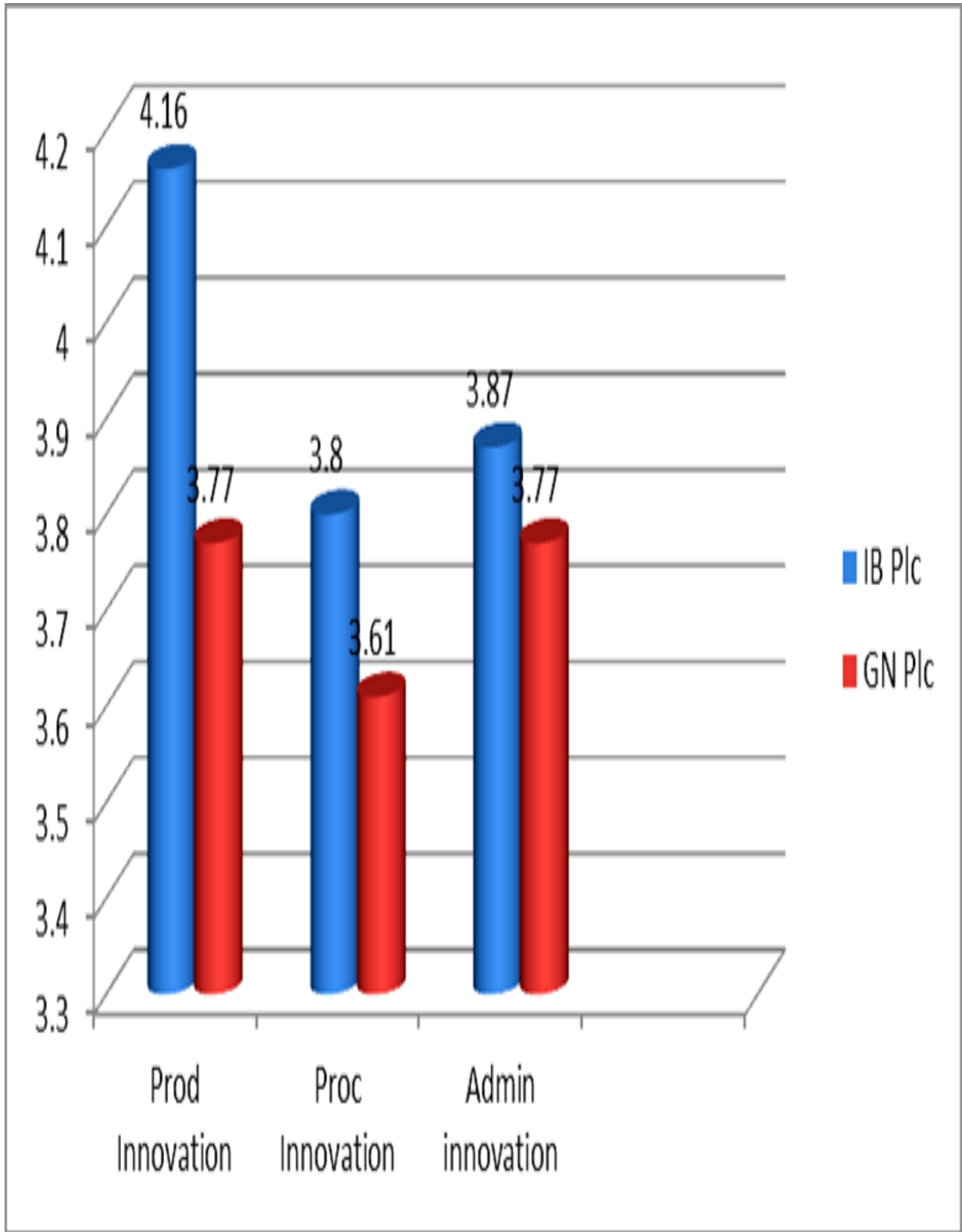
International Breweries Plc, which is one of the strategic means to gain access to the market by the organisation. Such strategic approach according to the findings of this study include rebranding, reformulation, optimization in production process and various online tools for staff development.



**Figure 4.3: Average Score Distribution of innovation performance of IB Plc and GN Plc**

**Source: Fieldwork (2017)**

Finding from figure 4.3 show that employees' level of innovation performance in International Breweries Plc (3.91) is higher than Guinness Nigeria Plc (3.73), though the performance levels among the employees of the two breweries are at the strategic level indicating strong innovations. Figure 4.4 further shows the level of innovation performance among employees according to the components of innovation performance in the two breweries. Employees in International Breweries Plc performed better (4.16) than employees from Guinness Nigeria Plc (3.77) in term of product innovation. While the performance level of employees from IB Plc was 3.80 for process innovation, the innovation performance level among employees from Guinness Nigeria Plc in process innovation was 3.61 indicating lower performance compared to International Breweries Plc. Similarly, the performance of employees from IB Plc was higher (3.87) than that of Guinness Nigeria Plc (3.77) for administrative innovation as shown in figure 4.4.



**Figure 4.4: Innovation Performance According to Components**  
 Source: Fieldwork (2017)

The high level of innovation performance among the employees of IB Plc over Guinness Nigeria Plc particularly on product innovation may be attributed to changes in ownership and management structure experience in International Breweries Plc over the years. International Breweries Plc commenced production in December 1978 and was listed on the floor of the Nigerian Stock Exchange in April 1995. Due to continuous decline and losses in the 1980's, the brewery fortunes deteriorated until after its share capital was increased in 2008. Over the years, the organisation has changed ownership and structure with a view to promoting its brands. In October 2016, SABMiller Limited, the parent company of International Breweries Plc was acquired by Newbelco SA/NV, which later merged with Anheuser-Busch InBev (a Brazilian-Belgian company). Consequent to this acquisition, which was completed in March, 2017, certain legal restructuring activities have been carried out by the group; hence International Breweries Plc is now within the Anheuser-Busch InBev (AB-InBev) group. This restructuring ordinarily would be accompanied by diversity in terms of skills, management practices and different market orientations, and these might be part of the factors responsible for the firms' increased performance including innovation performance.

On the other hand, Guinness Nigeria Plc, a subsidiary of Diageo with three brewing plants in Nigeria (Abia, Benin and Ogba Plants) has experienced stability in its ownership and structure over the years, compared to International Breweries Plc. This may have been one of the factors influencing employees' innovation performance, since it is likely that the brewery will rely on the long term existing ownership, policies and structure for most decisions. In addition, the sector valuation on a stock-by-stock basis among the three major brewers in Nigeria (Nigeria Breweries, IB Plc and GN Plc) shows that Guinness Nigeria Plc underperformed between 2013 and 2016. While both Nigeria Breweries (NB) and International Breweries are up by 7.2% and 24.8%, Guinness Nigeria

Plc share has underperformed, shedding its index to -18.6% as at 2016. (FBNQuest, 2016).

#### **4.4.1: Perceived Level of Innovation Performance among Employees from IB Plc and GN Plc**

The perception of employees in International Breweries Plc and Guinness Nigeria Plc on the level of innovation performance was examined through In-depth Interview (IDI) and Key Informant Interview (KII). Findings from the interviews revealed that through employees' initiatives and creativity, the organisations were able to introduce a good number of new products into the market. Some old products were also rebranded, reformulated to either improve the quality to meet up with specific market demand (i.e consumers change from heavy drinker to mini-drinker, hence percentage of alcohol content in some product was reduced) or to reduce the cost of production so that the products remain affordable to all customers. Products such as Ready to Drink, Light Alcohol, Low Sugar brands and Herbal Alcoholic drinks were introduced into the Nigerian market within the last three years by the two breweries.

The result from qualitative analysis further revealed that there was major diversification in product in one of the breweries. The brewery moved from the production beer and malt drinks to the production of spirit. Spirit brands were previously produced in Europe and shipped into Nigeria until recently when the company started the production in Nigeria. The result as shown in Box 4.2 on perception on product innovation further revealed that innovation in product can either be of brand or generic name. According to the findings from the interviews, a new product which was made from palm wine was named palmitapper and another one was named Harp-Lime from a lime fruit (generic). Some products are designed as a symbol of the Nigeria nation or in line with the cultural belief of some groups or tribes in Nigeria. The "1960 Roots" was designed as a symbol of the year Nigeria gained her independence, while the



brand named “Hero” was designed and mirrored to the personality of Chief Odumegwu Ojukwu (a leader of repute in Southeastern, Nigeria). The 1960 Roots is a bitter beer and not a larger beer, the product was the outcome of a research which revealed that people are back to herbs and are no longer interested in ordinary beer and sugar consumption.

The perception of employees on the prevalence of process innovation across the two brewing firms reveals that process innovation in breweries was not as high as product innovation. According to the respondents, production process in brewing organisations all over the world has the same procedures and technology. There are standard operating procedures in the brewing business which cannot be altered as a result of the sensitive nature of the business. Materials have the same alternatives in brewing business, it is either you use millet or sorghum, but there are no alternatives to the use of water. A particular process that is meant to be completed in seven days (i.e fermentation) cannot be aborted on the fifth day. Production processes are very stringent as shown by the findings from the interviews, and this limits the extent of innovativeness by employees in both organisations. This is because brewing organisations usually operate at zero level of error and defects. Errors during production could lead to epidemic and other serious health implications on the part of the consumers and the public at large; therefore, the processes as outlined in the standard operating procedures and codes are intensely followed. The findings also revealed that employees contribute to process innovation mostly in the area of marketing and task that are related to administration due to the flexible nature of the functional area. It was also noted that process innovation in the two breweries are more of incremental innovation as against some radical innovation witnessed in product innovation.

The result as shown in Box 4.2 on perception of employees on administrative innovation reveals that a good number of new administrative practices and procedures as well as changes in work structures and design were

introduced by the employees of International Breweries and Guinness Nigeria Plc with a view to simplify, eliminate delay and relax the bureaucracy involved during work process. Findings show that software and automation were developed by employees to eliminate barriers associated with their job in order to fully support all functional departments towards achieving the goals of the organisation. Worthy of note are some strategies put in place by teams within International Breweries Plc to explore options that will make them perform better on their job. Such strategies are several online tools for all kinds of leaves, online courses for personal development and many others.

THEME	CATEGORIES	QUOTES	
<b>Innovation Performance</b>	<b>Product Innovation</b>	<p><b>International Breweries Plc</b></p> <p>“We developed like two to six products in the last three years some of them are Flavor Alcoholic Beverages, Herbal Drinks and 1960 Roots, low alcoholic beverages or what we call light alcohol; people are trying to move away from being heavy drinker to mini-drinker, so we have to innovate a product that will take care of that taste, and that is how we came about the product called Castle-lite, it is a low alcohol drink” <b>(KII/Male/47 years/IBP/Product and Innovation Manager/2017)</b></p>	<p><b>Guinness Nigeria Plc</b></p> <p>“Before, our company was known for beer and malt drinks but now, we have expanded to spirit production. Product like McDowell, VSOP, Royal Challenge, Redds and few others are our latest innovation in spirit brands. They are new to us because we just commenced the production in Nigeria and they form part of new products we put into market within the last two years or so” <b>(IDI/Male/38 years/Guinness/Senior Brewing Manager/2017)</b></p>
	<b>Process Innovation</b>	<p>“Processes in brewing are established and are guided by regulations, production code and manual which cannot be altered. Though, we review and refine our processes but an absolute new process is not possible as we speak. Very recently, we modified the process involving the use of hot water during the fermentation to get higher content without compromising quality. This is innovation because it is an improvement in the existing process” <b>(KII/Male/47 years/IBP/Product and Innovation Manager/2017)</b></p>	<p>“Process innovation and brewing technology are the same worldwide, the machines, equipment and technologies used in brewing are the same. Generally, the equipment we use for our processes are generic and the same, so innovation is not common in our process but we have few ones” <b>(IDI/Male/38 years/Guinness/Senior Brewing Manager/2017)</b></p>
	<b>Administrative Innovation</b>	<p>“Our technical and supply function just comes up with a tool called MMIS where we put our volume data, energy data and the efficiency data. The system automatically calculates the number of hours, energy and other indicators used for a specified period. This is done manually before with lots of man hours and time involved. We just developed something by ourselves here and we are doing well with the process” <b>(IDI/Female/37 years/IBP/ Customer Care Manager/2017)</b></p>	<p>“There are so many online tools introduced recently to solve administrative problems, you check you pay-slip online and even call the HR team in Kenya or Lagos anytime. We are happy that this has eliminated or at best reduced unnecessary bureaucracy and time wasting processes and allow employees to focus more on how to improve on their performance. This is HR based issue but people call it administrative innovation” <b>(IDI/Male/40years/Guinness/Production Engineering Manager/2017)</b></p>

**Box 4.3: Perceived Level of Innovation Performance of Employees in IB Plc and GN Plc**

**Source: Fieldwork (2017)**

THEME	CATEGORIES	QUOTES	
Innovation Performance	Product Innovation	<p><b>International Breweries Plc</b></p> <p><i>“You know in this part of the world, people belief herbal roots is good for body and product that contain herbs will cure pile, back pains, make you strong and things like that. We found out that people don’t want to drink sugar again; they prefer something like herbal, something that will ginger their body, boost their immune system and keep them awake. So we have to develop a product that will take care of that taste”.</i> (IDI/Male/36 years/IBP/Learning &amp; Development Manager/2017)</p>	<p><b>Guinness Nigeria Plc</b></p> <p><i>“We have so many new products, we also improved on each of the brands, sometimes we changed the bottle, and sometimes we reformulated the material that goes into it, reformation and improvement happens across all our existing brands. Sometimes, some of them were driven by cost, to reduce cost; some of them are driven to give the perception of higher quality, so many things drive this improvement and competition”.</i> (IDI/Male/41 years/Guinness/Quality Control Manager/2017)</p>
	Process Innovation	<p><i>“Though, we review and refine our processes in line with the production code and manual but an absolute new process is not possible as we speak. Very recently, we modified the process involving the use of hot water during the fermentation, the changes were to alter the brewing real degree of fermentation in order to get more extracts without affecting the quality of our product. (KII/Male/41 years//Product and Innovation Manager/2017)</i></p>	<p><i>“Process innovation and brewing technology are the same worldwide, the machines, equipment and technologies used in brewing are the same. Generally, the equipment we use for our processes are generic and the same, so innovation is not common in our process but we have few ones”</i> (IDI/Male/38 years/Guinness/Senior Brewing Manager/2017)</p>
	Administrative Innovation	<p><i>“There are so many online tools introduced recently to solve administrative problems, you check you pay-slip online and resolves major personnel issues without leaving your table. These have eliminated or at best reduced unnecessary bureaucracy and time wasting processes and allow employees to focus more on how to improve on their performance. This is HR based issue but people call it administrative innovation”.</i> (KII/Male/40years/IBP/People &amp; Performance Planning Manager/2017)</p>	<p><i>“A major administrative innovation introduced in recent time is called work-day. With this application developed by our employees within the Diageo family, employees communicate with one another globally, sharing experience and job related skills and information. This gives room for cross fertilization of ideas that enhance capacity and also promote interpersonal relationship among employees. This is not new product or new process or machine but newness in the way we communicate and relate to promote the business”.</i> (KII/Male/44years/Guinness/Lead HR Manager/2017)</p>

**Box 4.4: Perceived Level of Innovation Performance of Employees in IB Plc and GN Plc**

**Source: Fieldwork (2017)**

From the findings concerning the level of innovation performance among employees in International Breweries and Guinness Nigeria Plc, one could infer that employees in both breweries have contributed to the introduction of lots of new products, process and administrative innovation in the past three years, therefore their (employees) contribution to innovation in the organisations is valuable. Interestingly, the level of innovation performance in both breweries is strategic in terms of innovation; the aggregate scores on innovation performance level (product, process and administrative innovation) among the employees of the two breweries were located in the third category on the classification table indicating that the performance levels of product, process and administrative innovation are also strong.

Generally, product innovation in International Breweries like any other brewing firm in Nigeria can either be of brand or generic name. According to the findings from the interviews, a new product which was made from palm wine was named palmitapper and another one was named Harp-Lime from a lime fruit (generic). Some products are designed as a symbol of the Nigeria nation or in line with the cultural belief of some groups or tribes in Nigeria. The “1960 Roots” was designed as a symbol of the year Nigeria gained her independence, while the brand name “Hero” was designed and mirror to the personality of a Chief Odumegwu Ojukwu (a leader of repute in Southeastern, Nigeria). The 1960 Roots is a bitter beer and not a larger beer, the product was the outcome of a research which revealed that people are back to herbs and are no longer interested in ordinary beer and sugar consumption. This led the organisations to sourcing of materials locally for the production of a brand that will include herbal ingredient to satisfy customers taste.

Similarly, in Guinness Nigeria Plc there are product diversifications leading to new products. For instance, spirit brands were previously produced in Europe and subsequently shipped into Nigeria until recently that the brands are

produced in Nigeria. From the aforementioned responses, it is evident that the level of product innovation in the selected brewing is very high due to the change in customer's taste and ideology. Consumers have changed from heavy drinker to mini-drinker as well as the decision of most consumers to reduce their sugar intake and replace with products with herbal content. Again, the competition in brewery business is very high, major players in the industry are in fierce competition to control the percentage of the market that will sustain their business, this no doubt has necessitated constant introduction of new and improved products into the market.

Generally, findings show that the level of process innovation among employees in the selected brewing organisations is not as high as product innovation. It was revealed that production process in brewing organisations all over the world has the same procedures and technology. They are standard operating procedures in the brewing business which cannot be altered as a result of the sensitive nature of the business. The machines are the same, production processes are standardized and there are established standard operating procedures which are the same globally. Materials have the same alternatives in brewing business, it is either you use millet or sorghum, but there are no alternatives to the use of water. A particular process that is meant to be completed in seven days (i.e fermentation) cannot be aborted on the fifth day. Findings further revealed that few improvements are permissible during processes which are also considered as innovation.

Production processes are very stringent as shown in the findings from the study. This is because brewing firms usually operate at zero level of error and defects. Errors during production could lead to epidemic and other serious health implications on the part of the consumers and the public at large; therefore, the processes as outlined in the standard operating procedures are keenly followed. The findings also revealed that in the selected breweries, process innovation among employees occurred and noticed mostly in the area of marketing and

tasks that are related to administration due to the flexibility nature in that functional area. It was also noted that process innovation among the employees in the selected breweries are more of incremental innovation as against some radical innovation witnessed in product innovation.

From the aforementioned, it is evident that the level process innovation among employees in the selected brewing organisations is low compared to the high level of product innovation witnessed in the organisations. The sensitive nature of the act of brewing and the stringent procedures during production process as well as the generic nature of technologies and equipment used in brewery industry as whole as revealed by the findings from this study were assumed to be responsible for the low level of process innovation among employees in the selected organisation and by extension the brewing business as a whole.

In terms of administrative innovation among employees from the selected brewing firms, which is the creation of new organisational design to better support the creation, production and delivery of services or products in an organisation. This study discovered that the level of administrative innovation among employees in the selected organisations is high. Specifically, findings show that in the past three years, a good number of new administrative practices, procedures and changes in work structures and design had been introduced in the organisations by the employees with a view to simplify, eliminate delay and bureaucracy involved during work process. Majority of the departments in the two breweries have introduced one innovation or at least an improvement in their task. Accordingly, some departments developed software and automation therefore eliminate barriers associated with their job in order to fully support other departments towards achieving the goals of the organisation. Worthy of note are some strategies put in place by teams within the organisations to explore options that will make them perform better on their job. Such strategies



are several online tools for all kind of leaves, online courses for personal development and many others.

Interestingly, findings from the study further revealed that attempts by the brewing firms to operate a lean organisation in order to reduce personnel and other costs had eventually led to some administrative innovation. A lot of administrative and marketing duties were centralized and many are automated for efficiency. Though, these developments lead to loss of jobs in almost all the sections of the organisations particularly in Guinness Nigeria Plc, while a lot of permanent staff have their employment converted to contract appointment. Conclusively, the innovation performance level of employees in International Breweries Plc and Guinness Nigeria Plc are similar. Employees from both breweries were classified as strategic in terms of their performance as related to innovation, and this was also supported by the finding from the qualitative analysis.

#### **4.5. Employees' level of Awareness of influence of HRMP on Innovation Performance**

This section measures employees' level of awareness about the influence of human resource management practices on innovation performance among employees in International Breweries Plc and Guinness Nigeria Plc. The four dimensions of HRM practices (knowledge management, motivation, employee autonomy and training) selected for this study were measured using 3-point likert scale with 24-item statements which centered on autonomy, knowledge management, training and development and motivation with the following values attached: low awareness = 1, moderate awareness = 2 and high awareness = 3. Afterwards, the score of each respondent was calculated resulting in a minimum value of 24 (1x24 items) and a maximum value of 72 (3x24 items). The summation of values of responses yielded a minimum score of 24 and

maximum score of 72. The range of the value was 48 and the median was 36. Thus, respondents who scored  $\leq 24$  had low awareness, 25-48 moderate awareness and  $\geq 49$  high awareness.

**Table 4.5.1: Employees' level of Awareness of influence of HRM Practices on Innovation Performance in IB Plc and GN Plc**

<b>Indicators</b>	<b>Average Score (Minimum =1; maximum=3)</b>	
	<b>International Breweries Plc</b>	<b>Guinness Nigeria Plc</b>
<b>Knowledge Management</b>		
Information sharing medium	3.14	2.80
Sharing job related information	2.86	2.84
Effective knowledge sharing system	2.76	2.83
Knowledge sharing on individual competence	2.75	2.88
Sharing of Information within team	2.81	2.87
Impact of knowledge management mechanisms	2.32	2.57
<b>Training and Development</b>		
Effect of training on competency	2.80	2.83
Continuous training on innovation	2.82	2.74
Focus training on employee's creative ability	2.93	2.80
Regular training on employee's creative ability	2.93	2.83
Training on learning and problem solving skills	2.92	2.99
Impact of learning and development on innovation	2.42	2.51
<b>Motivation</b>		
Motivation & innovative work behaviour	2.91	2.92
Recognition/award on employee's creative	2.94	2.99

ability		
Reward system on employee's creativity	2.83	286
Adequate motivation on employee's creativity	2.82	2.85
Good reward system on innovation	2.84	2.88
Effect of adequate motivation on innovation	2.29	2.63
<b>Autonomy</b>		
Freedom to solve job related problems	2.60	2.79
Task freedom on employees' creative ability	2.64	2.76
Freedom to adopt best practices	2.63	2.77
Freedom and idea generation	2.69	2.87
Employees' freedom & risk taking ability	2.59	2.79
Effect of autonomy on innovation	1.91	1.69
<b>Overall Level of Awareness</b>	<b>65.15</b>	<b>66.29</b>

**Source: Fieldwork (2017)**

Table 4.5.1 shows employees level of awareness on the influence of HRM practices on innovation performance in International Breweries Plc and Guinness Nigeria Plc. Result on the overall level of awareness of respondents on the influence of human resource management practices (employee autonomy, knowledge management, motivation and training) in International Breweries Plc showed that a greater proportion (65.15%) are aware, and this is categorised as high level of awareness, indicating that employees in International Breweries Plc are fully aware and understand the importance of human resource management practices in promoting individual creativity and innovation.

Similarly, result on the overall level of awareness of respondents on the influence of human resource management practices (employee autonomy, knowledge management, motivation and training) in Guinness Nigeria Plc showed that a greater proportion (66.29%) are equally aware, and this is categorised as high level of awareness indicating that employees are fully aware

and understand that human resource management practices can promote individual creativity and innovation in Guinness Nigeria Plc. The high level of awareness in the two brewing firms may be attributed to the culture of human relations adopted by the two organisations which is as a result of the type of human resource approach adopted by them.

Specifically, on the strength of the findings from the study, it could be inferred that employees from International Breweries Plc and Guinness Nigeria Plc are aware of how knowledge and information can be transformed into creative ideas which can lead to new product, process or new administrative process. The outcome of the study also indicates that the brewing organisations have open policy and effective communication system. Similarly, the findings equally suggest that employees from the brewing firms enjoy self-rule and independence in conducting their tasks in terms of work process, decision making, and knowledge. This is consistent with Wang and Cheng (2010) who found out that task related job autonomy provides work-related emotional encouragement, which leads to more engagement and creativity. In a related study, Tan and Nasurdin (2010) reiterate that employees who have adequate knowledge and better understanding of management practices and its implications on workers' performance are likely to contribute better than those who did not.

#### **4.6: Effect of Selected HRM Practices on Innovation Performance**

This section investigates the effect of selected human resources management practices (autonomy, knowledge management, training & development and motivation) on innovation performance among the employees of the selected breweries in Edo and Osun State, Nigeria. In order to examine the relationships between the selected HRM practices and innovation performance, multivariate analysis was performed using linear regression model.

#### **4.6.1: Linear Regression Model of Effect of HRM Practices on Innovation Performance**

This study used linear regression to estimate the coefficients of the linear equation, involving four selected human resource management practices (autonomy, knowledge management, training and motivation) variables, which best predict the value of the dependent variable – innovation performance. The models show that the independent variables (HRM practices) were good predictors of innovation performance with the F-score as 4.98 and P-value is less than 0.05 ( $F = 4.98, P < 0.05$ ) in International Breweries Plc, while the F-score in Guinness Nigeria Plc is 2.98 and P-value is less than 0.05 ( $F = 2.98, P < 0.05$ ). The coefficients of determination R-square in International Breweries Plc and Guinness Nigeria Plc are 0.336 and 0.375 ( $R^2 = 0.336, R^2 = 0.375$ ) respectively, indicating that the models are reliable and the independent variables were good predictors of innovation performance among employees. The study also tested and confirmed that the dependent variables are normally distributed. Apparently, human resource management practices variables such as employees' autonomy, knowledge management, motivation and training in brewing firms have significant influence on innovation performance as depicted in table 4.6.1.

**Table 4.6.1: Relationship between HRM Practices and Innovation Performance in IB Plc**

HRM Practices	Standardi zed Coefficien ts	t	P- value
	Beta		
<b>Constant</b>		11.29 3	0.000
Sharing of job related knowledge with team	0.151	1.988	0.048 *
Training and development	0.275	3.115	0.002 *
Training & development of new processes	-0.249	- 3.038	0.003 *
Training & development of new products	0.189	2.478	0.014 *
Freedom to adopt better method on job related issues	-0.222	- 2.103	0.037 *
Freedom on development of new products	0.262	2.999	0.003 *
Recognition and awards	0.337	4.643	0.000 *

**Key: \* Significant at P < 0.05**

Findings from table 4.6.1 shows the relationship between human resources management practices and innovations performance. It appears that the four dimensions of human resource management practices (autonomy, knowledge management, training and development and motivation) have significant effect on innovation performance among employees of International Breweries Plc.

### **Knowledge Management**

Sharing of job related experience has effect on the development of new processes indicating a significant positive association with level of innovation performance. An increase in sharing of job related experience in International Breweries Plc is 0.151 more likely to increase the level of innovation performance among employees of the organisation as unit change would make



its innovations increase, which was statistically significant ( $\beta = 0.151$ ,  $t = 1.988$ ,  $P < 0.05$ ). Knowledge management practices have significant effect on innovation performance in International Breweries Plc, particularly sharing of job related knowledge with team members during project implementation will enhance creativity and innovation among workers in the organisation.

The perception of employees in International Breweries Plc on the influence of knowledge management practices on innovation performance among employees was examined through In-depth Interview (IDI) and Key Informant Interview (KII). Findings revealed how knowledge management system through sharing of job related experience can promote acquisition, institutionalization of skills and competence in enhancing innovation performance among employees, and in turn positioned the organisation for better advantage among competitors. A respondent stated thus:

*One of the major areas knowledge management has helped contribute to innovation is in the area of mediation. Effective sharing of experience, information and knowledge related to jobs play a mediating role between employees and innovation performance. When employees share knowledge among themselves, the flow of knowledge is easy and workers are well equipped with skills needed to transform their performance.*  
**(KII/Male/47 years/IBP/Product and Innovation Manager/2017)**

Similarly, another respondent, when asked about the effect of knowledge management on the contribution of employee to innovation in the organisation, said:

*We have gained a lot from knowledge sharing. The global group refocused our knowledge management system more online and employees to employees' mechanisms. It is easy for us here on the site to come up with any kind of product whether existed elsewhere within the group or entirely new because we have access to what is obtainable in Tanzania, South African, Europe and even America. All we need to do is to add local content and pay attention to our immediate environment.*  
**(IDI/Male/36 years/IBP/HR Manager Generalist/2017)**

The consensus among the respondents from International Breweries Plc was that there is an active knowledge management policy in the organisation. Findings revealed that the global group of the organisation is aware of the importance of knowledge acquisition, sharing and institutionalization of such knowledge in promoting the mandate of the business, particularly creativity and innovation. Accordingly, there are several mediums through which information related to job and the work environments are shared and transferred among the employees of the organisation. Knowledge is shared through team meetings, coaching and on the job/task training programmes. An employee that was sent on training is expected to come back and transfer the knowledge to others either through meetings or formal class room learning. For instance, one of the newest of such medium was an online portal called “**shared learning**”, where employees are expected to share any idea(s) that has been implemented in various departments and sections within the plant and even in the global group.

The intention of the shared learning tools was to improve the process and enhance employee’s level of competencies to deliver better results and contribute to the innovation drive of the business. Most of the information on the shared learning portal, according to the respondents, are ideas that have been put to practice and found to be helpful within the global group. These are experiences that have been proven to have benefitted breweries in different countries within the global group. While explaining the importance of knowledge management and information sharing, a quality control specialist said that the shared leaning platform was a very good way of learning about new things happening in the brewing business and also a way of building the technical know-how of employees particularly within the global group. He further explained:

*We have a platform that we call shared learning, it is a portal that everyone has access t. Just last 3 months, a team from global group visited us and asked us how we treat our water that makes it adjudged the*

*best brewery water in the world. Our water is more than pure; they asked us the success factor which we have shared on our shared learning portal. The information will be available to all our companies within the group worldwide including America, Germany and other parts of the world. The shared learning has impacted on our staff because it assists in building their competency and knowledge of technical know-how. We use ideas, knowledge and information from other parts of the world too as the basis for some of the things we do here, particularly the work process and production efficiency techniques. The share learning makes it easy for us to play with a lot of tested ideas and it has contributed immensely to our innovation here on this site.*

**(IDI/Male/47 years/IBP/Quality Control Manager/2017)**

Providing a corroborating opinion on the important contribution and benefits of having effective knowledge management system in promoting creativity and innovation among employees in International Breweries Plc, a respondent stated that knowledge management system promotes open learning and assists employees to acquire necessary knowledge and technicalities needed to be creative on the job. He further explained:

*Our parent company does not play with knowledge and information. There are several media through which we share and transfer knowledge, experiences and information among ourselves. One of the newest of such is what we refer to as shared learning. Knowledge management has helped the organisation to improve in the area of cost effectiveness and also promote open learning; you can find almost all information on the portal on how to solve most problems.*

**(KII/Male/47 years/IBP/Product and Innovation Manager/2017)**

The findings above showed that there exists a positive relationship (0.048) between knowledge management practice and innovation performance in International Breweries Plc. The findings further showed that sharing of job related knowledge and experience among team members during project implementation might increase the level of innovation performance among employees in the organisation.

## Training and Development

On the effect of training and development on innovation performance, training has effect on the capability of employees to innovate ( $\beta = 0.275$ ,  $t = 3.115$ ,  $P = 0.002$ ). The findings further revealed that training and development (learning and development) has a negative effect on the development of new processes, indicating an inverse relationship. An increase in training and development in International Breweries Plc is -0.249 more likely to decrease the level of innovation performance as unit change would make its innovations decrease, which was statistically significant ( $\beta = -0.249$ ,  $t = -3.038$ ,  $P = 0.003$ ). Interestingly, training and development has positive effect on the development of new products indicating a significant positive association with innovation performance. The influence of training on employees' innovation performance particularly on product development is 0.189 more likely to increase the level of innovation performance as unit change would make its innovation increase, which was statistically significant ( $\beta = 0.189$ ,  $t = 2.478$ ,  $P = 0.014$ ).

Training and development has positive and significant effect on innovation performance among employees in International breweries Plc. Supporting the findings from the regression analysis which shows that training and development has significant and positive effect ( $P = 0.014$ ) on innovation performance in International breweries, the perception of employees on the influence of training and development on innovation performance among employees in the organisation was examined through In-depth Interview (IDI) and Key Informant Interview (KII). Opinions from the qualitative analysis showed that training had assisted the organisation in solving major problems during operations as well as help to reduce the cost of bringing experts from overseas to service equipment and machineries. Accordingly, there are crack teams trained on how to apply “**Fish Bone Analysis**” in other to identify causes of problems on site and apply solution to such problem without delay. The HR business partner in charge of learning and development in International

Breweries Plc during In-depth interview substantiated the fact that brewing organisations considered learning and development as a way of minimizing operational difficulties by having a special team whose function is to assist the organisation to solve major problems creatively. He further explained:

*We have a team that is meant to handle difficult situation when there is problem. We have enhanced the capacity of this team to unravel the causes of any problem in every area of our operation. We have a section called root-cause-problem section which is to do a critical analysis of any problem and know the actual cause of such problem and thereafter brainstorm on how to solve and mitigate such issues in the future; the members of the team are specially trained to dig into what could be the root cause of any issue. (IDI/Male/32years/IBP/HRBP Learning & Development/2017)*

Training is considered as an important part of the strategy deployed for innovation in the International Breweries Plc. According to the findings and opinions from the interviews, majority of the respondents believed that training is needed to up-skilling the competencies of the workforce with the right skill-mix to deliver results especially for creativity and innovation among employees. Again, the interviews revealed that training was considered pertinent in the brewing business in order to ensure the principle of “**First Time Right**”. According to the quality control manager in International Breweries Plc:

*One of the major reasons why we take our training very serious is the idea of “First Time Right”. We don’t expect to rework anything in our process because the consequences may be catastrophic. We have standardized our processes through our standard operating procedures; we always ensure that there is no mistake or error because most of our operations involve materials that we cannot afford to waste including our water. When you go for training and you come back, it is believed that your level of efficiency will improve, and the business will gain from that. After the training, you will submit a report and also teach others what you have learnt and what you think we should inculcate into our business here.*

**(IDI/Male/47 years/IBP/Quality Control Manager/2017)**

Views of respondents during interviews also corroborated the fact that training and development is an essential driver of creativity and innovation among the employees in the organisation. The consensus from the opinions of majority of the respondents suggested that International breweries have a well-articulated learning and development policy for its employees, aimed at promoting the business in the face of competition within the industry. Buttrussing the above, a respondent was quoted thus:

*You cannot talk of any innovation without training, I think the source of any idea in the first place is through training, it helps us adapt to new technology and minimize error, we train our staff for all kinds of new things that emerge. We are producing some foreign blended drinks now here in our plant in Nigeria which is a new product to us. Where do you expect the guys to get the expertise and know-how to blend the brands if not through training?*

**(IDI/Male/40 years/IBP/Distribution Manager/2017)**

The findings above showed that there exists a positive relationship between training and development and innovation performance in International Breweries Plc. The findings further showed that training increases the capability of employees and enhances their creative ability leading to innovation as well as have effect on the development of new product in the organisation.

**Employees' Autonomy**

Employees' autonomy has a positive and significant relationship with innovation performance in International Breweries Plc. Specifically, employees' autonomy has effect on the development of new product, indicating a significant positive association with level of innovation performance among employees in the organisation. The influence of employee autonomy in the organisation is 0.262 more likely to increase the level of innovation performance as unit change would make its innovation increase, which was statistically significant ( $\beta = 0.262$ ,  $t = 2.999$ ,  $P = 0.003$ ). The findings further revealed that freedom to adopt better ways in handling job related issues by the employees in

the brewery has a negative effect on innovation performance indicating an inverse relationship. An increase in workers' autonomy especially on choosing the better way to handle job related issues in International Breweries Plc is -0.222 more likely to decrease the level of innovation performance among employees as unit change would make its innovation decrease, which was statistically significant ( $\beta = -0.222$ ,  $t = -2.103$ ,  $P = 0.037$ ). Autonomy has significant and positive effect on innovation performance among employees in International Breweries Plc particularly on new product development.

Some qualitative data showed how autonomy, particularly during work process has widened their knowledge on the job and encouraged them to learn when faced with challenges of how to make things better. Interestingly, findings from the qualitative analysis revealed that employees' autonomy enhances creativity and innovation performance among employees from International Breweries Plc. The general perception of respondents showed that workers autonomy contributes to employees' innovativeness particularly during product development as well as process and administrative innovation. Both process and administrative innovation were enhanced by employees' autonomy occasioned by some level of freedom in performing their task. Findings from the interviews showed that employees' autonomy particularly during work process has widened employees' knowledge on the job because they learn better when faced with challenges of how to make things better. Although it was revealed that it is extremely difficult for any employee to use autonomy during production or beer making. A senior manager in the production section explained:

*Although, our production processes are standardized, it may be very difficult to use initiative or any form of freedom for producing beer, but to a large extent, the processes of packaging, supply, administrative and marketing activities accommodate so much freedom and our people fully*

*keyed into that with good result to show for it in terms of improvement on our existing routines.*

**(IDI/Male/44 years/IBP/Plant & Brewing Manager/2017)**

A respondent equally said:

*We encourage autonomy here; we give you target but you use your discretion within the rule to achieve the target. Workers go out of their comfort zone to create new things, we allow them to voice their ideas; we use our culture and policy to encourage them to contribute to the system.*

**(KII/Male/39 years/IBP/Marketing & Innovation Manager/2017)**

Accordingly, findings revealed that autonomy during work assist the employees to explore options available to them with a view to coming up with new ideas that will be implemented to drive innovation in the organisation. A senior staff incharge of customer care stated that autonomy allowed employees to voice their opinion and encourage them to go out of their way to bring new things into the organisation, she said:

*Most of the new ideas propelling this organisation at the moment actually come from within this organisation; people go out of their comfort zone to create new things. This is just possible because we allow them to voice their ideas; we use our culture and policy to encourage them to contribute to the system.*

**(IDI/Female/37 years/IBP/ Customer Care Manager/2017)**

Buttressing the above on the contribution of employee's autonomy to innovation performance in International Breweries Plc, a learning and development specialist reiterated that the organisation had already provide the platform for employees to adopt best ways in performing their tasks. He further explained:



*We don't take shortcut but we use common sense. Autonomy in our organisation has levels. For example, people working in the maintenance sections are not expected to always wait for service provider to come and rectify fault on machines. It is their responsibility to always ensure that the machine is working optimally. You can use your initiative to solve problems but with the permission of your line manager and if you are successful, you will be celebrated. We practice workers' autonomy to certain extent. The impact of autonomy on idea generation is high because now people know that they can search for solution and solve their problem themselves through the company's online tools or even on Google search engine.*

**(IDI/Male/36 years/IBP/Learning & Development Manager/2017)**

Findings from the qualitative analysis further revealed that novel and useful ideas from the employees through autonomy played greater role by assisting the organisation to maintain its competitive position in the market during Nigeria's last recession. The management, according to findings from the interviews, challenged the employees particularly the marketing team to come up with strategies to sell products in order to prevent mass loss of job while the recession lasted. According to a senior member of the marketing team during an IDI session, he explained that the team was able to localize innovation in Nigeria for the first time at least in the brewery industry. He further explained:

*Our marketing teams are very smart. During the economic recession; sales were affected due to general price increase. They now resolved to use food items such as semovita, indomie noodles, 25kg bag of rice, spaghetti and other staple foods as "point of sales". Other breweries are giving, T-shirt, Caps, biro, etc. The implication is that if the father goes out to drink in the evening without leaving money for the family or there is no enough food at home, still the father spends the little money available to buy beer. The wife and the children are very sure that he will bring food items to the house no matter how small it may be. So they will be the*

*one to chase their father out to go and drink so that he can bring food or indomie for them. This strategy is a breakthrough for us. The idea came from one of our staff during their meeting and it increased our bottom-line tremendously. This is local innovation but it is marketing strategy, without autonomy this may not be possible.*

**(KII/Male/39 years/IBP/Marketing & Innovation Manager/2017)**

Corroborating the above, a senior staff from the warehouse and distribution section said:

*The impact of workers' autonomy on innovation is positive. We have been able to localize innovation in Nigeria, they don't have the problem of recession in South Africa and the United State for instance, so the innovation we have been able to achieve here is adapted to Nigeria. Our sale is dropping due to the fact that the little money people have, they prefer to use it to buy food which is affecting their purchasing power to buy our products. The staff here brainstormed and came up with that innovation of food items as promotion. This particular innovation came about as a result of autonomy, staff are given the opportunity and freedom to think, suggest and come up with ideas that can increase the bottom line of the organisation. The organisation encourages people because they make use of the previous ideas that were suggested.*

**(IDI/Male/48 years/IBP/Warehouse Manager/2017)**

The perception of respondents in the production section on the influence of autonomy on innovation performance among employees differs from that of staffers working in non-production sections. For employees in non-production units, job autonomy was largely permitted due to the flexible nature of the job roles in non-production functions which can accommodate creativity without affecting the quality of product, but this may not be possible in the production unit. Autonomy in the brewing and production sections is not absolute, particularly in terms of product development and innovation. An idea that could possibly lead to innovation cannot be implemented unilaterally during

production, such idea(s) will be subjected to global experiment and trials before it can be considered for implementation. Corroborating the above, a production manager explained:

*You cannot improve the product because there are standards. Any idea in this direction will be subjected to a very rigorous and stringent trial, but you can improve the process through your initiative as long as it is within the standard operating procedures.*

**(KII/Male/41 years/IBP/Production & Innovation Manager/2017)**

The findings above showed that there exists a positive relationship ( $P=0.003$ ) between employees' autonomy and innovation performance in International Breweries Plc. The findings further showed that employees' autonomy has widened workers' knowledge on the job and encouraged them to learn when faced with challenges of how to make things better, therefore encourages creativity among the employees. Generally, findings from this study suggest that employees' autonomy have significant effect on employees' idea generation and team innovation. It was also evident from the qualitative findings that autonomy contributes to product development and ultimately innovation performance among employees particularly on process and administrative innovation in International Breweries Plc. The above findings support the existing literature (Farooq *et al.* 2015) who found out in their study on human resource practices and innovation that employee's autonomy has always shown to have positive effect on all forms of innovation particularly on tasks that are routine, decision making and changes in work structures and systems.

### **Motivation**

Rewards such as recognition, awards and praises have positive and significant influence on employees' inner drive to be creative, indicating a significant positive association with innovation performance among employees. The influence of motivation on employees is 0.337 more likely to increase the level of innovation as unit change would make its innovation performance

among employees increase, which was statistically significant ( $\beta = 0.337$ ,  $t = 4.643$ ,  $P = 0.000$ ). Motivation has significant and positive effect on innovation performance among employees in International Breweries Plc particularly intrinsic rewards such as recognition and awards will enhance innovation performance among employees in the organisation.

Perception from qualitative analysis in International Breweries Plc showed support for the result from the regression result. Findings revealed that without adequate and appropriate motivation, it may be difficult for employees to be creative and contribute to innovation in the organisation. Opinions from the quantitative analysis concerning the contribution of motivation (reward system) on how employees contribute to innovation performance (product, process and administrative innovation) in International Breweries Plc revealed that without adequate and appropriate motivation it may be difficult for employees to contribute to innovation at all levels of the organisation's operations. The opinions of the respondents showed that other management policies and practices in the brewing firms rely on appropriate motivation strategies without which the organisation may not see the impact of other policies in enhancing performance and innovation. The commitment and ability of employees to be loyal and discharge their duties intelligently was said to be the function of appropriate reward system. One of the respondents who viewed motivation as the most important driver of innovation performance was quoted as:

*Other organisation policies such as training and development will increase employee's skills and performance and help improve their deliverables but that alone cannot drive innovation and creativity; without adequate motivation there is no guarantee that employees will be mindful of their contributions to innovation.*

**(IDI/Male/32 years/IBP/HRBP Learning & Development/2017)**

Buttressing the above, a respondent opined that those intrinsic rewards motivate more because they were meant to boost the morale and also balance the psychology of employees to stay focused on the job. It was revealed that most of the innovations that occurred in International Breweries was because people are aware that at the end there is reward for their ingenuity. This was affirmed from the response of a People's Planning and Performance manager in a corroborating view, he said:

*We reward intelligence, we reward hard work and we reward innovation, the idea here is that let us grow together., The organisation grows and individual employees also grow. If your idea works for the organisation, there are prizes to reward that staff and also it gives that particular staff a recognition as a talent in the business and the company will support the staff more because if they develop him or her very well, he will do more for the business.*

**(KII/Male/39 years/IBP/People Planning & Performance Manager/2017)**

In a different view, a warehouse manager reported thus:

*Most of the innovation that emanated from our site here is just because employees know what is in it for them; you will be recognized as a talent in the business with certificate of award and most times with cash prize. People go extra miles today; they consult far and near on issues because they want to get award for bringing new things into the company.*

**(IDI/Male/48 years/IBP/Warehouse Manager/2017)**

Interestingly, findings from the interviews revealed that all management policies and practices are important and non should be treated in isolation in driving creativity and innovation among employees. For instance, appropriate training without rewards system to encourage employees and promote the culture of creativity may lead to low innovation performance. Similarly, when employees are well trained, there must be an effective knowledge management system through which skills, knowledge and information flow across the

organisations' workforce. Corroborating the above, a senior manager explained that motivation is and can be a good strategy to drive creativity and innovation among employees. He further stated:

*If you give me good training and you are paying me well as a staff, I will do anything for you, I will even call your attention to some factors that can drive the business which you are not paying attention to but if you give me training and you are paying me peanut, I will also return a peanut commitment.*

**(IDI/Male/44 years/IBP/Plant & Brewing Manager/2017)**

There are several motivation and reward policies put in place in the International Breweries Plc to encourage employees in the organisation. Though, both intrinsic and extrinsic reward system were adopted by the organisation as a way of motivating workers, employees are rewarded for outstanding contributions through various awards such as service award, MD award, hero award, best team award, best sales representative award and many other forms of award (intrinsic motivation). Findings from the interviews equally revealed that extrinsic rewards particularly salary and other pays played important role in motivating the employees for creativity. In his word, a senior staff during IDI session explained that workers prefer to get good salary but at the same time they value recognition. Sharing his opinion, he said:

*Rewards play significant role on employees' creativity and innovation performance but I observed that our staff really value what they take home at the end of the month, so we don't allow other forms of rewards to over shadow paying due attention to their pay. (IDI/Male/47 years/IBP/Quality Control Manager/2017)*

Accordingly, this study found out that intrinsic rewards such as recognition and awards were the main techniques used by the organisations to promote individual innovative behaviour. Furthermore, the responses from the

interviews showed that employees in the International Breweries Plc are recognized for any novelty and notable contributions either in the areas of administration or process development. This encouraged employees at all levels making frantic effort and trying very hard to come up with creative things in order to win any of the awards in the organisation. Buttrussing the above, a senior manager during in-depth interview said:

*There are awards modeled to recognize people who have exceptionally delivered. Every quarter we look at people's key contribution and how it affects business positively. This also cuts across leadership behaviour and how it has impacted on the people. In the years when we have done fantastically well, people earn fantastic bonus and in the years we have not done so much, they earn not so much bonus. They know the implication of not doing so well and they always want to earn fantastically. Because people know that achieving their goals will determine how much bonus they will earn at the end of the year, so they guide their goals and explore every new way to deliver their goals. In a way, our reward strategy has really motivated our staff to contribute to innovation in the overall.*

**(IDI/Male/40 years/IBP/Distribution Manager/2017)**

Buttrussing the above, a respondent opined that those intrinsic rewards motivate more because they were meant to boost the morale and also balance the psychology of employees to stay focused on the job. It was revealed that most of the innovation that occurred in International breweries was because people are aware that at the end there is reward for their ingenuity. This was affirmed from the response of a marketing and innovation manager in a corroborating view. He said:

*Specifically, we have some awards meant to boost the morale and also balance the psychology of our staff to stay focused on the job. There is chief operation officer Award, Long service award, Gratitude board, etc. The long service award is meant to recognize people for their loyalty to the company. People who have served the organisation for 10 years and above are the ones entitled to this type of award. The intrinsic reward does more in motivating our people, what we realized was that if you*

*appreciate people for doing something good, it goes a long way. People want to be recognized because it drives them to do more. They want to be at that fame of the world. However, the extrinsic reward also contributes, but we encourage and support more of intrinsic because of its effect on people's psychology.*

**(KII/Male/39 years/IBP/Marketing & Innovation Manager/2017)**

The findings above showed that there exists a positive and significant relationship ( $P= 0.000$ ) between motivation and innovation performance among employees in International Breweries Plc. The findings further showed that intrinsic motivation such as recognition and awards are essential drivers of employees' creativity, and in turn contribute to innovation in the organisation. Perceptions from qualitative analysis also revealed that the reward system (motivation) in International Breweries Plc indeed play, an important role in driving creativity and innovation performance in employees in the organisation. Opinions revealed that the organisation has a reward policy geared towards recognizing and encouraging employees to be committed, stay focused on the job and boost their psychology to think creatively while discharging their duties. This, to a large extent, and in the opinion of this study, is one of the individual factors responsible for high level of innovation performance among employees of International Breweries Plc.



**Table 4.6.2: Relationship between HRM Practices and Innovation Performance in GN Plc**

HRM Practices	Standardized Coefficient	T	P-value
	Beta		
<b>Constant</b>		11.608	0.000
Sharing of job related knowledge & ability to generate new ideas	0.143	2.074	0.039*
Sharing of job related knowledge with team	0.126	1.989	0.048*
Training & development of new products	0.225	3.563	0.000*
Freedom on development of new products	0.188	2.327	0.021*
Recognition and awards	0.161	2.589	0.010*

**Key: \* Significant at P < 0.05**

Findings from table 4.6.2 shows the relationship between human resources management practices and innovations performance in Guinness Nigeria Plc. It appears that the four dimensions of human resource management practices (autonomy, knowledge management, training and development and motivation) have significant effect on innovation performance among employees of the organisation.

### **Knowledge Management**

Sharing of job related knowledge has effects employees' ability to generate new ideas, indicating a significant positive association with innovation performance among employees in the organisation. The influence of sharing of job related knowledge among employees is 0.143 more likely to increase the level of innovations as unit change would make its innovations increase, which was statistically significant ( $\beta = 0.143$ ,  $t = 2.074$ ,  $P = 0.039$ ). Knowledge management practice has significant effect on innovation performance among employees in Guinness Nigeria Plc particularly sharing of job related knowledge will enhance idea generation and in turn foster innovation performance among workers in the organisation. Similarly, sharing of job related knowledge among team members during project implementation has a significant and positive

relation with innovation performance ( $\beta = 0.126$ ,  $t = 1.989$ ,  $P = 0.048$ ). Supporting the findings from the regression result, perception among employees during the qualitative analysis showed that knowledge management and its various mechanisms can support innovation through sharing of knowledge, information and experience that are job related.

Perception of employees from Guinness Nigeria Plc on the contribution of knowledge management practice to innovation performance among employees from the organisation is similar to what is obtainable among employees from International Breweries Plc. Responses among the employees show that, to a large extent, knowledge management system (share, transfer and institutionalization) is one of the key and important strategies adopted by the organisation to enhance creativity and innovation among its employees. It was revealed that employees are sent to breweries in other parts of the world to learn how they implement their processes and come back to replicate those processes for better performance. The management of the organisation believed that learning is important in the process of innovation; therefore, it is important to take a cue from what breweries in other part of the world are doing to meet with customers' demand. Again, because of the developing nature of the country we operate where machines and all the technology are imported, it is equally important for us to acquire the machine and also learn how to make optimal use of the machine, and this is what informed their benchmarking. According to the capability coordinator during the interview session, she said:

*We keep benchmarking ourselves against best breweries in the world, we send our staff out to learn new things and when they come back they share what they have learnt with other colleagues. Go and benchmark and come back and implement, we do this at all levels of our operations; we improve the way we learn by learning from others and learn within ourselves. By this our staff are familiar with best practices in brewing business around the world and this has improved the way the come up*

*with new ideas. (IDI/Female/32 years/Guinness/Capability Coordinator/2017)*

Findings further reveals that job schedule in the organisation is shift based which requires an effective knowledge channel within teams and between shifts. A prominent but new method of transferring knowledge among employees in Guinness Nigeria is referred to as “One Point Lesson” (OPL). It is expected that when problem occurs during shift, the leader of the team must develop an OPL, detailing the causes and the processes through which the problem was resolved with diagram and pictures pointing at each stage and location on the machine. The OPL will be published on the notice board at the shop-floor for staff to learn from that particular experience. Undoubtedly, responses from the interviews conducted revealed that the OPL and its various mechanisms are considered as an important method of sharing information and experiences related to the job due to the shift nature of the work schedule in brewing organisation. The team that resumed in the morning may have no information about the challenges faced by the night-shift team and in most cases the handover note may not be detailed enough to effectively communicate all necessary information, hence the need for effective knowledge management system. To the team and individual staff on shift during the challenge, it is a problem solving situation but to the incoming shift, it is learning and a way of getting to know the root-cause and solution to a problem. According to a respondent:

*One of our prominent but new methods in transferring knowledge which is a complete modification on existing method of knowledge management and information is called “One-Point-Lesson” (OPL). If an issue occurs during operation and a particular team solves that problem and restores the machine or the operational process to normal, the team leader will develop an OPL detailing the process in resolving the problem with explanation and diagram and pictures. This will be pasted on notice board on the shop-floor for staff to learn from that experience. What is actually new about the OPL is the introduction of diagram when you are*

*trying to pass the knowledge, this will enable the learner to understand and see for themselves, where exactly on the machine the OPL is referring to.*

**(IDI/Male/38 years/Guinness/Senior Brewing Manager/2017)**

Buttressing the above, a senior packaging manager said:

*We consider knowledge management and its sharing mechanisms as an intervening factor between organisational factor and performance outcomes. Our OPL has been useful by providing guideline to staff who just resume shift because the handover note is shared between team leaders, but the OPL detailing the causes and solution to a particular issue with diagram is displayed at the shop floor for every staff to see.*

**(IDI/Male/46 years/Guinness/ Senior Packaging Manager/2017)**

Supporting the views that knowledge management can enhance innovation performance among employees, one of the respondents explained that knowledge sharing plays a mediating role between required skills, competencies and information required to promote creativity and innovation among workers. He was quoted as thus:

*We improve our processes by sharing from what has been tested in other parts of the world and at the end learn how to modify our processes. We may not have frequently come up with new products through knowledge sharing but we redesigned our bottles, we changed labels and sometimes we reformulated to change the taste and introduced perception of better quality. Whichever way, it is still innovation because improvement, they say, is also innovation.*

**(IDI/Male/47 years/Guinness/Senior Packaging Manager/2017)**

The findings above showed that there exists a positive relationship ( $P=0.039, 0.048$ ) between knowledge management practice and innovation performance among employees in Guinness Nigeria Plc. The findings further showed that sharing of job related knowledge with team members during project implementation will increase idea generation which is the basis for creativity and innovation among employees.

## **Training and Development**

Training and development has a positive and significant relationship with innovation performance in Guinness Nigeria Plc. Continuous focus on training has positive effect on the development of new product, indicating a significant positive association with innovation performance among employees in the organisation. The influence of training and development among employees of Guinness Nigeria Plc is 0.225 more likely to increase innovation performance, as unit change in training activities would make its innovations increase, which was statistically significant ( $\beta = 0.225$ ,  $t = 3.563$ ,  $P = 0.000$ ). Training has significant effect on innovation performance among employees in Guinness Nigeria Plc particularly towards new product development in the organisation.

Supporting the findings obtained from the regression result; views from the qualitative analysis showed that training programmes in Guinness Nigeria Plc provide support for employees to enhance their competencies and in turn increase the level of their creativity and innovation. Findings further revealed that training programmes are modeled towards the modern pattern of 70/20/10 in Guinness. It was further noted that GN Plc has since abolished 100% class room training method because it was more theoretical in nature; the 70% was designed to be on-the-job-training. Employees are expected to gain hands-on skills and experience during operations and production in order to learn directly from the job itself. Only 20% training is expected to take place in the classroom, while 10% is for self-development by individual employees. According to one of the respondents, the 70/20/10 model has more impact on employees than the class room training since it comes with assessment and it is more practical since employees can connect directly to what they are learning rather than a mere theory or abstract teaching. In line with the above, a senior staff who works in the packaging department further explained:

*This new model, 70/20/10 training also comes with Follow-Up-Assessment where we expect the staff to demonstrate what they have*

*learnt, so it not free, you need to convince us that you can put what you have learnt into use. Any employee who went through training and during the follow-up assessment did not meet up with our expectation will be asked to go.*

**(IDI/Male/47 years/Guinness/Senior Packaging Manager/2017)**

Employees are expected to gain hands-on skills and experience during operations and when the work is on going in order to learn directly from the job itself. Only 20% training is expected to take place in the classroom while 10% is for self-development by individual employees. According to one of the respondents, the new method (70/20/10) has more impact on employees than the class room because it comes with assessment and it is more practical since employees can connect directly to what they are learning rather than a mere theory or abstract teaching. According to the safety manager from Guinness Nigeria Plc, the current training model in the organisation is specifically designed to promote creativity and improve all the brands of the organisation. He explained further:

*This new model, 70/20/10 training also comes with Follow-Up-Assessment where we expect the staff to demonstrate what they have learnt, so it not free, you need to convince us that you can put what you have learnt into use. Any officer who went through training and during the follow-up assessment did not meet up with our expectation, will be asked to go. When we set our business objectives at the beginning of the year, we also look at what we need to do in terms of skill acquisition to meet up with our targets. Training drives our innovation, If you want to change or improve your process and also improve brands you need to learn how to do things better than how you used to do it before. Even in selling new brands, staff must find a different way to communicate this to the consumers. We don't play with training because we know what it means. (IDI/Male/41 years/Guinness/Safety Manager/2017)*

Corroborating the views on the important contribution of training and development to innovation performance, a senior staff coordinating training activities in the organisation explains:

*When we set our business objectives at the beginning of the year, we also look at what we need to do in terms of skill acquisition to meet up with our targets. Training drives our innovation, if you want to change or improve your process and also improve brands you need to learn how to do things better. We don't play with training because we know what it means.*

**(IDI/Female/32 years/Guinness/Capability Coordinator/2017)**

Buttressing earlier opinions on the contribution of training and development to how employees enhance their skills and capabilities to show more creativity on their job and contribute to innovation, a senior staff said:

*You cannot talk of any innovation without training, I think the source of any idea in the first place is through training, training help us to operate and adapt to new technology in other to optimize our process, we train our staff for all kinds of new things that emerge. We are producing spirit now here in our plant in Nigeria which is a new product to us, where do you expect the guys to get the expertise and know-how to blend the spirit if not through training. We can't just do anything without training here because there is no room for mistake in our business, it is training that drives all that we do here, we send our staff to brewing schools in UK so that they can learn new thing and give us new ideas to work with.*

**(IDI/Female/35years/Guinness/Compliance Manager/2017)**

Perceptions across the organisation when asked about the contribution of training and development on innovation performance among employees did not differ. Views suggested that training will advance the growth of employees' requisite skills and their potential to learn which will enable them generate new understanding and ideas that will be useful to develop or improve process, product and administrative procedures and practices. Their opinions also reflected that out of several management practices that abound in the organisation, training and development is a precursor to all lines of operations in the brewery, including innovation. Furthermore, responses showed that training was seen to have impacted necessary skills and competencies on the workers which in turn sharpen their innovative capabilities and skills in production,



processes and management as a whole in everyday activities. The findings support existing literature by Tan and Nasurdin (2011) in their study on human resource management and innovation, who found that training and development has positive effect on all levels of innovation. Also, a similar study, Oltra and Alegre (2011) found that training and other supportive HR practices such as recruitment and job level autonomy are predictors of innovation performance.

### **Employees' Autonomy**

Employees' autonomy has significant and positive effect on the development of new product indicating a significant positive association with level of innovation performance. The influence of employee autonomy in the organisation is 0.188 more likely to increase the level of innovations as unit change would make its innovation increase, which was statistically significant ( $\beta = 0.188$ ,  $t = 2.327$ ,  $P = 0.021$ ). Autonomy has significant and positive influence on innovation performance among employees of Guinness Nigeria Plc particularly on new product development. Findings from qualitative analysis in Guinness Nigeria Plc was similar to what was obtained in International Breweries Plc. Supporting the views on the contributions of autonomy to innovation performance among employees, findings revealed that it is very difficult to exercise autonomy or use discretion during product development and production process because there are standard operating procedures, formula and recipe for producing beer and other products. A respondent who is a production engineer was quoted thus:

*You cannot use your discretion to produce beer, there is a formula and recipe, there is nothing like freedom or autonomy when it comes to production. There is no way you can interfere with the process of beer making, you enjoy freedom and use discretion in the area of decision making and marketing department. These are free thinking departments where ideas that can break new grounds are needed. You cannot use your discretion to determine the*

*quality of a beer. (IDI/Male/50 years/Guinness/Eng & Asset Care Manager/2017)*

Corroborating the above was the response from a senior manager, he reported thus:

*I think to a large extent; autonomy is very much part of us. Take for instance, we encourage first name culture here, the cleaner at the shop floor calls the MD by his first name so, that naturally breaks barrier in terms of communication between you and, may be, your associate or your boss. Everybody is free to speak and that is number one. We also have various tiers of meetings, we have tiers 1- 4 meetings where employees are expected to express what they feel about the business, about their performance and make contributions on what they feel can improve the business.*

**(IDI/Male/38 years/Guinness/Senior Brewing Manager/2017)**

The regression results obtained from Guinness Nigeria Plc on the effect of employees' autonomy on innovation performance showed that workers autonomy was significant with innovation performance particularly new product development. Similarly, interviews from the two organisations revealed that autonomy can be more applicable in the free thinking departments like innovation and marketing department. It was further revealed that employees were not allowed to use their discretion during product design, development and during production process.

## **Motivation**

Rewards such as recognition, awards and praise have effect on employees' inner drive to be creative indicating a significant positive association with innovation. The influence of motivation on employee is 0.161 more likely to increase the level of innovation performance as unit change would make its innovation increase, which was statistically significant ( $\beta = 0.161$ ,  $t = 2.589$ ,  $P = 0.010$ ). Motivation has significant effect on innovation performance among employees in Guinness Nigeria Plc particularly intrinsic rewards such as recognition and awards will enhance innovation performance among employees in the organisation. The qualitative findings from Guinness Nigeria revealed similar results with that of International Breweries. It was noted that in

addition to the intrinsic rewards such as award and recognition, extrinsic rewards particularly salary and other perks played important role in motivating the employees for creativity. This was affirmed by a senior staff who explained that employees prefer to get good salary but at the same time they value award and recognition. Sharing his experience, he said:

*Rewards plays significant role on employees' creativity and innovation but I observed that our staff really value what they take home at the end of the month, so we don't allow other forms of rewards to over shadow paying due attention to their pay.*

**(IDI/Female/35years/Guinness/Compliance Manager/2017)**

Supporting the views on the important contribution of motivation to innovation performance among employees, a senior staff who works at the safety and compliance department explained:

*The idea of recognizing workers for their novelty and contribution to innovation is key to how they come up with different ideas; workers win awards and cash prizes for their ingenuity. Within teams, employees have displayed brilliancy and help solve real problem that may have cost the company big money and time to fix.*

**(IDI/Male/41 years/Guinness/Safety Manager/2017)**

Similar to the finding from International Breweries Plc, motivation and reward system policy in the Guinness Nigeria is encouraging, though both intrinsic and extrinsic reward system were adopted. Employees are rewarded for outstanding contributions through various awards such as service award, Managing Director's award, hero award, best team award, best sales representative award and many other forms of award (intrinsic motivation). Also, it was noted from the interviews that extrinsic rewards particularly salary and other perks played important role in motivating the employees for creativity. This was affirmed by a senior staff that people prefer to get good salary but at the same time they value recognition. Buttressing the point on the effect of motivation on organisational innovation, a senior staff, who is also an

executive of National Union of Food, Beverage and Tobacco Employees (NUFBTE) explained:

*Any notable thing will be recognized; we have exceptional performance award every 3 months; the overall winner will go home with one million naira. We have achievement award which is called “make a difference Award” where the overall winner gets one million naira. People look forward to win these awards and in the course of doing that they try to be creative and make difference in the scheme of things. The idea of recognizing people for their novelty is key to how people come up with different ideas, it really encourages people to do more, almost all staff are trying in one way or the other to win the award because aside from the money, you may also enjoy all expenses paid trip abroad with your family. Within the teams, people have displayed brilliancy, they generate ideas and help solve real problem that may have cost the company big money and time to fix. Sometimes this problem may lead to stoppage in production but with creative mind of our staff they resolve those issues proactively. (IDI/Male/41 years/Guinness/NUFBTE Executive/2017)*

Corroborating the above with a different view, a production specialist sharing his opinion and experience on the issue noted that motivation, particularly the intrinsic aspect of reward is very important to how the organisations encourage creativity and enhance innovation because the aim was to improve the psychology of employees to be creative on the job and contribute to innovation. He said:

*Our guys at the shop floor value appreciation, when they do something and you appreciate them, they show more commitment. We appreciate people for any kind of unique things that they do even if you have a unique attitude that is impactful positively. One of the things I noticed was that our guys want you to sympathize with them, if you do that they can go to any length to deliver result. (IDI/Male/38 years/Guinness/Plant Manager/2017)*

However, it is noteworthy to mention that some respondents from Guinness Nigeria believed that there are some policies that were introduced recently that have demoralizing effect on employees and thereby inhibiting their creativity. Findings revealed that there is a core casualization policy in which permanent staff have their employment converted to contract appointment. By implication, the effect on employees was a perception of job insecurity leading to fear and less commitment. According to a respondent, employees only focus on whatever task the organisation assigned to them in order to keep their job but show no concern about creativity and innovation. A senior manager who perceived that the development has created fear of job loss said:

*We started a policy that is discouraging; the company said there was redundancy in the system and therefore started to rightsize, reduced number of employees in order to reduce cost. I can say this is what is called core casualization which is what is happening in major multinationals in Nigeria at the moment. The company reduced number of permanent staff and replaced with contract staff. This is against the principle of motivation. Let me be sincere with you, people are not motivated because of this new trend. How can you be paying someone ₦55,000? He is skilled, he knows the job, this is somebody you sacked., He was earning like ₦300,000 before your relieved him of his appointment and you are now paying ₦55,000 as a contract staff. How do you want such person to be happy on the job? After you sacked him, you now offered him a job as a contractor within the same company where his former colleagues still hold a permanent job with juicy salary Those of us that remain on the job are very fearful and skeptical, because I know it can get to me soon, I can be relieved of my job anytime, there is no way I can be creative. It all started like a year ago. The company policy recently is not motivating, our morale is sick, we are fearful and pay less attention to being creative, we only pursue survival by ensuring that our task did not suffer. I only do what they ask not to do and did not worry myself on any creativity or innovation.*

**(IDI/Male/38 years/Guinness/Senior Brewing Manager/2017)**

Generally, from the above perception, motivation is considered as the most vital to the creative ability of employees leading to increased innovation

performance among employees in the organisation. The views from International breweries and Guinness Nigeria Plc suggest that motivation plays an important role in the process of innovation. The regression results from the two breweries also show that motivation has positive and significant effect on innovation performance among employees in the two organisations. This is consistent with the findings of Amabile (2008) who found that the impact of motivation on creativity and innovation depends on the form of motivation (intrinsic or extrinsic) and the perception of various actors involved in the process of innovation.

#### **4.7 Challenges and Benefits Associated with HRM Practices and Innovation Performance**

This section discusses the challenges and benefits associated with the implementation of human resource management practices particularly in relation to innovation performance in International Breweries and Guinness Nigeria Plc. Five factors each were identified in line with the study of Tan & Nasuridin (2005) and Khan & Thuan (2007) using 5-point likert scale. For the challenges, the factors are: inadequate knowledge, inadequate financial provision, volatile work environment, lack of support from management and fear of change by employees. Similarly, the benefits are: contribution to product development, provision of adequate motivation, availability of job related skills, exposure to new development and improvement on how to perform job.

It is important to note that in measuring the challenges and benefits associated with innovation performance among employees from the selected breweries, percentage distribution was adopted. Applying the 5-point likert scale in the measurement, strongly agree, agree and moderate were summed as 'Yes', while strongly disagree and disagree are summed as 'No'. Though, only the 'Yes' is reported in percentages as shown in table 4.7.2.



**Table 4.7.1: Distribution of Challenges and Benefits Associated with Innovation Performance in IB Plc and HN Plc**

<b>Indicators</b>	<b>Percentage Score</b> <b>Minimum =1; Maximum = 5</b>	
	<b>International Breweries Plc</b> <b>(% Yes)</b>	<b>Guinness Nigeria Plc</b> <b>(% Yes)</b>
<b>Challenge</b>		
Inadequate Knowledge	99.1	93.7
Inadequate Financial Provision	92.8	90.6
Volatile Working Environment	90.2	93.8
Lack of Support from Management	91.9	94.6
Employees do not embrace Change	91.0	93.4
<b>Benefits</b>		
Contribute to Product Development	59.7	84.3
Provide Adequate Motivation	58.8	77.4
Increase Availability of job related Skills	59.7	58.1
Exposed Employees to new Development	57.5	54.3
Improvement on job Performance	51.5	51.1

**Source: Fieldwork (2017)**



Table 4.7.1 shows that over 90% of the respondents from International Breweries Plc and Guinness Nigeria Plc agreed that inadequate knowledge about human resource management practices; inadequate financial provisions; volatile working environment; lack of support from Management as well as the fear to embrace change by the employees are all challenges associated with human resource management practices in promoting innovation performance among employees. Although, inadequate knowledge (99.1%) is the most challenging factor in International breweries Plc while lack of support from the management during the implementation of human resource management practices towards enhancing innovation performance among employees (94.6%) is the most challenging factor in Guinness Nigeria Plc. Result from table 4.7.1 further shows that 59.7% of the respondents agreed to the fact that effective and innovative human resource management practices contribute to product development as well as increase the availability of job related skills among employees. Similarly, 84.3% of the respondents believed that human resource management practices play a vital role in the process of product development in Guinness Nigeria Plc, while 77.4% of the respondents agreed that human resource management practices provide adequate motivation for employees which in turn drive employees' creativity and increase their level of innovation performance.

The findings above were supported by the qualitative analysis from the two organisations. Views from respondents in International Breweries Plc showed that employees did not trust management when changes are being introduced either at the production line or on policy that relates to employees' welfare. Opinions showed that workers believed that organisation introduces policies when they want to minimize cost or relieve some staff of their job. One of the respondents reported thus:

*We are aware that not all policies are bad but some of our staff suffer anytime policy is introduced. Most times they lose their job, so any time they talk about policy, we know that some staff will go.*

**(IDI/Male/47 years/IBP/Quality Control Manager/2017)**

Findings further revealed that employees in Guinness Nigeria Plc do not always have adequate information about policies introduced in the organisation. Views from the organisation suggest that most policies were introduced without the input of employees on site which according to them did not allow them to have knowledge about what management intends to achieve with such policy. Supporting the above was a senior staff in the packaging department said:

*We know that the world is changing and we must change with it but we need to know where the change is taking us to and why we are changing. Staff needs to know the purpose and what a particular policy is meant to achieve because we are the one the policy will affect most.*

**(IDI/Male/47 years/Guinness/Senior Packaging Manager/2017)**

Supporting the findings from the two organisations on the benefits derived from the implementation of HRM practices in relation to innovation performance, the qualitative analysis showed that some of the HR policies and practices introduced by the management of International Breweries Plc and Guinness Nigeria Plc particularly in the area of training and various knowledge sharing tools assist employees to perform more efficiently on their job; as well as expose them to new development in their various line of duties. Of note were the contributions of human resources management to product development process and provision of motivation to employees leading to creativity. One respondent explained that the benefit of training and access to information on best practices in the brewery business across the world helps them to develop new skills faster and improve employees' creative ability. According to him:

*There are some HR practices in this organisation that are good, our training policies provides employees the opportunity to learn almost everything in brewery business and this is assisting us to improve on what we do here everyday*

**(IDI/Male/32 years/IBP/HRBP Learning & Development/2017)**

In a different view, a senior staff in the brewing section reported thus:

*One of the best things that happen to workers in this site is that there is no restriction to information relating to our duty, we learn and we share, and it improves our skills and results. (IDI/Male/44 years/IBP/Brewing Manager/2017)*

Similarly, a respondent who confirmed that some HR policies and practices provide employees the opportunity to be aware and expose them to emerging issues and development in their functional areas of duties said:

*The knowledge policy of this organisation allowed us to have access to any ground breaking innovation within the global group. Within the shortest possible time, we are aware of new things that happen in the world of brewery.*

**(IDI/Female/37 years/Guinness/Customer Care Manager/2017)**

It is noteworthy that the two organisations differ in terms of benefit derived from the implementation of human resource management practices in relation to innovation performance. While contribution to product development and increase in availability of job related skills are the most benefits derived by International Breweries Plc, respondents from Guinness Nigeria Plc believed that human resource management practice provide adequate motivation for employee to be creative and contribute to the process of product development in the organisation.

#### **4.8 Discussion of findings**

Human Resource Management Practices (HRMP) have been considered to have a crucial role in stimulating innovation processes in firms by affecting individual creativity in order to foster innovation performance among employees

in the organisation. The practices of human resource management can influence and shape attitude, behaviour and skills of individuals; and also important to whether organisations deliver an innovation that corresponds with their goals. The study was conducted among the employees of International Breweries Plc and Guinness Nigeria Plc; and adopted quantitative and qualitative approach to source for information. The study's main instrument of data collection was questionnaire and interviews. The major variable for the study were employees' autonomy, knowledge management, motivation and training & development (HRMP), and innovation performance (product, process and administrative innovation). Majority of the respondents (73.3%) were within the age bracket of 23-37 years, while 42.6% and 43% had first degree from International breweries and Guinness Nigeria Plc respectively. There are also more males in both organisations 72.6%.

The first objective examined the predominant human resource management practices and approach in IB Plc and GN Plc. Findings from the study showed that the four dimensions of human resource management practices selected for this study are in existence in the two organisations. Training and development was the most predominant HR practice (43.5% and 51.6%) from International breweries and Guinness Nigeria Plc respectively, while employees' autonomy was the least predominant in both organisations. However, other practices such as recruitment, performance appraisal and workers' participation were also noticed to be some of the practices in existence in the organisations. On the type of HR approach adopted by the organisations, majority of the respondents in International breweries were of the opinion that the HR approach in the organisation is more of employees centered (46.2%), while 35.7% of respondents from Guinness believed that the approach in their organisation is synergetic (combination of soft and hard approach). The finding was supported by views and perceptions from qualitative analysis. The purpose for which this

study examined the predominant types of HRM practices in the selected breweries was to ascertain whether the type of human resources management practices adopted in the selected organisation are innovative-based HR practices. This is particularly important because certain human resource management practices are considered in the innovation management literature as being strategic in facilitating innovation performance among employees (Beugelsdijk, 2008). For instance, Janssen (2014) in his study on the influence of human resource management practices on innovative work behaviour found that eight human resource management practices are observed to be most prominent and significantly influence Innovative Work Behaviour (IWB) and innovation performance among employees in the organisation. These practices are: employees' autonomy, task composition, training & development, reward (motivation), job demand, feedback, job insecurity, and job rotation. Similarly, Jiménez-Jiménez and Sanz-Valle (2008) stated that the innovation-triggering HRM system has been refined and positively tested. Specifically, practices such as flexible job design and empowerment (autonomy), team work, effective knowledge management system, motivation (inclusive reward system) extensive and long-term oriented training, broad career opportunities, behaviour-based appraisal are all considered to be positively related to innovation performance.

The second objective examined the level of innovation performance (product, process and administrative innovation) in IB Plc and GN Plc, drawing from the four classification presented by Tidd and Bessant (2007) as modified by this study. Results from this study shows that the levels of innovation performance in both breweries are similar. Innovation performance among employees of International Breweries Plc and Guinness Nigeria Plc are strong with the average scores as 3.91 and 3.73 respectively which are located in the third category on the classification table. Both organisations according to the findings of this study are at the strategic level indicating a strong innovation performance. The study further showed that the employees in International

Breweries Plc performed better than employees in Guinness Nigeria Plc, particularly in product innovation.

The third objective examined employees' level of awareness about the influence of the four dimensions of HRM practices on innovation performance among the employees of the selected brewing firms. Findings showed that employees' level of awareness in both firms indicates that they are fully aware of the benefit and impact of HRM practices on innovation performance. The overall levels of awareness of the four dimensions of human resource management practices in both organisations were  $\geq 49$  indicating a high level of awareness. The two organisations are similar in terms of level of awareness about the influence of human resource management practices on innovation performance.

The fourth objective investigated the effects of specific human resource management practices (employee autonomy, knowledge management, motivation and training and development) on innovation performance among employees of the selected brewing firms. The regression results showed that the four dimensions of human resource management practices selected for the study have significant and positive influence on innovation performance among employees of the selected breweries. There exists a positive significant relationship between autonomy, knowledge management, motivation and training and development ( $p < 0.05$ ) and innovation performance in the two breweries. Findings showed that knowledge management has significant effect on the development of new processes, while training and development showed positive significant effect on development of new products; and capability of the breweries to innovate. Similarly, employee autonomy showed a positive and significant effect on the development of new product and process, while motivation has positive effect on employee creative ability to contribute to innovation in the two organisations. These findings were also supported by

qualitative analysis. This is consistent with the study of Ebiasuode, Onuoha and Nwede (2017) on human resource management practices and innovation in banks who reported that human resource management practices have significant and positive influence on innovation performance and that management should reward employee's creativity and place value on management practices that foster developing new ideas into new products, process, object and services. Also, Oltra and Alegre (2011) found positive relationship between learning and development, employee autonomy, and knowledge management and all measures of innovation performance; and that innovative-based HR practices are essential drivers of innovation performance among employees.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

This chapter presents a brief summary and conclusion of the study. The rationale and objectives as well as the extrapolations drawn from the findings of this study are included in this chapter. Recommendations, limitations and suggestions for further studies are also presented. All necessary information about the references consulted and research instruments used for this study are added. Also, comprehensive regression tables showing the overall outcome of

the regression analysis conducted in this study for the selected organisations are also included.

## **5.1 Summary of Findings**

Findings from this study particularly on the influence of human resource management such as autonomy, motivation and learning and development on innovation performance among employees in the selected breweries reiterate the tenets of social exchange theory and componential theory of creativity and innovation. The two organisations invested in learning and development and knowledge transfer mechanisms and these undoubtedly led to reciprocal relationships. Findings particularly from qualitative analysis revealed that there exists trust between the employees and their respective organisations leading to a relationship of obligation and reward from the two parties as stated by Blau (1964) in social exchange theory. Accordingly, the management practices component of the componential theory of creativity and innovation by Amabile (1997) holds and suggests that management at all levels, and most importantly at the individual and project levels must encourage and allow some degree of freedom or autonomy in the conduct of employees' task in order to foster creativity and innovation. As noted from the findings of this study, granting some level of autonomy to employees in the selected breweries encouraged them to adopt better methods on job related issues and make significant contribution to new product development in the organisations.

Closely related to the management practice is the component of task motivation which is a distinctive factor in driving innovation performance both at the employee and organisational level. As shown in the regression results in table 4.5.1 and 4.5.2, intrinsic motivation (reward, praises and recognition) showed a positive influence on employees' inner drive to be creative in both breweries. The result obtained from this study confirmed the outcomes of contemporary research and theories on creativity and innovation management



about the effect of motivation (intrinsic) on employees' propensity to learn and assimilate, thereby shaping individual cognitive representation about innovation. As reflected in the theory (CTCI), intrinsic motivation plays an important role in innovation process and can promote innovative work behaviour among employees in the organisation.

Results from the last objective revealed that inadequate knowledge about human resource management practices; inadequate financial provisions; volatile working environment; lack of support from Management as well as fear of changes by the employees of the organisation are all challenges associated with the implementation of human resource management practices in relation to innovation performance in both breweries. Result further shows that human resource management practices contribute to the process of product development as well as increase the availability of job related skills among employees in International Breweries Plc, while it plays a vital role in the process of product development and provide adequate motivation for employees in Guinness Nigeria Plc which in turn drives innovation performance among employees in the organisation. This result is consistent with the findings of Tan and Nasuridin (2005) who found out in their study that most employees in the manufacturing organisations do not always have adequate knowledge about the benefits of HR practices, leading to fear that those practices are meant to punish workers. This is in line with previous studies who found from their study that organisations' whose HR approach is not employees oriented are more favoured to personnel practices and do not support most human resource management practices that will promote inclusiveness and employee participation in decision making, hence inhibiting creativity and innovation.

Employees see human resource management practices as the firms' commitment to them which represents a form of exchange whereby benefits received through organisations' HRM practices make the employees feel obligated and reciprocate with commitment to the organisation. Specifically,

workers evaluate the equity of the exchange by comparing their inputs and output with those of other colleague and only if each party perceives equity in relation to the exchange does a reciprocal relationship arise wherein each feels indebted to the other. This in turn will elicit innovative behaviour as a result of extra-role an employee will perform in addition to the expected daily task originally assigned. This study also provides empirical evidence in support of the tenets of componential theory of creativity and innovation that resources (employees), management practices and task motivation (HR practices) are essential factors that can be strengthening to promote innovation performance among employees. Thus, it debunks the usual assertion that organisations only need finances, R&D and technology to enhance innovation performance. Below are summary of major findings from the study:

- The study examined the predominant HRMP and approach in the organisations. Findings from the results showed that the four dimensions of human resource management practices selected for this study are in existence in the organisations. Training was the most predominant practice in International breweries and Guinness Nigeria Plc (43.5% and 51.6%) respectively. The human resource approaches adopted by IB Plc and GN Plc are employees oriented and Synergetic respective.
- On the level of innovation performance, employees in both breweries (International Breweries Plc and Guinness Nigeria Plc) are strong in terms of innovation performance. The levels of innovation performance among the employees in the two breweries were located in the third category on the Tidd and Bessant classification (as modified) indicating a strong innovation performance at the strategic levels.

- Employees' level of awareness in international breweries and Guinness Nigeria was similar. Level of awareness about the influence of the four dimensions of human resource management practices on innovation performance in both organisations were high, indicating that employees fully understand the importance of HRM practice in promoting innovation performance.
- On the effect of human resource management practices on innovation performance among employees in the selected breweries, the four dimensions of human resource management (autonomy, knowledge management, motivation and training and development) have positive significant effect on innovation performance among employees of International Breweries Plc and Guinness Nigeria Plc.
- Inadequate knowledge about human resource management practices; inadequate financial provisions; volatile working environment; lack of support from Management as well as the fear to embrace changes by the employees of the organisation are all challenges associated with the implementation of human resource management practices in relation to innovation performance. Contribution to product development, availability of job related skills among employees and provision of adequate motivation are some of the benefits derived from the implementation of human resource management practices towards enhancing innovation performance among employees in the two breweries.

**Table 5.1.1: Summary of Findings**

S/n	Variable Measured	Findings	
		International	Guinness Nigeria Plc

		<b>Breweries Plc</b>	
1	Predominant HR practices Predominant human resource Approach	Training & Development Employees Centered	Training & Development Synergetic Approach
2	Levels of Innovation Performance	Strategic Level Strong Innovation Performance	Strategic Level Strong Innovation Performance
3	Employee Levels of awareness:	High level of awareness	High level of awareness
4	Effect of human resource management practices on Innovation Performance	Significant	Significant

## **5.2 Conclusion**

The following conclusions are derived from the study. One, it can be concluded that organisational and individual factors such as human resource management practices play an important role in enhancing innovation performance among employees. Two, it can also be concluded that the levels of innovation performance (product, process and administrative innovation) in both breweries are strong, which may not be unconnected with the type of HR practices and approaches adopted by the organisations. Three, it can be further concluded that employees are aware about the influence of human resource management practices on innovation performance. Fourthly, it can be concluded that there is a positive and significant relationship between the four human resource management practices selected and innovation performance in the two selected breweries. Finally, it can be concluded from the study that human resource management practices have constructive and mediating effect on innovation performance among employees of the two brewing firms; though the extent of effects depends largely on the nature of business, organisational context and the work environment in different organisations.

## **5.3 Recommendations**

Human resource management practices are crucial to how organisations influence and shape the attitude, behaviours and skills of individual employees to enhance innovation performance. In line with the findings from this study, the following recommendations are proposed:

1. The role of human resource management practices in enhancing creativity and innovation performance among employees cannot be over-emphasized, hence employees should embrace and show more support towards the implementation of human resource management practices since it creates the necessary atmosphere and supportive environment for creativity and innovation.

2. Organisation should recognize that apart from financial resources, research & development activities and technology; organisational and individual factors such as managerial expectations, organisational structures, practices and procedures (i.e supportive HR practices) are essential requirements to build socially rewarding relationship that can promote trust, commitment and norms of reciprocity between actors in the organisation to foster innovation performance.

2. Employees need to realize that technology and financial rewards are not the only requirement for creativity and better innovation performance; therefore, they should maximize the opportunity provided by the organisation through up-skilling, knowledge sharing and motivation to improve their competencies and relationship towards creativity and innovation.

4. Top management and HR managers should identify and focus on HRM practices that can contribute to innovation performance among employees in their type of industry and also understand that each HR practice has varied degree of effects on different types of innovation; and therefore avoid decisions based on system effect of human resource management practices on innovation performance.

5. For successful innovation, organisations need to effectively adopt and implement innovation-based human resource management practices to

encourage and support employees' creative thinking and innovation in order to foster innovation performance among the employees.

#### **5.4 Contributions to Knowledge**

The study adds to knowledge on the effect of individual human resource management practices on innovation performance among employees in brewing firms in Nigeria. Specifically, the study made contributions to the existing body of knowledge as follows:

1. Filled existing gaps in the area of the effect of human resource management practices on innovation performance among employees in brewing firms in Nigeria, thus, the study contributes to the existing literature on the relative and mediating role of HRM practices on innovation performance among employees in the brewing firms in Nigeria.
2. Provided empirical evidence that organisational and individual factors such as HRM practices can be strengthened to promote innovation performance among employees through management practices that can encourage trust, motivation, commitment, expertise and norms of reciprocity. Thus, it debunks the usual assertion that organisations only need finances, R&D and technology to enhance innovation.
3. Documented that the influence of specific human resource management practices on innovation varies and not of equal proportion, especially in the Nigerian brewery industry.

#### **5.5 Limitations and Suggestion for Further Research**

Although this study to certain extent has provided empirical support on the influence of human resource management practice on innovation performance, it does have some limitations. One of the major limitations of this study is the limited coverage of brewing plants in Nigeria due to company policy stipulating plants and site locations where the study can be carried out. The present study is restricted to two brewing firms in Nigeria. The results of this study cannot be generalized for other samples within the manufacturing sector in Nigeria, so further research should be replicated with another sample from different sub-sector within the manufacturing sector to advance generalization.

Based on the findings and experience from this study, it is suggested that future research investigating the link, influence and effect of human resource management practices on innovation performance should emphasize more on qualitative methods due to the fact that investigation into the phenomenon requires detailed and in-depth knowledge of the subject matter which may be difficult to achieve through quantitative technique alone.



## References

- Adeyeye, T. C. 2014. The Impact of Technological Innovation on Organisational Performance. *Industrial Engineering Letter*, vol.3 No. 3, P. 310-321.
- Alavi, M., and Leidner, D. E. 2001. Review Knowledge Management and Knowledge Management Systems. *Conceptual Foundations and Research Issues, MIS Quarterly*, Vol. 25, No.1, p. 107 - 136.
- Amabile, T. M. and Fisher, C. M. 2009. Stimulate creativity by fueling passion. p. 481-497 In E. Locke (Ed.) *Handbook of Principles of Organisational Behaviour (2nd Edition)*, John Wiley & Sons: West Sussex, U.K.
- Amabile, T. M. 1988. A Model of Creativity and Innovation in Organisations. *Research in Organisational Behaviour*, Vol. 10, p. 123-167.
- Amabile, T. M. 1996. Creativity in Context: The Social Psychology of Creativity, *Westview Press*, United States.
- Amaeshi, U. F. 2013. Human Resource Management and Technology Transition for Firm Competitiveness in Nigeria's Telecommunication Industry. *International Journal of Advance in Research and Technology*, Vol. 2, Issue 12, p. 83-111.

- Argote, L. and Ingram, P. 2000. Knowledge transfer: A basis for competitive advantage in Firms. *Organisational Behaviour and Human Decision Processes*, Vol. 82, Issue 1, P. 150-169.
- Arulrajah, A. 2014. Human Resource Management Practices and Organisational Innovation: A Review of Literature. *11<sup>th</sup> international Conference on Business Management*, P. 55 -62.
- Audu, J.S. and Gungul, T. 2014. Effect of Human Resource Training and Development on Productivity in Nigerian Hospitality Industry. *International Journal of Public Administration and Management Research*, Vol. 2, No. 2, p. 80-87.
- Ayanda, O. J. 2012. Innovative Human Resources Management Practices and Firm Financial Performance in the Nigerian Banking Industry. *International Journal of Art and Humanities*, Ethiopia, Vol. 1, No. 4, p. 23-31.
- Bailey, C. and Clarke, M. 2001. Managing Knowledge for personal and organisational benefit. *Journal of Knowledge Management*, Vol. 5, Issue 1, P. 58-67.
- Barker, M., and Neailey, K. 1999. From individual learning to project team learning and innovation: a structured approach, *Journal of Workplace Learning*, Vol. 11, No. 2, p. 60-67.
- Barney, J. B. 1991. Firm Resources and Sustained Competitive Advantage. *Journal of Management*, Vol. 17, Issue 1, P. 99-120.
- Beehr T. A. and Drexler J. A. 1986. Social Support, Autonomy, and Hierarchical Level as moderators of the Role Characteristics-Outcome

- Relationship. *Journal of Organisational Behaviour*, Vol. 7, No. 3, p. 207-214.
- Bessant, J., Rush, H. and Hobday, M. 2007. Assessing the Technology Capabilities of Firms: Developing a Policy Tool, *R&D Management Journal*, Vol. 37, No. 3, p. 221-236.
- Beugelsdijk, S. 2008. Strategic Human Resource Practices and Product Innovation., *Organisation Studies*, Vol. 29, p. 821-847.
- Bhatt, G. D. 2000. Organizing knowledge in the knowledge development cycle. *Journal of Knowledge Management*, Vol. 4, Issue 1, P. 15-26.
- Blau, P. 1964. *Exchange and power in social life*. New York, NY: Wiley.
- Bukhamsin, M. 2015. Investigating the Relationship between Organisational Innovation Capacity and Firm Performance with Irish SME's, *Dublin Institute of Technology*, Vol. 2, Issue 7, p. 87-96.
- Bureau, K. And Ceyda, M. 2013. The Relationship between Knowledge Management and Innovation in Turkish Service and High-Tech Firms, *International Journal of Business and Social Science*, Vol. 37, No. 3, p.295.
- Carneiro, A. 2000. How does knowledge management influence innovation and competitiveness, *Journal of Knowledge Management*, Vol. 4, Issue 2, P. 87-98.
- Carmeli, A. and Tishler, A. 2004. The relationships between intangible organisational elements and organisational performance. *Strategic Management Journal*, Vol. 25, Issue 13, P. 1257-1278.

- Chung-Jen, C. and Huang, J. 2009. Strategic human resources practices and Innovation Performance – The Mediating role of Knowledge Management Capacity, *Journal of Business Research*, Vol. 62, p. 104-114.
- Cohen, W. N., and Levinthal, D. A. 1990. Absorptive capability: A new perspective on learning and innovation. *Administrative Science Quarterly*, Vol. 35, P. 1128-1152.
- Cooper, J. R. 1998. A Multidimensional Approach to the Adoption of Innovationl and Management Decision, *Administrative Science Quarterly*, Vol.36, No.8, p. 493 - 502.
- Cropanzano, R., and Mitchell, M.S, 2005. Social exchange theory, *An interdisciplinary review Journal of Management*, Vol 31, p. 874-900.
- Crowley, F. and Bourke, J. 2016. The Influence of Human Resource Management Systems on Innovation: Evidence from Irish Manufacturing and Service Firms. *International Journal of Innovation Management*, Vol. 21, Issue 1, P. 301-316
- Damanpour, F. and Evan, W. M. 1984. Organisational Innovation and Performance: The Problem of Organisational lag, *Administrative Science Quarterly*, Vol.29, No.3, p. 329 - 409.
- Damanpour, F., Szabat, K. A. and Evans W.M. 1989. The relationship Between Types of Innovation and Organisational Performance, *Journal of Management Studies*, Vol. 26, No. 6, p. 587-601.
- Delery, J. E. and. Doty, D. H., 1996. Modes of Theorizing in Strategic Human Resource Management: Tests of Universalistic, Contingency, and

- Configurational Performance Predictions, *The Academy of Management Journal*, Vol. 39, No. 4, p. 802-835.
- Delaney, J. T. and Huselid, M. A. 1996. The Impact of Human Resource Management Practices on Perceptions of Organisational Performance, *The Academy of Management Journal*, Vol. 39, No. 4, p. 949 - 969.
- Dougherty, D. and Hardy, C. 1996. Sustained product innovation in large, mature organisations: overcoming innovation-to-organisation problems. *Academy of Management Journal*, Vol. 39, Issue 4, P. 1120-1153.
- Dosi, G. 1982. Technological paradigms and Technological Trajectories, *Journal of Research Policy*, Vol. 11, Issue 3, p. 147-162.
- Drucker, P. 1999. Knowledge-worker Productivity: The Biggest challenge. *California Management Review*, Vol. 41, P. 79 - 94.
- Drucker, P. F. 1985. *Innovation and entrepreneurship: practice and principles*, New York: Harper and Row, Publishers
- Ebiasuode, A., Onuoha, B.C., and Nwede, I.G.N. 2017. Human Resource Management Practices and Organisational Innovation in Banks in Bayelsa State, *International Journal of Advanced Research/Social and Management Science*, Vol. 3, Issues 8, P.82-107.
- Eromafuru, E. G. 2013. Building and Sustaining Supportive Organisational Culture through Strategic Leadership, *International Journal of Humanities and Social Science*, Vol. 3, No. 11, p. 130-137.
- Eysenck, H. J. 1995. Creativity as a product of intelligence and personality, *International handbook of personality and intelligence*. p. 231-247, New York: Plenum Press.

- Fajana, S., Owoyemi, O. And Elegbede, T. 2011. Examine Human Resources Management Practices in Nigeria, *Journal of Management and strategy*, Vol. 2, No. 2. P. 114 -128.
- Farooq, M., Ullah, I. And Hameed, R. 2005. HR Practices and Organisational Innovation: The Mediating Role of Knowledge Management Effectiveness, *Journal of Resources Development and Management*, Vol. 13, p.48. [www.iiste.org](http://www.iiste.org).
- FBNQuest, 2016. *Equity Research: Nigeria Brewers Sector Update*, FBN Holdings Group.
- Gopalakrishnan, S. and Damanpour, F. 1997. A Review of Innovation Research in Economics, Sociology and Technology Management, *Omega International Journal of Management Science*, Vol. 25, No. 1, p.15-28.
- Gooijer, J. 2000. Designing a knowledge management performance framework. *Journal of Knowledge Management*, Vol. 4, Issue 4, P. 303-310.
- Grant, R. M. 1996. Towards a Knowledge-Based Theory of the Firm. *Strategic Management Journal*, Vol. 17, p. 109-122.
- Guinness Nigeria Plc, 2015. ‘*Annual Report and Financial Statement*’
- Gupta, k. A. and Singhal, A. 1993. *Managing Human Resources for Innovation and Creativity*, Ohio University.
- Hackman J. R. and Oldham G. R. 1975. Development of the Job Diagnostic Survey. *Journal of Applied Psychology*, Vol. 60, No. 2, p. 159-170.
- Halawi, L., Aronson, J. and McCarthy, R. 2005. Resource-Based View of Knowledge Management for Competitive Advantage. *Electronic Journal of Knowledge Management*, Vol. 3, Issue 2, P. 75-86.

- Harter, J. K., Schmidt, F. L., and Hayes, T. L. 2002. Business-Unit-level Relationship between Employee Satisfaction, Employee Engagement, and Business Outcomes: A Meta-Analysis. *Journal of Applied Psychology*, Vol. 87, No. 2, p. 268 - 279.
- Himanshu, I. And Binamrata, S. 2013. Seemingly Unrelated Regression (SUR): Inference and Testing, *Journal of Operations Research*, Vol. 11, No. 6, p.80-92.
- Huang, J. W. and Li, Y. H., 2009. The Mediating Effect of Knowledge Management on Social Interaction and Innovation Performance, *International Journal of Management*, Vol.30, No.3, p. 285-301.
- Ichniowski, C., Levine, C., Olson, P and Strauss, G. 2000. *The American Workplace: Skills, Pay, and Employment Involvement*, Cambridge: Cambridge University Press.
- Iyang, B. J. 2011. Creating Value Through People: Best Human Resource (HR) Practices in Nigeria, *International Journal of Business and Management*, Vol.2, No. 1, p. 141-150.
- Jackson, S. E. and Schuler, R. S. 1995. Understanding Human Resource Management in the Context of Organisation and Their Environment. *Annual Review of Psychology*, Vol. 46, No. 1, p.237-260.
- Janssen, M. 2014. *The Influence of HRM Practices on Innovative Work Behaviour: a Systematic Literature Review*, University of Twente,
- Jiang, J., Wang, S. and Zhao, S., 2012. Does HRM Facilitate Employee Creativity and Organisational Innovation? A study of Chinese Firms, *International Journal of Human Resource Management*, Vol. 23, No. 9, p. 4025-4047.

- Jimenez-Jimenez, J. and Sanz-Valle, A. 2005. Innovation and Human Resource Management Fit: An Empirical Study. *International Journal of Manpower*, Vol. 26, No. 4, pp. 264-381.
- Jolibert, A., and Jourdan, P. 2006. *Marketing Research - Méthodes De Recherche Et D'études En Marketing*. Paris: Dunod.
- Johnson, W. H. A., and Johnston, D. A. 2004. Organisational knowledge creating processes and the performance of university-industry collaborative R&D projects. *International Journal of Technology Management*, Vol. 27, P. 93-114.
- Kanter, R. 1983. *The change masters*, New York: Simon and Schuster.
- Karen, B. L. and Mathew, H. J. 2008. *Linking Human Resources Management and Innovation: Formulating the Research Design*, 22nd ANZAM Conference, Auckland, New Zealand.
- Keld, L. and Foss, N. J. 2013. Human Resources Management Practices and Innovation, P.1-15. *Handbook of Innovation Management*, Nelso Phikiphs, Oxford University.
- Khan, Q. and Thuan A. 2007. Human Resource Management and Innovation: Prospect and Challenges of Implementation, *Journal of Strategic Management*, Vol. 24, p.110 -119.
- Kianto, A. 2011. The influence of knowledge management on continuous innovation. *International Journal of Technology Management*, Vol. 55, Issue 1/2, P. 110-121.
- Kimberly, J. .R. and Evanisko, M. 1981. Organisational Innovation: The Influence of Individual, Organisational and Contextual Factors on



- Hospital Adoption of Technology and Administrative Innovation, *Academy of Management Journal*. Vol. 24, No. 4, p. 689-713.
- King, N. and Anderson, N. 2002. *Managing innovation and change: A critical guide for organisations*, London Thompson Press.
- Kor, B. And Maden, C. 2013. The Relationship between Knowledge Management and Innovation in Turkish Service and High-Tech Firms. *International Journal of Business and Social Science*, Vol. 4, No.4, P. 193-204.
- Laursen, K. And Foss, N.J. 2012. Human Resource Management Practices and Innovation. *Handbook of Innovation Management*, edited by Mark Dodgson, David Gann and Nelson Philips. Oxford University Press.
- Lado, A. A. and Wilson, M. C. 1994. Human Resource Systems and Sustained Competitive Advantage: A Competency-Based Perspective. *The Academy of Management Review*, Vol. 19, No. 4, p.699-727.
- Lepak, D. P., and Snell, S. A. 1999. The Human Resource Architecture: Toward a Theory of Human Capital Allocation and Development. *Academy of Management Review*, Vol. 24, P. 31 - 48.
- Lee, H. and Choi, B. 2003. Knowledge management enablers, processes, and organisational performance: an integrative view and empirical examination. *Journal of Management Information Systems*, Vol. 20, Issue 1, P. 179-228.
- Li, Y., Zhao, Y. and Liu, Y. 2006. The relationship between HRM, technology innovation and performance in China. *International Journal of Manpower*, Vol. 27:7, p. 679- 697.

- Liao, S. H., and Wu, C. C. 2010. System perspective of knowledge management, organisational learning, and organisational innovation. *Expert Systems with Applications*, Vol. 37, Issue 2, P. 1096-1103.
- Liao, Y. S. 2011. The Effect of Human Resource Management Control Systems on the Relationship between Knowledge Management Strategy and Firm Performance. *International Journal of Manpower*, Vol. 32, Issue 5/6, P. 494-511.
- Maïke, J., 2014. *The Influence of HRM Practices on Innovative Work Behaviour: a Systematic Literature Review*, University of Twente,
- Martens, Y. 2011. Creativity workplace, *Instrumental and symbolic support for creativity. Facilities*, Vol. 29:1, p. 63-79.
- Maurer, T. J., Pierce, H. R. and Shore, L. M. 2002. Perceived Beneficiary of Employee Development Activity: A three-dimensional social exchange model. *The Academy of Management Review*, Vol. 27, P. 432 - 444.
- Mendelson, H. and Pillai, R. R. 1999. Information Age Organisations, Dynamics and Performance. *Journal of Economic Behaviour and Organisation*, Vol. 38, P. 253 - 281.
- Meristem Breweries Report, 2014. [www.meristemng.com](http://www.meristemng.com)
- Miller, W. 1999. Building the ultimate resource. *Management review*, Vol. 1, Issue 1, P. 42- 45.
- Moeller, K., Steinman, J.C., and Calabretta, G, 2010. Implication from Innovativeness Typology on Innovation Measurement: A Bibliometric Analysis. *Journal of Product Innovation Management*, Vol. 27, Issue 2, p. 230-248.

- Mumford, M. D. 2000. Managing creative people. Strategies and tactics for innovation, *Human Resource Management Review*, Vol. 10:3, p. 313-351.
- Nonaka I. and Toyama R. 2004. The Knowledge-Creating Theory Revisited: Knowledge creating as a Synthesizing Process. *Knowledge and Process Management journal*, Vol.1, No.1, p. 2-10.
- Nonaka, I. and Konno, N. 1998. The Concept of “Ba”: Building a Foundation for Knowledge Creation. *California Management Review*, Vol. 40, Issue 3, P. 40-54.
- Nonaka, I. 1994. A Dynamic Theory of Organisational Knowledge. *Creation Organisation Science*, Vol. 5, No. 1, p.82-89.
- OECD, 2005. *The Measurement of Scientific and Technological Activities: Guidelines for Collecting and Interpreting Innovation Data*, Third edition, OECD and Eurostat.
- Ogbo, A. and Chukwudi, C. 2012. *Evaluating the Challenges of Human Resources Management in Nigeria*, *European Journal of Business Management*, Vol. 4, No 13, p.111- 119.
- Ogbo, A. I., Okechukwu, I and Ukpere, W. I. 2012. Managing Innovation in Telecommunication Industry in Nigeria. *African Journal of Business Management*, Vol.6, No.25, p.7469-7477. [www.academicjournals.org/AJMB](http://www.academicjournals.org/AJMB)
- Ogbo, A., Origho, O.J., and Ukpere, W.I. 2014. Innovation Through Global Collaboration: A new source of Competitive Advantage (A study of Nigerian Breweries PLC), *Mediterranean Journal of Social Sciences*, Vol. 5, No.1, p. 709-724.

- Okafor, E. E. 2012. Emerging Nonstandard Employment Relations and Implication for Human Resource Management Function in Nigeria, *African Journal of Business Management*, Vol.6, Issue 26, P. 7612–7621. Available online at <http://www.academicjournals.org/AJBM>, DOI: 10.5897/AJBM11.2731
- Oladejo, M. O. and Yinus, O. 2014. An assessment of the impact of compensation plan on workers performance of selected quoted food and beverages manufacturing companies in Nigeria, *Journal of Business and Management*, Vol. 16, issue 7, p. 05-12.
- Oladun, M. M. 2012. *Innovative Distribution Strategies and Performance of Selected Multinational Corporation (MNCs) and Domestic Manufacturing Firms in Nigeria*, Covenant University, Ota, Ogun State, Nigeria.
- Olajide, O. T., Adeoti, O. O. and Elegunde A. F. 2014. Human Resource Management Practices and Organisational Performance in Nigeria firms, *International Journal of Social Sciences and Humanities Reviews*, Vol. 4, p. 131-136.
- Oldham G R and Cummings A. 1996. Employee Creativity: Personal and Contextual Factors at Work, *Academy of Management Journal*, Vo. 39, No. 3, p. 607-634.
- Oltra, V. and Alegre, J. 2011. *Explaining the link between human resource Practices and innovation performance: The role of organisational learning processes*”, OLKC Conference, Hull, United Kingdom.
- Omolawal, S. A. and Onyeonoru, I. P. 2018. Influence of Utilization of Information and Communication Technology for Staff Recruitment on the Quality of Staff Recruited in South-West Nigeria, *International*

- Journal of Economic and Business Management*, Vol. 6, Issue 2, P.15-23.  
Available on: <http://www.academicresearchjournals.org/IJEBM>.  
DOI: 10.14662/IJEBM2018.043
- Onwumere, J., Onyebu, C. M. and Orji, M. A. 2014. Assessing the Effect of Organisational and Marketing Innovation on Medium Scale Food Wholesale Marketing Firm, Abia State, Nigeria, *International Journal of Small Business and Entrepreneurship Research*, Vol. 2, No. 2, p. 24-43.
- Osemeke, M. 2012. The impact of Human Resource Management Practice on Organisational Performance: A study of Guinness Nigeria Plc, *International Journal of Arts and Humanities*, AFRREV IJAH, Vol. 1, No. 1.
- Osibanjo, O.A. and Adeniji, A. A. 2013. Impact of Organisational Culture on Human Resource Practice: A Study of Selected Nigerian Private University, *Journal of Competitiveness*, Vol. 5, Issue, 4, p. 115-133.
- Osisoma, H., Nzewi, H and Emerole, I. 2017. Organisational Culture and Innovation in Selected Breweries in South-East, Nigeria, *A Multidisciplinary Journal (Scholars Bulletin)*, Vol 3, Issue 2, p. 67-74.  
Available Online: <http://scholarsbulletin.com>, DOI: 10.21276/sb.2017.3.2.5.
- Oyedijo, A. 2012. Strategic Agility and Competitive Performance in the Nigerian Industry: An Empirical Investigation, *American International Journal of Contemporary Research*, Vol. 2 No. 3, p. 227-237.
- Oyeyinka, B. O. 2002. *Manufacturing Response in a National System of Innovation: Evidence from the Brewing Firms in Nigeria*, United Nations University, Institute of New Technology. Discussion Paper Series.  
[www.intech.unu.edu](http://www.intech.unu.edu)

- Ozigbo, N. C. 2012. The Implication of Human Resources Management and Organisational Culture Adoption on Knowledge Management Practices in Nigerian Oil and Gas Industry, *Communication of the HMA*, Vol. 12, Issue 1, p. 91-104.
- Plessis, M. 2009. The Role of Knowledge Management in Innovation. *Journal of Knowledge Management*, Vol. 11, No.4, p. 20-29.
- Porter, M. E. 1990. *The Competitive Advantage of Nations*. New York, NY: Free Press.
- Quintane, E., Casselman, R. M., Reiche, B. S. and Nylund, P.A. 2011. Innovation as a knowledge-based outcome. *Journal of Knowledge Management*, Vol. 15, Issue 6, P. 928-947.
- Rui, S. 2013. Creating Innovative Behaviours among R & D Professionals: The Effect of Innovative Climate and Employee Motivation in Chinese Firm, *Advance in Information Science and Service Science*, Vol. 5, No. 4, p. 432-440.
- SABMiller Limited, 2016. *Annual Report and Financial Statement*
- Schuler, R. and Jackson, S. 1987. Linking competitive strategies with human resource management practices. *The Academy of Management Executive*, Vol. 1, No.3, P. 207-219.
- Scott, S.G. and Bruce, R.A. 1994. Determinants of Innovative Behaviours: A Path Model of Innovation in the Workplace, *Academy of Management Journal*, Vol. 37, No. 3, P. 580-607.
- Scott, G., Leritz, L. E., and Mumford, M. D. 2004. The effectiveness of creativity training: A quantitative review. *Creativity Research Journal*, Vol. 16, No.4, p. 361-388.

- Scott, S. and Bruce, R. 1994. Determinants of innovative behaviour: a path model of individual innovation in the workplace, *Academy of Management Journal*, Vol. 37, p. 580-607.
- Seyed, H. and Omid, A., 2013. Management of Organisational Innovation, *International Journal of Business and Social Science*, Vol. 4 No. 1, p. 226-232.
- Shahnaei, S. and Long, C.S. 2015. The Review of Improving Innovation Performance through Human Resource Practices in Organisation Performance, *Asian Social Science*, Vol. 11, No.9, P.52-56.
- Shipton, H., Fay, D., West, M., Petterson, M. and Birdi, K. 2005. Managing people to promote Innovation, Creativity and Innovative Management, *Organisational Behaviour Journal* Vol. 4, No. 2, p. 118-128.
- Spender, J. -C., and Grant, R. M. 1996. Knowledge and the firm: Overview, *Strategic Management Journal*, Vol. 17, p. 5-9.
- Song J. H., Ujm D. and, Kim J. 2012. Creativity and Knowledge Creation Practices in the School Context: The Moderating Role of Task-Related Job Autonomy. *Performance Improvement Quarterly*, Vol. 24, No.4, p. 61-79.
- Tan, C. L., and Nasurdin, A. M. 2010. Human Resource Management Practices and Organisational Innovation: An Empirical Studies in Malaysia, *Journal of Applied Business Research*, Vol. 26, No.4, p.105-116.
- Tan, C. L., and Nasurdin, A.M., 2011. Human Resource Management Practices and Organisational Innovation: Assessing the Mediating Role of Knowledge Management Effectiveness, *Electronic Journal of Knowledge Management* Vol. 9, No. 2, p. 156-167.

- Teece, D. and Pisano, G. 2010. The Dynamic Capabilities of Firm: An Introduction, <http://iccoxfordjournal.org>.
- Tsai, M. T. 2010. Innovation capability and performance in Taiwanese Science Parks: Exploring the moderating effects of industrial clusters fabric. *The International Journal of Organisational Innovation*, Vol. 2, Issue 4, P. 80-103.
- Ugbeoke, S.O., Faizal, M., Isa, M. and Mohd-Noor, W. S. 2014. Assessing the impact of strategic Human Resource Management on Tangible Performance: Evidence from Nigeria SMEs, *International reviews of Management and Business research*, vol 3, issue 2, p. 410-419
- Vicari S. and Troilo, G. 2000. *Organisational Creativity: A New Perspective from Cognitive system Theory*. In G. von Krogh, I. Nonaka, and T. Nishiguchi (Eds.), *Knowledge Creation: A source of value London*, p. 63-88, UK: Macmillan Press.
- Wang A. C. and Cheng B.S. 2010. When does Benevolent Leadership Lead to Creativity: The Moderating Role of Creative Role Identity and Job Autonomy. *Journal of Organisational Behaviour*, Vol. 31, No.1, p. 106-121.
- West, M. A. 2002. Sparkling fountains or stagnant ponds: an integrative model of creativity and innovation implementation within groups, *Journal of Applied Psychology*, Vol.51, P. 355 – 386.
- Wiig, K. M. 1997. Knowledge management: Where did it come from and where will it go? *Expert Systems with Applications*, Vol.14, Issue 5, P. 67-78.



Yakubu, M. S. 2011. *Human Resource Management and Organisational Performance: Evidence from the Retail Banking Sector*, Aston University, Birmingham.

Yohana, J. M. 2013. *Organisational Culture, Workers Autonomy and Employee Innovativeness*, University of Ghana.

Zhou, J., and George, J. M. 2001. When job dissatisfaction leads to creativity: encouraging the expression of voice, *Academy of Management Journal*, Vol. 44, P. 682 - 696.

## APPENDIX I



**UNIVERSITY OF IBADAN, IBADAN, NIGERIA  
DEPARTMENT OF SOCIOLOGY**

**QUESTIONNAIRE FOR HUMAN RESOURCE MANAGEMENT  
PRACTICES AND INNOVATION PERFORMANCE AMONG  
EMPLOYEES IN SELECTED BREWERIES IN EDO AND OSUN  
STATES, NIGERIA**

**Serial No:**.....

**Date:**.....

Dear Sir/Madam,

I am a Ph. D student from department of Sociology, University of Ibadan currently conducting a research on “**Human Resources Management Practices and Innovation Performance in Brewery Firms in Nigeria**”. This is a research survey in which your organisation has been selected to participate and you are subsequently selected as one of the representatives with the permission of your organisation.

The information so provided will have no impact on your position or employment now or later because this study is purely for academic purpose. Please note that all information will be treated in extreme confidence and complete anonymity.

Thank you for your time and co-operation.

**Adegbite W.M. [08051933633] (adegbitewaliu@gmail.com)**

**GENERAL INFORMATION ABOUT THE ORGANISATION**

1. Name of the Organisation: .....
2. Department/Unit: .....
3. Technical/Support Staff: .....

**SECTION A**

**SOCIO-DEMOGRAPHIC CHARACTERISTICS OR RESPONDENTS**

**Instruction:** Please mark [√] as appropriate the option that best suit your person in the space provided below:

S/N	QUESTIONS	RESPONSES	CODE
A1	Sex	Male Female	2 1
A2	Age	18–22 years 23–27 years 28–32 years 33–37 years 38–42 years 43 and above	6 5 4 3 2 1
A3	Ethnic Affiliation	Hausa Igbo Yoruba Others (specify) .....	4 3 2 1
A4	Religion Affiliation	African Traditional Religion Islam Christianity	3 2 1
A5	Highest Educational Qualifications	SSCE Professional OND/NCE First Degree Postgraduate	5 4 3 2 1
A6	Marital Status	Single Married Separated Widowed	4 3 2 1
A7	Number of years with current organisation.	Below 3 years 3-5 years 6-8 years 9-11 years Above years	5 4 3 2 1
A8	In which of these Staff Categories do you belong?	i. Senior level iii. Junior Level	2 1

<b>A9</b>	Income (Per Month <del>₦</del> )	18,000 – 49,999	4
		50,000 – 81,999	3
		82,000 – 113,999	2
		114,000 and above-	1

**SECTION B**

**SELECTED HUMAN RESOURCE MANAGEMENT PRACTICES**

**Instruction:** Please mark [√] as appropriate the option that best suit your opinion in the space Provided below:

S/N	QUESTIONS	RESPONSES	CODE
<b>Human Resource Management Practices</b>			
<b>B10</b>	Does your organisation have mechanisms for <b>sharing knowledge</b> among employees?	Yes No Undecided	3 2 1
<b>B11</b>	Does your organisation policy encourage <b>sharing knowledge</b> on job related experience?	Yes No Undecided	3 2 1
<b>B12</b>	Does your organisation organize <b>training and development programmes</b> for employees to improve on their skills?	Yes No Undecided	3 2 1
<b>B13</b>	Have you ever attended <b>training programme</b> organized by your organisation to update your skills since you joined the organisation?	Yes No Undecided	3 2 1
<b>B14</b>	Does your organisation have policy that encourages <b>employee's freedom</b> to be creative on their job?	Yes No Undecided	3 2 1
<b>B15</b>	Do you have <b>enough control</b> over the methods used in performing your task?	Yes No Undecided	3 2 1
<b>B16</b>	Does your organisation have <b>reward policy</b> that can influence employee's creativity?	Yes No Undecided	3 2 1
<b>B17</b>	Does your organisation's <b>reward policy</b> attractive enough to influence you to be creative on the job?	Yes No Undecided	3 2 1
<b>B18</b>	Is intrinsic reward such as <b>recognition</b> ,	Yes	3

	<b>reward and promotion</b> part of your organisations' strategies to motivate employees?	No Undecided	2 1
<b>B19</b>	Is extrinsic reward such as <b>salary and allowance</b> part of your organisations' strategies to motivate employees?	Yes No Undecided	3 2 1
<b>B20</b>	Which is the predominant type of human resource management practice your organisation mostly focuses on in enhancing your creativity?	Knowledge Sharing/Mgt Training & Development Motivation Autonomy Others (specify) .....	5 4 3 2 1
<b>B21</b>	Considering the human resource practices mentioned above (training, autonomy, motivation and knowledge sharing/management), what in your own view is the predominant approach adopted in this organisation?	Employees Centred Job Centred Synergic approach	3 2 1

## SECTION C

### INNOVATION PERFORMANCE

**Useful definition of Innovation:**

An innovation is the introduction of a new or significantly improved product, process, organisational method or marketing method by your organisation while creativity is generation of new ideas by individuals.

**Instruction:** Please mark [√] as appropriate the option that best suit your level of familiarity with innovation in your organisation in the space Provided below:

S/ N	QUESTIONS	RESPONSES					COD E
<b>C22 A</b>	To what extent are you familiar with organisational Innovation?	Very Familiar					3
		Not Familiar					2
		Not sure					1
<b>Instruction:</b> Please rate your firm's innovation performance base of the following questions using any of these option: 1(Very low), 2 (Low), 3 (Moderate), 4 (High) and 5(Very high).							
<b>Innovation Performance (Product, Process, Marketing and Administrative Innovation)</b>		1	2	3	4	5	
<b>C2 2</b>	Introduction of <b>new products</b> into the market in the last 3 years?						
<b>C2 3</b>	Improvement in the quality of <b>existing products</b> in the last 3 years?						
<b>C2 4</b>	Introduction of <b>new products</b> which were new only to your organisation in the last 3 years?						
<b>C2 5</b>	Introduction of any <b>significant improvement in packaging of products</b> within the last 3 years?						
<b>C2 6</b>	Introduction of new <b>products design development</b> within the last 3 years?						
<b>C2 7</b>	Introduction of <b>new product</b> with other firms to enhance innovation?						
<b>C2 8</b>	Introduction of <b>new technology for work process</b> in the last 3 years?						

<b>C3 9</b>	Introduction of new or significantly improved <b>methods of production</b> in the last 3 years?					
<b>C3 0</b>	Introduction of <b>new or significantly improved logistics</b> for your materials input in the production process?					
<b>C3 1</b>	Introduction of <b>new or significantly improved supporting activities</b> such as maintenance system to support the production process?					
<b>C3 2</b>	Improvements in the existing <b>work process</b> in your organisation in the last 3 years?					
<b>C3 3</b>	Improvements in the existing <b>reward system</b> in your organisation in the last 3 years?					
<b>C3 4</b>	Improvements in the existing <b>training scheme</b> , in your organisation in the last 3 years?					
<b>C3 5</b>	Introduction of new or significantly improved <b>knowledge management system</b> in your organisation in the last 3 years?					
<b>C3 6</b>	Introduction of major <b>change to the organisation of work</b> in your organisation in the last 3 years?					
<b>C3 7</b>	Improvements in the existing <b>project team</b> in your organisation in the last 3 years?					
<b>C3 8</b>	Introduction a major change to <b>managerial structure</b> in the last 3 years?					
<b>C3 9</b>	Introduction of new <b>distribution licence</b> in the last three years?					
<b>C4 0</b>	Introduction of <b>new distribution network such as franchising</b> in the last 3 years?					
<b>C4 1</b>	Considering your responses to product processes, marketing and managerial issues above, how would you <b>rate innovation</b> in your organisation in the last 3 years?					

## SECTION D

### LEVEL OF AWARENESS OF THE INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON INNOVATION PERFORMANCE

**Instruction:**How would you rate the following statements as relating to your level of awareness on the influence of HRM practices on Innovation? Tick Low, Moderate or High.

S/	Level of awareness	Lo w 1	Moderat e 2	High 3
<b>Knowledge Sharing/Management</b>				
D4 2	Existence of information sharing medium in your organisation?			
D4 3	Impact of sharing job related information on creativity?			
D4 4	The impact of effective knowledge sharing system on innovation?			
D4 5	Effect of knowledge sharing on individual competence for creativity?			
D4 6	Effect of information sharing on team effectiveness for innovation?			
D4 7	Degree at which knowledge management mechanisms influence innovation?			
<b>Training and Development</b>		Lo w 1	Moderat e 2	High 3
D4 8	Effect of <b>training</b> on employee's general competency for creativity?			



<b>D49</b>	Impact of <b>continuous training</b> on employee on innovation?			
<b>D50</b>	Effect of <b>focus training</b> on employee's creative ability?			
<b>D51</b>	Impact of regular training on employee's creative ability?			
<b>D52</b>	Impact of training on learning and problem solving skills?			
<b>D52</b>	Degree at which learning and development can influence innovation?			
<b>Motivation</b>				
<b>D54</b>	Effect of <b>motivation</b> in building innovative work behaviour?			
<b>D55</b>	Effect of <b>recognition/award</b> on employee's creative ability?			
<b>D56</b>	Effect of reward system such as <b>money on</b> employee's creativity?			
<b>D57</b>	Impact of <b>adequately motivated</b> on employee's creativity?			
<b>D58</b>	Influence of <b>good reward system</b> on innovation?			
<b>D59</b>	Degree at which adequate motivation can influence innovation?			
<b>Autonomy</b>				
<b>D60</b>	Impact of <b>employee's freedom</b> on ability to search for solution to job related problems?			
<b>D61</b>	Effect of task <b>freedom</b> on employee's creative ability?			

<b>D6 2</b>	Impact of freedom to adopt best practices in solving job related problems on innovation?			
<b>D6 3</b>	Impact of freedom on how to perform task on idea generation?			
<b>D6 4</b>	Impact of <b>employees' freedom</b> on employee's risk taking ability?			
<b>D6 5</b>	Degree at which job autonomy influence innovation?			

## SECTION E

### EFFECT OF HRM PRACTICES ON INNOVATION PERFORMANCE

**Instruction:** please rate the effect of Human Resource Management Practices on Organisational Innovation base on the following question using any of these options: (1- Very low effect, 2-Low effect, 3-Moderate effect, 4- High effect and 5-Very high effect} in the space provided below:

S/N	Specific Human Resource Management Practices	1	2	3	4	5
<b>Knowledge Sharing/Management</b>						
E66	What effect do you think <b>Sharing of job related knowledge</b> have on employee's ability to generate new ideas in your organisation?					
E67	What effect do you think <b>Sharing of job related knowledge</b> with team members during project implementation have on innovation in your organisation?					
E68	What effect do you think <b>Sharing of knowledge</b> among the employees in your organisation have on individual creativity?					
E69	What effect do you think <b>sharing of job related experience</b> have on the development of new processes in your organisation in the last 3 years?					
E70	What effect do you think <b>sharing of job related experience</b> have on the development of new product in your organisation in the last 3 years?					
E71	Considering your response above, how would you rate the overall effect of <b>sharing job related knowledge</b> on innovation in your organisation?					
<b>Training and Development</b>						
E72	What effect do you think <b>training programmes</b> have on employee's creative ability in your organisation?					
E73	What effect do you think <b>training and development</b> have on employee's ability to generate new ideas in your organisation?					

<b>E74</b>	What effect do you think <b>training and development</b> have on your organisation capability to innovate?					
<b>E75</b>	What effect do you think employee's <b>training &amp; development</b> have on the development of new processes in your organisation in the last 3 years?					
<b>E76</b>	What effect do you think employee's <b>training &amp; development</b> have on the development of new products in your organisation in the last 3 years?					
<b>E77</b>	Considering your response above, how would you rate the overall effect of <b>training and development</b> on innovation in your organisation?					
<b>Autonomy</b>						
<b>E78</b>	What effect do you think <b>employee's freedom</b> have on individual creative ability in your organisation?					
<b>E79</b>	What effect do you think <b>freedom to choose best methods</b> in handling job related issues have on employee's ability to search for new methods/techniques for better performance?					
<b>E80</b>	What effect do you think <b>freedom to search and adopt better ways</b> of handling job related issues by employee's have on innovation in your organisation?					
<b>E81</b>	What effect do you think <b>employee's freedom</b> have on the development of new processes in your organisation in the last 3 years?					
<b>E82</b>	What effect do you think <b>employee's freedom</b> have on the development of new products in your organisation in the last 3 years?					
<b>E83</b>	Considering your response above, how would you rate the overall effect of <b>employee's freedom/autonomy</b> on innovation in your organisation?					
<b>Motivation</b>						
<b>E84</b>	What effect do you think rewards such as <b>recognition/award/praise</b> have on employee's inner drive to be creative in your organisation?					
<b>E85</b>	What effect do you think rewards such as <b>money/salary</b> increase have on employee's inner					

	drive to generate new ideas in your organisation?					
<b>E86</b>	What effect do you think <b>adequate motivation</b> of employee have on your organisation's ability to innovate?					
<b>E87</b>	What effect do you think <b>employee's motivation</b> have on the development of new processes in your organisation in the last 3 years?					
<b>E88</b>	What effect do you think <b>employee's motivation</b> have on the development of new products in your organisation in the last 3 years?					
<b>E89</b>	Considering your response above, how would you rate the overall effect of <b>employee's freedom/autonomy</b> on innovation in your organisation?					

## SECTION F

### OPPORTUNITIES AND CHALLENGES ASSOCIATED WITH HUMAN RESOURCE MANAGEMENT PRACTICES IN RELATION TO INNOVATION PERFORMANCE

**Instruction:** please indicate your degree of agreement or disagreement that fits the situation in your Organisation about possible opportunities and challenges of implementing HRM practices in relation to organisational innovation on using any of these options-: 1-Strongly disagree, 2-Disagree, 3-Moderately, 4-Agreed and 5- Strongly Agreed.

S/N	Opportunities & Challenges associated with HRMP	1	2	3	4	5
<b>Opportunities</b>						
<b>F90</b>	<b>Human resource management practices</b> in this organisation contribute to the development of new product.					
<b>F91</b>	<b>Adequate motivation</b> of employees in this organisation have increase inner drives of employees to come-up with new ideas.					
<b>F92</b>	<b>Knowledge sharing mechanisms</b> in this organisation increases the abundance availability of job related skills leading to employee's creativeness.					
<b>F93</b>	<b>Training</b> in this organisation has expose employees to new development in their line of profession.					
<b>F94</b>	<b>Employee freedom</b> in this organisation helps individual conduct personal research on new ways to perform their job.					
<b>Challenges</b>						
<b>F95</b>	Inadequate knowledge about the <b>benefit of effective human resource management practices</b> is a major challenge in this organisation.					

<b>F96</b>	In this organisation, management do not want to <b>support practices that are employees centered.</b>					
<b>F97</b>	<b>Inadequate financial provision</b> is a major challenge in the implementation of good HR policy in our organisation.					
<b>F98</b>	Employees in this organisation do not <b>embrace changes</b> as part of their job when introduced.					
<b>F99</b>	<b>Working environment</b> in this organisation is <b>volatile</b> and do not encourage trust between employees and employer.					

Thank you.

## APPENDIX II



### IN-DEPTH INTERVIEW FOR HEADS OF DEPARTMENT AND UNITS

Department of Sociology,  
Faculty of the Social Sciences,  
University of Ibadan,  
Ibadan, Nigeria.

**Dear Sir/Madam,**

I am a Ph. D student of the above named institution, currently conducting a research on “**Human Resources Management Practices and Innovation Performance**”. It is noted that human resources management practices have been found to influence the working environment and in turn enhance innovation performance among employees. The interview with you is to gather enough information that will be useful in my research.

Please note that all information generated from this discussion is purely for academic purposes and will be treated with utmost confidentiality kindly provide all necessary information for my use. I hereby solicit your full co-operation.

**GENERAL/BACKGROUND PROFILE OF RESPONDENTS**

S/N	CHARACTERISTICS	CATEGORY
1	Sex	
2	Age	
3	What is your job role?	
4	Which department are you?	
5	Length of service?	

6. Does your organisation consider Human Resource Management activities and process as being strategic to the realization of organisational goals?

**Probe for:**

- The predominant focus of Human Resource Management Practices in the Organisation.
- Specific HR Policy in practice in the organisation
- Do your organisation HR policies reinforce an appropriate organisational change?
- Impact of HRM practices on employee’s creative ability.

7. Has your organisation introduced specific innovation in the last three (3) years?

**Probe for:**

- Impact on product design and development.
- Marketing strategies introduced by your organisation in the last three years.



- Strategies adopted by your organisation in introducing major change in work process and organisational structure in the last three years.
- Specific products, process and marketing innovation introduced in the last three years.

8. Is employee's work autonomy/freedom integrated into your organisation HR policy?

**Probe for:**

- Do employees engage in individual research and development?
- Is there freedom for employees on how to perform their job?
- Impact of employee's freedom on ideas generation and creativity in the organisation.

9. Are there mechanisms for sharing knowledge, information and experience in your organisation?

**Probe for:**

- What do the knowledge sharing mechanism designed to achieve?
- Impact on idea generation and skills competency.
- Impact on creative ability.
- Impact on innovation tendency.

10. Is there policy statement on Training and Development for employees in your organisation?

**Probe for:**

- What do these training policies set to achieve?
- Impact on Administrative process
- Impact on idea generation

- Impact on creative and problem solving.
- Impact on innovation management (product, process and other innovation)

11. Does your organisation have specific reward system for personal intelligence and creativity?

**Probe for:**

- Aims of reward system
- Types of rewards in practice
- Impact of intrinsic reward on creativity
- Impact of extrinsic reward on creativity

12. Benefits and challenges associated with HRM practices in relation to innovation performance?

**Probe for:**

- Does your organisation derive any benefit from implementing best HR practices?
- How do the activities of the HRM department shape the behaviour of employees to enhance creativity?
- HR contribution to promote innovative work environment
- Level of management involvement and support for HR policies to drive innovation.
- Attitude of employees towards the implementation of Human Resource Management Practices in your organisation.

**Date of Interview:** \_\_\_\_\_

**Place of Interview:** \_\_\_\_\_

## APPENDIX III

### KEY INFORMANT INTERVIEW FOR SENIOR MANAGERS



Department of Sociology,  
Faculty of the Social Sciences,  
University of Ibadan,  
Ibadan, Nigeria.

**Dear Sir/Madam,**

I am a Ph. D student of the above named institution, currently conducting a research on “**Human Resources Management Practices and Innovation Performance**”. It is noted that human resources management practices have been found to influence the working environment and in turn enhance innovation performance among employees. The interview with you is to gather enough information that will be useful in my research.

Please note that all information generated from this discussion is purely for academic purposes and will be treated with utmost confidentiality kindly provide all necessary information for my use. I hereby solicit your full co-operation.

## GENERAL/BACKGROUND PROFILE OF RESPONDENTS

S/N	CHARACTERISTICS	CATEGORY
1	Sex	
2	Age	
3	What is your job role?	
4	Which department are you?	
5	Length of service?	

6. Does your organisation consider Human Resource Management activities and process as being strategic to the realization of organisational goals?

**Probe for:**

- The predominant focus of Human Resource Management Practices in the Organisation.
- Specific HR Policy in practice in the organisation
- Do your organisation HR policies reinforce an appropriate organisational change?
- Impact of HRMP on employee's creative ability.

7. Has your organisation introduced specific innovation in the last three (3) years?

**Probe for:**

- Impact on product design and development.
- Marketing strategies introduced by your organisation in the last three years.
- Strategies adopted by your organisation in introducing major change in work process and organisational structure in the last three years.
- Specific products, process and marketing innovation introduced in the last three years.

8. Is employee's work autonomy/freedom integrated into your organisation HR policy?

**Probe for:**

- Do employees engage in individual research and development?
- Is there freedom for employees on how to perform their job?
- Impact of employee's freedom on ideas generation and creativity in the organisation.

9. Are there mechanisms for sharing knowledge, information and experience in your organisation?

**Probe for:**

- What do the knowledge sharing mechanism designed to achieve?
- Impact on idea generation and skills competency.
- Impact on creative ability.
- Impact on innovation tendency.

10. Is there policy statement on Training and Development for employees in your organisation?

**Probe for:**

- What do these training policies set to achieve?
- Impact on Administrative process
- Impact on idea generation
- Impact on creative and problem solving.
- Impact on innovation management (product, process and other innovation)

11. Does your organisation have specific reward system for personal intelligence and creativity?

**Probe for:**

- Aims of reward system
- Types of rewards in practice
- Impact of intrinsic reward on creativity
- Impact of extrinsic reward on creativity

12. Benefits and challenges associated with HRMP in relation to innovation performance?

**Probe for:**

- Does your organisation derive any benefit from implementing best HR practices?
- How do the activities of the HRM department shape the behaviour of employees to enhance creativity?
- HR contribution to promote innovative work environment
- Level of management involvement and support for HR policies to drive innovation.
- Attitude of employees towards the implementation of Human Resource Management Practices in your organisation.

**Date of Interview:** \_\_\_\_\_

**Place of Interview:** \_\_\_\_\_

**APPENDI IV**  
**IN-DEPTH INTERVIEW FOR WORKERS**



Department of Sociology,  
Faculty of the Social Sciences,  
University of Ibadan,  
Ibadan, Nigeria.

**Dear Sir/Madam,**

I am a Ph. D student of the above named institution, currently conducting a research on “**Human Resources Management Practices and Innovation Performance**”. It is noted that human resources management practices have been found to influence the working environment and in turn enhance innovation performance among employees. The interview with you is to gather enough information that will be useful in my research.

Please note that all information generated from this discussion is purely for academic purposes and will be treated with utmost confidentiality kindly provide all necessary information for my use. I hereby solicit your full co-operation.

**GENERAL/BACKGROUND PROFILE OF RESPONDENTS**

S/N	CHARACTERISTICS	CATEGORY
1	Sex	
2	Age	
3	What is your job role?	
4	Which department are you?	
5	Length of service?	

Objective 1

6. Did your organisation establish department or directorate for HRM?

**Probe for:**

- Major focus of HR policies

- Whether HRM practices is employee's cantered or task/job cantered
- Various HRM practices in operation in the organisation
- Impact of the above HRM practices on employee's performance

#### Objective 2

7. Are you aware of any specific innovation introduced in your organisation in the last three (3) years?

**Probe for:**

- New product in the last 3 years
- Improved product in the last 3 years
- New process in the last 3 years
- Improved techniques in the last 3 years
- New distribution network in the last 3 years

#### Objective 3

8. Are you aware that HRM practices can influence innovation in the organisation?

**Probe for:**

- Influence of knowledge sharing on employee's creativity and innovation
- Influence of motivation on employee's creativity and innovation
- Influence of training and development on employee's creativity and innovation
- Influence of autonomy on employee's creativity and innovation

#### Objective 4



9 What is the effect of HRM practices on organisational innovation in your organisation?

**Probe for:**

- Effect of autonomy on employee's creativity and innovation
- Effect of motivation on employee's creativity and innovation
- Effect of training and development on employee's creativity and innovation
- Effect of knowledge sharing on employee's creativity and innovation

Objective 5

10. Benefits and challenges related with HRM practices and organisational innovation?

**Probe for:**

- Practice of HRM that improve employee's creative ability
- Contribution of HRM department to working condition
- Forms of HRM practices you think your organisation should introduce to enhance innovation
- Management support for HR policies to motivate employees
- Employee's reaction to changes

**Date of Interview:** \_\_\_\_\_

**Place of Interview:** \_\_\_\_\_



## Appendix V

### REGRESSION ANALYSIS ON HUMAN RESOURCES MANAGEMENT AND INNOVATION PERFORMANCE AMONG EMPLOYEES OF INTERNATIONAL BREWERIES PLC

		Unstandardized Coefficients		Standardized Coefficients	t	P-value
		B	Std. Error	Beta		
	<b>HRM Practices</b>					
	<b>Constant</b>	2.791	0.247		11.293	0.000
I	Sharing of job related knowledge have effect on employee's ability to generate new ideas	0.013	0.042	0.025	0.309	0.758
Ii	Sharing of job related knowledge with team members during project implementation have effect on innovation	0.085	0.043	0.151	1.988	0.048*
Iii	Sharing of knowledge among the employees in your organisation have effect on individual creativity	-0.059	0.047	-0.094	-1.257	0.210
Iv	Sharing of job related experience have effect on the development of new processes	-0.036	0.042	-0.070	-0.841	0.402
V	sharing of job related experience have effect on the development of new product	-0.018	0.046	-0.035	-0.405	0.686
Vi	Training programmes have effect on employee's creative ability	0.012	0.045	0.024	0.275	0.784
Vii	Training and development have effect on employee's ability to generate new ideas	-0.017	0.043	-0.032	-0.392	0.696
Viii	Training and development have effect on your organisation capability to innovate	0.160	0.051	0.275	3.115	0.002*

Ix	Employee's training & development have effect on the development of new processes	- 0.13 9	0.046	-0.249	- 3.03 8	0.003*
X	Employee's training & development have effect on the development of new products	0.11 0	0.044	0.189	2.47 8	0.014*
Xi	Employee's freedom have effect on individual creative ability	0.00 5	0.048	0.010	0.11 1	0.912
Xii	Freedom to choose best methods in handling job related issues have effect on employee's ability to search for new methods/techniques for better performance	0.06 4	0.048	0.145	1.32 3	0.187
Xiii	Freedom to search and adopt better ways of handling job related issues by employee's have effect on innovation in your organization	- 0.09 0	0.043	-0.222	- 2.10 3	0.037*
Xiv	Employee's freedom have effect on the development of new processes	0.02 4	0.046	0.051	0.52 4	0.601
Xv	Employee's freedom have effect on the development of new products in your organisation	0.12 5	0.042	0.262	2.99 9	0.003*
Xvi	Rewards such as recognition/award/praise have effect on employee's inner drive to be creative	0.18 9	0.041	0.337	4.64 3	0.000*
Xvii	Rewards such as money/salary increase have effect on employee's inner drive to generate new ideas	- 0.02 8	0.042	-0.054	- 0.67 0	0.503
Xviii	Adequate motivation of employee have effect on your organisation's ability to innovate	- 0.03 9	0.047	-0.073	- 0.82 8	0.409
Xix	Employee's motivation have effect on the development of new processes	- 0.03 8	0.056	-0.063	- 0.67 0	0.504
Xx	Employee's motivation have effect on the development of new	0.00	0.054	0.016	0.17	0.863

	products	9			3	
--	----------	---	--	--	---	--

**Appendix VI**  
**REGRESSION ANALYSIS ON HUMAN RESOURCES MANAGEMENT**  
**AND INNOVATION PERFORMANCE AMONG EMPLOYEES**  
**GUINNESS NIGERIA PLC**

		<b>Unstandardized Coefficients</b>	<b>Standardi zed Coefficien</b>	<b>t</b>	<b>P-value</b>
	<b>HRM Practices</b>				

				ts		
		B	Std. Error	Beta		
	<b>Constant</b>	2.615	0.225		11.608	0.000
I	Sharing of job related knowledge have effect on employee's ability to generate new ideas	0.077	0.037	0.143	2.074	0.039*
Ii	Sharing of job related knowledge with team members during project implementation have effect on innovation	0.080	0.040	0.126	1.989	0.048*
Iii	Sharing of knowledge among the employees in your organisation have effect on individual creativity	0.005	0.044	0.007	0.104	0.917
Iv	Sharing of job related experience have effect on the development of new processes	0.036	0.041	0.063	0.878	0.381
V	sharing of job related experience have effect on the development of new product	-0.066	0.043	-0.109	-1.533	0.126
V i	Training programmes have effect on employee's creative ability	0.028	0.041	0.046	0.671	0.502
V ii	Training and development have effect on employee's ability to generate new ideas	-0.009	0.043	-0.015	-0.219	0.827
V iii	Training and development have effect on your organisation capability to innovate	0.060	0.046	0.092	1.292	0.197
Ix	Employee's training & development have effect on the development of new processes	-0.035	0.042	-0.056	-0.835	0.404
X	Employee's training & development have effect on the development of new products	0.144	0.040	0.225	3.563	0.000*
X i	Employee's freedom have effect on individual creative ability	0.038	0.042	0.063	0.913	0.362

X ii	Freedom to choose best methods in handling job related issues have effect on employee's ability to search for new methods/techniques for better performance	0.000	0.042	0.001	0.01 1	0.992
X iii	Freedom to search and adopt better ways of handling job related issues by employee's have effect on innovation in your organization	- 0.074	0.040	-0.166	- 1.85 4	0.065
X iv	Employee's freedom have effect on the development of new processes	- 0.054	0.044	-0.106	- 1.21 2	0.226
X v	Employee's freedom have effect on the development of new products in your organisation	0.095	0.041	0.188	2.32 7	0.021*
X vi	Rewards such as recognition/award/praise have effect on employee's inner drive to be creative	0.098	0.038	0.161	2.58 9	0.010*
X vi i	Rewards such as money/salary increase have effect on employee's inner drive to generate new ideas	- 0.002	0.039	-0.003	- 0.04 8	0.962
X vi ii	Adequate motivation of employee have effect on your organisation's ability to innovate	- 0.024	0.042	-0.040	- 0.56 9	0.570
X ix	Employee's motivation have effect on the development of new processes	- 0.099	0.052	-0.151	- 1.90 3	0.058
X x	Employee's motivation have effect on the development of new products	0.033	0.049	0.052	0.66 7	0.505

**Key: \* Significant at P < 0.05**