Bringing the 'social' dimension back in: Towards an integrated framework for strategic human resource management and social innovation

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This paper involves a theoretical exploration about and an empirical outlook towards a relationship not yet genuinely articulated or properly investigated: the connection between strategic human resource management (SHRM) and social innovation.

Despite the fact that, some scholars argue that SHRM also has to consider workforce characteristics and the (potential) impact of policies and practices on workers and society (e.g., Beer et al., 1984; Paauwe, 2004), the basic premise of most of the current SHRM models is that the effectiveness of people management is determined by its alignment with the organization's strategy (e.g. cost competitiveness, differentiation, innovation). Thus, this line of thought neglects 'the social dimension' and gives priority to the objectives of the individual firm as the proper guideline for assessing the quality and value of HRM.

Is this exclusive focus on the business imperative really appropriate and wise? Recent studies show that work practices aiming to contribute to organizational targets, so-called 'high performance work practices' (e.g., greater opportunities for using skills, decreased levels of management control), can have a negative impact on workers such as increased psychological and physical pressures (e.g., Antonioli et al., 2009; Askenazy & Caroli; 2006; Brenner et al., 2004; Gallie, 2005; Green, 2004), and this does not promise well for organizational performance. Thus, from a strategic or economic point of view 'the social' cannot be neglected: workers and societal norms, values, desires, and needs.

Business ethics, corporate social responsibility, sustainability, and green management. Just a few keywords referring to 'the social' and increasingly mentioned in the recent business literature. Unfortunately, there have only been very few attempts to link these issues to the SHRM literature and social innovation. According to Phills (2009), social innovation refers to any novel and useful solution to a social need or problem, that is better than existing approaches and for which the value created accrues primarily to society as a whole rather than private individuals. Mulgan (2007, p. 8) defines social innovation as 'new ideas that work' or 'innovative activities and services that are motivated by the goal of meeting a social need and that are predominantly developed and diffused through organisations whose primary purposes are social' and argues that this would be distinct from business innovations, which would be generated primarily by profit-maximization and diffused through for profit business.

While we agree on the 'meeting a social need' aspect, we define social innovations more broadly to also cover institutional arrangements as well as activities and services which are offered by or with the support of (for profit) business organizations, or by organizations and institutions related to business organizations. In addition, we would consider business innovations also a social innovation if there would be a positive 'social' external (side-)effect of this for-profit business activity to the benefit of either the company's workforce and/or society.

In our paper we connect the different strands of literature and develop an integrated conceptual framework on SHRM and social innovation, presenting a more comprehensive and balanced approach to SHRM, an approach that esteems the social dimension. For realizing this aim, we link elements of current SHRM models to Budd's (2004) efficiency, equity and voice approach. Moreover, we provide SHRM with a dynamic dimension by extending De Leede and Looise's (2005) work with the issue of social innovation. We argue that technological innovation, which concerns primarily the intra-organizational dimension, and social innovation, which may transcend beyond organizational boundaries, are mutually reinforcing. To this end, we claim that the classical dichotomy of efficiency vs. equity-oriented is too simplistic, and also needs to include civil and political rights. Based on a

discussion of the respective costs and benefits of social innovations from the perspective of business organizations, we propose a dynamic and integrated view of SHRM.

The paper is organized as follows. To start with, we present and discuss existing approaches to SHRM and innovation management. In so doing, we extend the work by De Leede and Looise (2005), who argue that from the innovation side, HRM should be viewed as a strategic and integrated field contributing to the organization as a whole, and not just as fragmented practices supporting specific innovation activities, types or even phases. From the HRM side, innovation should not be understood in a static way but relate to all kinds of dynamics inside and outside the organization.

At the following stage, we will extend the analysis with respect of the social dimension and social innovations in the existing SHRM literature. In our view, the integration of the two fields is only possible if we start with an organizational strategy aiming for (social) innovation – not just profit-related cost reduction or quality-orientation – and end with an organizational outcome such as (social) innovation success or extent of (social) innovativeness.

Based on the conceptual framework developed in the previous section, the subsequent section describes, analyses and discusses potential territory for SHRM and social innovation: a number of work life topics that also have been addressed by the International Labour Organization. Based on own research, we discuss aspects of contingent work and migrant workers.

The finishing section discusses the implications of our social innovation approach to SHRM, industrial relations and the society as a whole. We conclude the paper with a short summary of the model and its implications for future empirical research.

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