ABSTRACT

There has been continuous pressure on organizations to drive out excessive costs, obsolete products and services, and general inefficiencies so as to compete in the price sensitive global arena. Can the innovation strategy be a potent tool for bailing organizations from this circumstance? The major objective of this paper is to assess the relationship between the innovation strategies of organizations and their impact on firm performance. The paper draws substantially on extant literature and research work carried out on the innovation strategy and other High Performance Work Practices (HPWP) and to consider their impact on the improvement of organizations. It was discovered that the innovation strategy and other HPWP indeed impact financial and operational outcomes of organizations; achieve higher levels of productivity than more traditional approaches with combinations of certain innovative practices in HR leading to improved productivity. The paper concludes that innovations and other HPWP are key vehicles in promoting the improvement of organizations. As a result of the aforementioned, the paper recommends the incorporation of measures and benchmarks of the diffusion of HPWP; the encouragement of an understanding of HPWP among managers and the specification and incorporation of the knowledge of innovative HR management practices in major management qualifications.

Keywords: Innovation strategy, High performance work practices, productivity, organizational, improvement, HR innovations, organizational efficiency