

COMPARATIVE ANALYSIS OF INNOVATIVE PRACTICES IN HUMAN RESOURCE MANAGEMENT

Innovations are entering with increasing power in our daily lives. The use of innovations in modern world is not a matter of personal choice. The use of innovation is a necessity. "Creative activity should involve the entire production team in every company, from the Chief engineer to the workers" [159, p. 119]. Without a doubt, the motto of the modern world is "be innovative or die". And this motto is equally valid for both individuals and organizations. Innovations are the result of both the innovative people who create them and the visionaries who recognize their usefulness and support their development.

The analysis of innovative, respectively successful organizations shows that they have realized the value of innovative staff. For attracting and retaining these staff, successful organizations apply innovative approaches to human resource management. Therefore, the aim of the present study is to make a comparative analysis between the most innovative international practices of HR and the most innovative human resource practices in Bulgaria.

The goal set will be achieved through the following tasks: 1) to analyze the main features of HR management practices in 30 Most Innovative Business Leaders [163]; 2) to analyze the human resources management practices that The World's 30 Most Innovative Corporate Human Resources Departments are developing [165]; 3) to analyze 10 examples of innovative HR management practices [6]; 4) on the basis of the results obtained, to develop a questionnaire for a survey of human resource management practices in organizations that develop business in Bulgaria; 5) to perform a comparative analysis between the results obtained for HR management practices in Bulgaria and the innovative practices in human resources management worldwide; 6) to draw conclusions from the comparative analysis.

The working hypothesis of the study is that there is not compliance between HR management practices of organizations, operating in Bulgaria, and innovative international human resource management practices. A survey card was developed to collect information for the purposes of the survey. Some of the questions in the questionnaire are based on analysis of the practice of the 30 Most Innovative Business Leaders [163]. A further part of the questions was formulated on the basis of The World's 30 Most Innovative Corporate HR Departments [165] and an analysis of 10 examples of innovative HR practices [166].

The following scientific methods are used in the research: inductive and deductive methods, methods of analogy, analysis, secondary analysis, synthesis. Developed questionnaire contains 30 questions. In the present study, 25 questions are analyzed. The questionnaire is distributed on paper and electronically. The address of the poll is: <http://mpeycheva.poll daddy.com/s/innovations-mpeicheva-1>. The electronic card was active for completion in the period 24th of May 2017 to 20th of June 2017. The working language of the questionnaire is Bulgarian because it is designed to explore innovative HR practices in organizations in Bulgaria. Respondents are employees from different organizations and at different ages. The

results obtained do not claim representation but could be used to provide information to managers for possible improvements of HR management in Bulgaria. The questionnaire was filled by 79 employees.

General information about the respondents

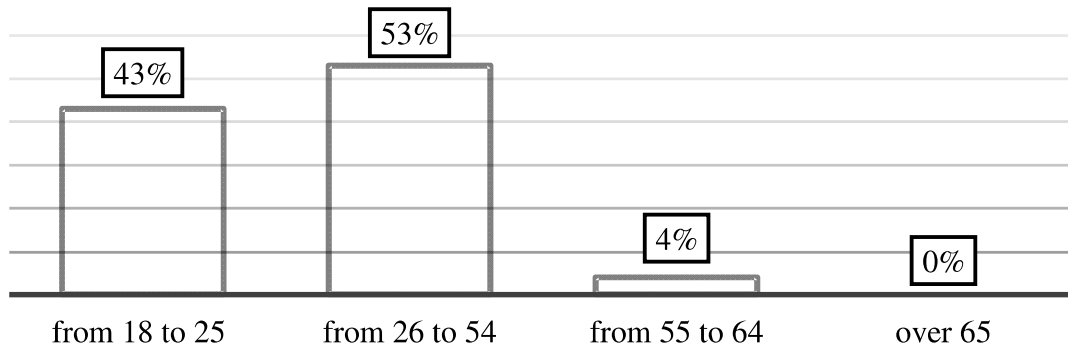


Figure 21: Question: How old are you?

Source: created by author

The age groups are divided according to the understanding of the stages in career development: 18-25 period of apprenticeship, 26-54 period of approval in the profession, 55-64 period during which the employee can shape the direction of development of the organization. Predominant is the percentage of respondents aged 26-54 with 53%. People over the age of 65 had not filled in the survey (Figure 21).

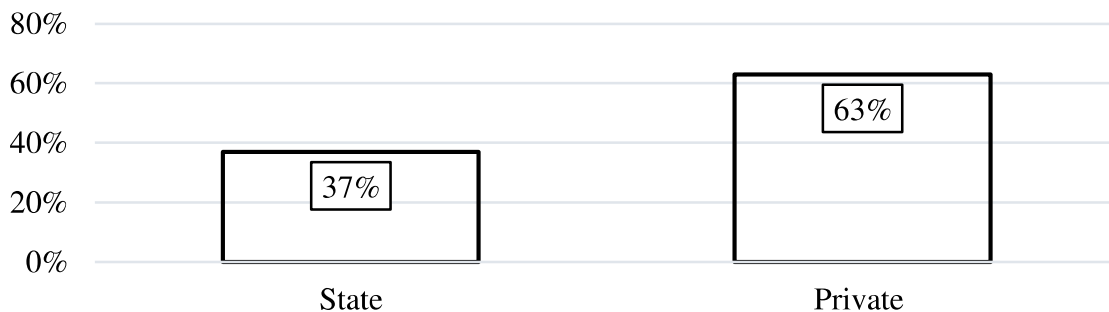


Figure 22: Question: What is the property of the organization you work in?

Source: created by author

Predominantly respondents are from private organizations (63%) (Figure 22).

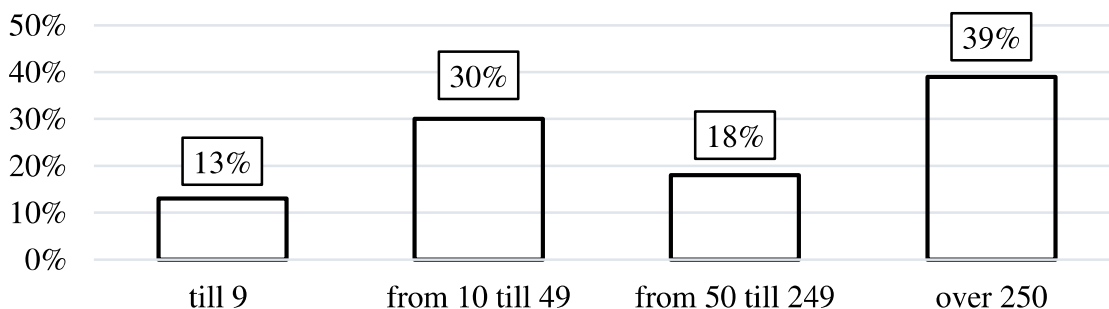


Figure 23: Question: What is the number of staff in your organization?

Source: created by author

The largest is the number of respondents who work in organizations with more than 250 staff – 39% of respondents (Figure 23).

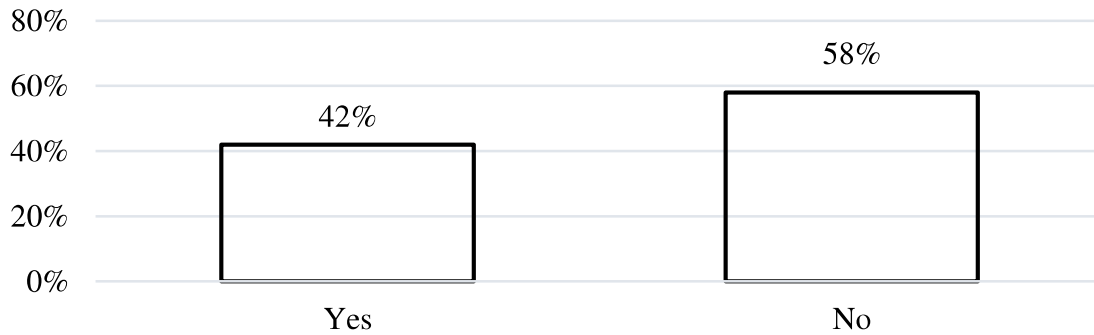


Figure 24: Question: Do you have any foreign participation in your organization?

Source: created by author

58% of the respondents work in organizations without foreign participation (Figure 24).

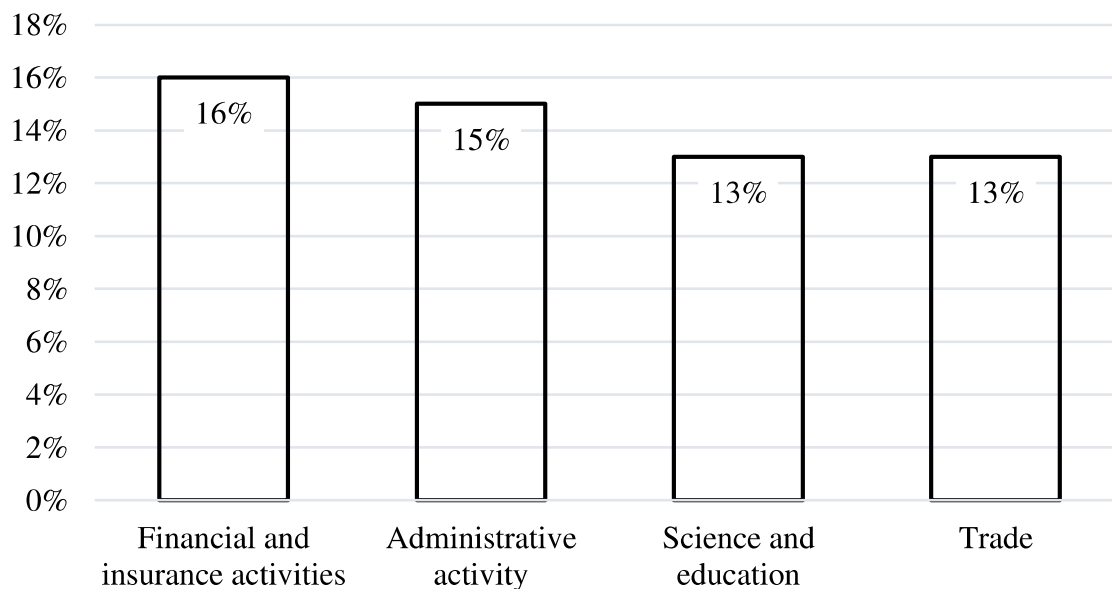


Figure 25: Question: In what sphere do you work?

Source: created by author

The areas where most of the respondents' work: financial & insurance activities (16%), administrative activities (15%), science and education (13%) and trade (13%) (Figure 25).

Three criteria were chosen for the comparative analysis of HR management practices in the 30 most innovative business leaders and HR management practices in organizations, operating in Bulgaria (managers, career development and staff stimulation for innovative thinking) (Table 18).

According to this question 62% of respondents identify their direct manager as innovative thinker (Figure 26).

Table 18

Criteria for comparative Analysis between HR Management Practices in Bulgaria

Criteria	Characteristic of the criterion in the 30 Most Innovative Companies in the World	Poll questions that seek compliance between human resources practices in organizations operating in Bulgaria and innovative companies
Managers	Innovative CEOs	Can you identify your direct manager as an innovative thinker?
Career development	Managerial positions are occupied by employees who have gone through successively through all stages of career development. The main criteria in the succession planning and occupation of managerial positions are professionalism and innovative thinking. There is talent management policy	1. What is typical of managers in your organization? 2. How teams are formed in your organization?
Staff stimulation	They support innovative people who work with passion because they are the ones who can change the world; Stimulate staff by increasing and/or rewarding for innovative thinking and achieved results	1. Do you receive recognition for your innovative thinking? 2. Does the organization, in which you work, stimulate innovative thinking? 3. If the innovation you have offered has not led to the expected success, are you able to offer other innovations?

Source: created by author

Criteria Managers

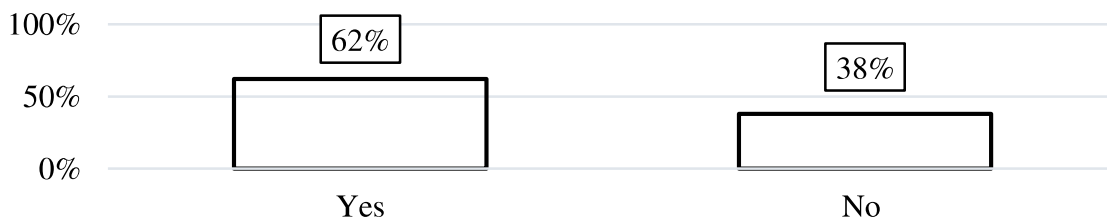


Figure 26: Question: Can you identify your direct manager as an innovator?

Source: created by author

Criteria: Career development

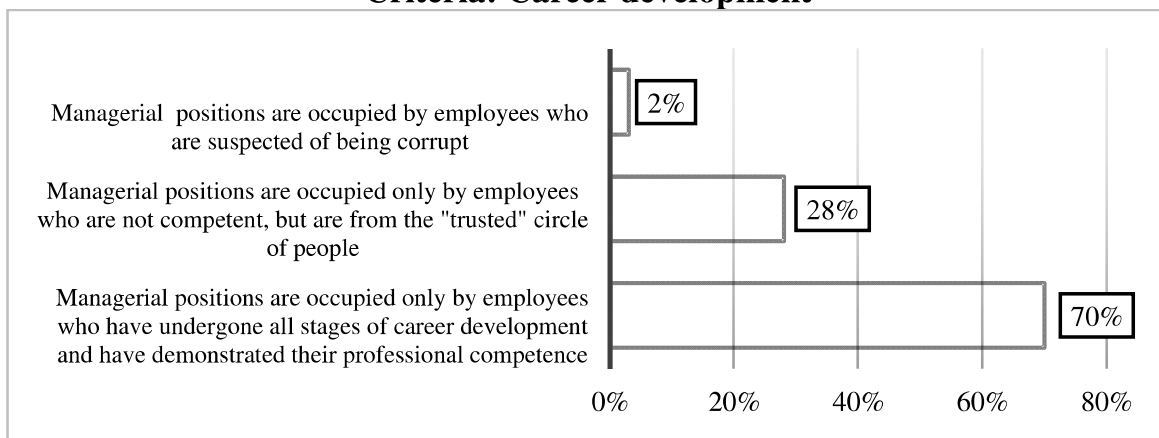


Figure 27: Question: What is typical for managers in your organization?

Source: created by author

70% of respondents indicated that managerial positions are occupied only by employees who have undergone all stages of career development and have demonstrated their professional competence.

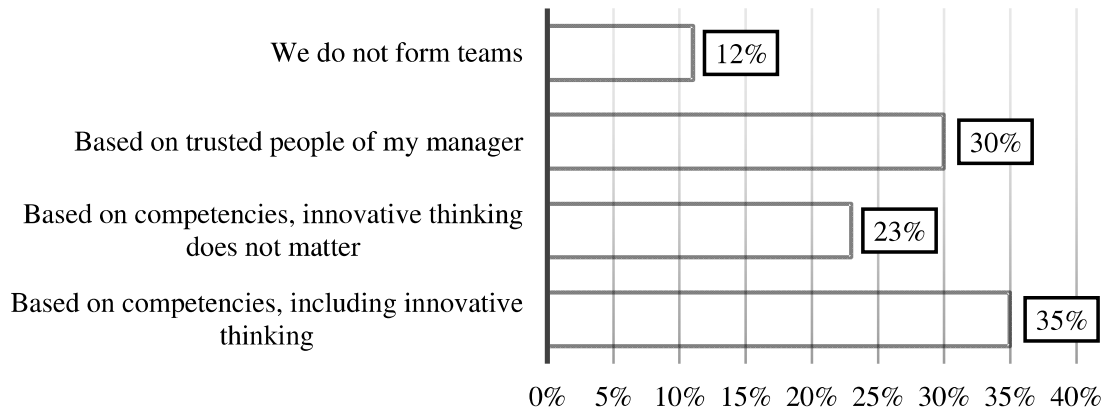


Figure 28: Question: How teams are formed in your organization?

Source: created by author

36% of respondents indicated that teams are formed based on competencies, including innovative thinking (Figure 28).

Criteria: Staff stimulation



Figure 29: Question: Do you receive recognition for your innovative thinking?

Source: created by author

65% of respondents stated that they receive recognition for their innovative thinking (Figure 29).

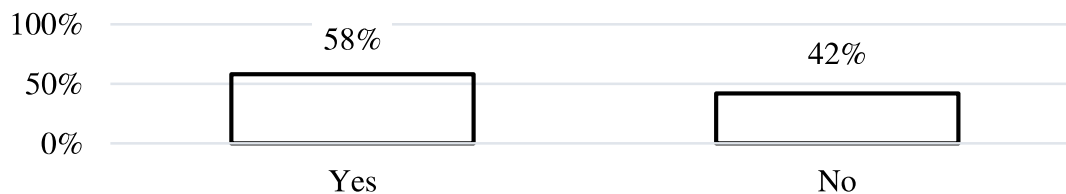


Figure 30: Question: Does the organization you work in, stimulate innovative thinking?

Source: created by author

58% of respondents indicated that the organization in which they work stimulates innovative thinking (Figure 30).

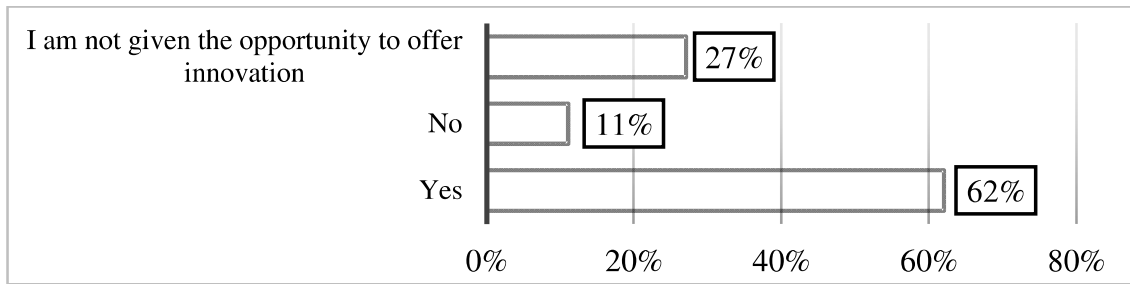


Figure 31: Question: If the innovation you have offered has not led to the expected success, are you able to offer other innovations?

Source: created by author

62% of the respondents indicated that they are able to offer other innovations if their previous innovation proposal has not led to the expected results (Figure 31).

For comparative analysis between 30 the world's most innovative corporate HR departments and HR management practices in companies operating in Bulgaria, 5 criteria were chosen (talent retention policy, work-life balance, working environment tailored to individual needs, feedback, communications and environment based on trust). For comparative analysis between 10 examples of innovative HR practices and policies that amplify success were chosen 2 criteria (innovations in recruitment and selection and flexibility at work) (Table 19).

Criteria: Policy for talent management

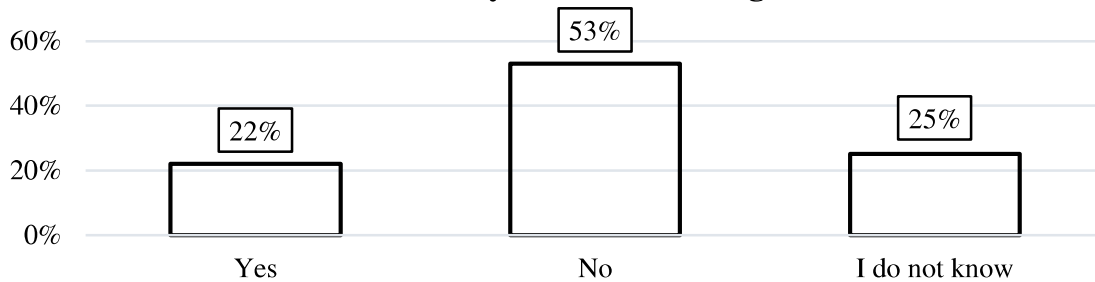


Figure 32: Do you have a talent management policy in your organization?

Source: created by author

According to 53% of the respondents, there is no talent management policy in the organizations (Figure 32).

Criteria: Policy for balance between professional and personal life

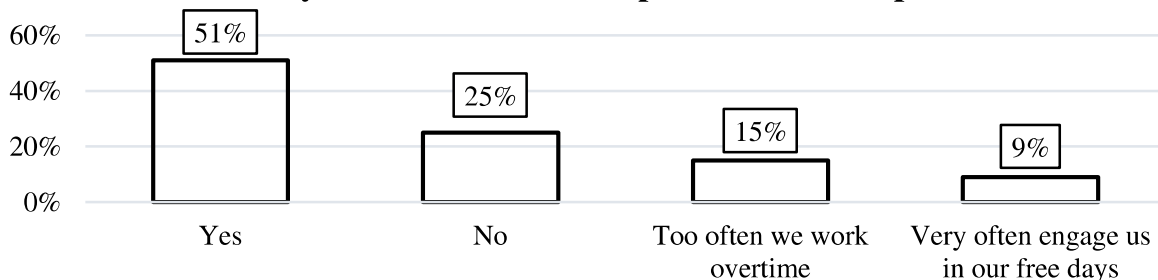


Figure 33: Question: Does the organization where you work, value employee's personal time?

Source: created by author

Table 19

Innovations in recruitment, selection and flexibility at work

Criteria	Characteristic of the criterion in 30 The World's Most Innovative Corporate HR Departments and in 10 Examples of Innovative HR Practices and Policies that Amplify Success	Poll questions that seek to match human resources practices in organizations operating in Bulgaria and innovative human resources departments and human resource management practices
Policy for talent management	Innovative HR departments have a policy of retaining talent. The policy elements are formed on the basis of the needs of the staff (sample policies, see criterion 3)	Do you have a talent management policy in your organization?
Policy for balance between personal and professional life	Innovative HR departments look for a balance between work and private life	Does the organization in which you work, value employee's personal time?
Working environment tailored to individual needs	Innovative HR departments offer staff assistance in raising young children and caring for adults, offering "green" buildings, fitness facilities, table tennis, and others, related to maintaining a healthy lifestyle	1. Does the organization in which you work offer the opportunity to use some of the following services? 2. Does the organization in which you work offer one of the following?
Feedback	Innovative HR departments provide an environment for employee feedback by providing valuable information to managers, for what works well and what needs to be changed	1. Does your manager look for your opinion on improving work? 2. In the organization in which you work, is it acceptable to make suggestions for improving work? 3. Is middle management in your company interested in whether your direct supervisor is helping you perform your tasks?
Communications and a trust-based environment	Innovative HR departments develop for creative freedom of people, open communications, sharing ideas for improving work	1. If you make an innovative proposal, does the organization's middle management understand that you are the author of the innovative proposal? 2. Do you consider that the working environment in which you work is based on trust between colleagues? 3. Do you think that the communications in your organization are opened?
Innovations in recruitment and selection	Interviewing via video; virtual tour of the office or playing a video game completing some of potential job's "tasks", adding such elements into recruiting toolbox of younger talent to become more interested in the company, and more likely to apply	1. How do you apply for a vacant position in your organization? 2. Which selection approaches apply to the organization you work for?
Flexibility at work	It's all about how a company values the contribution of an employee, not just the physical hours worked. Time off for appointments and leaving early for school brings about loyalty and satisfaction in employees	1. Does the organization stimulate work from home (where it is possible)?

Source: created by author

51% of the respondents think that the company they work in values estimate employee's personal time (Figure 33).

Criteria: Working environment tailored to individual needs

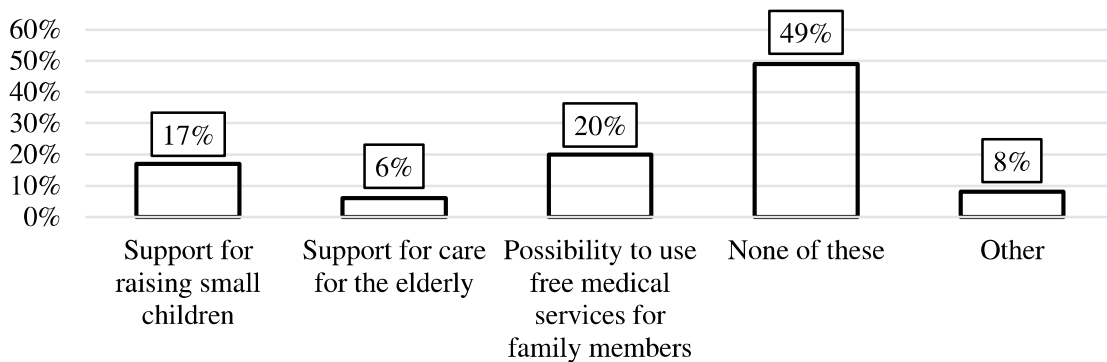


Figure 34: Question: Does the organization where you work in, offer the opportunity to use some of the following services?

Source: created by author

According to 49% of the respondents none of the indicated services are offered in their organizations (Figure 34).

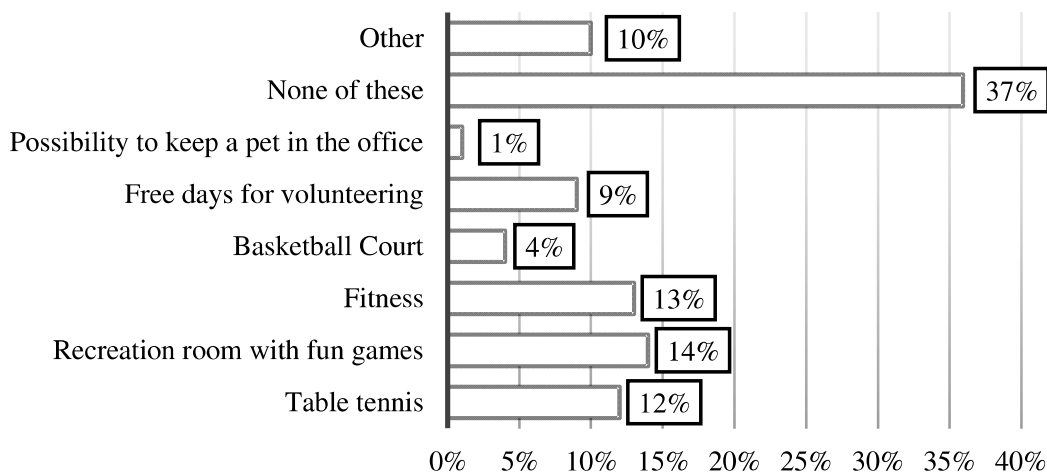


Figure 35: Question: Does the organization where you work in, offer one of the following?

Source: created by author

According to 37% of the respondents none of the indicated services are offered in their organizations (Figure 35).

Criteria Feedback



Figure 36: Question: Does your manager look for your opinion to improve work?

Source: created by author

63% of the respondents indicated that the manager looks for their opinion on improving work (Figure 36).



Figure 37: Question: In the organization where you work in, is it acceptable to make suggestions for improving work?

Source: created by author

73% of the respondents indicated that suggestions for work improvement are acceptable (Figure 37).

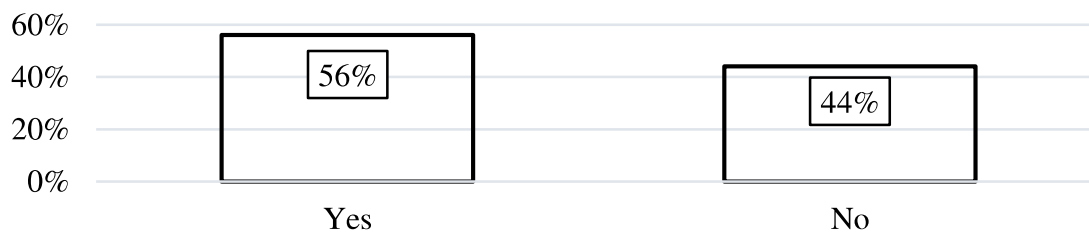


Figure 38: Question: Is middle management in your organization interested in whether your direct supervisor is helping you perform your tasks?

Source: created by author

56% of the respondents indicated that senior management is interested whether their direct supervisor is helping them perform their tasks (Figure 38).

Criteria: Communications and a trust-based environment

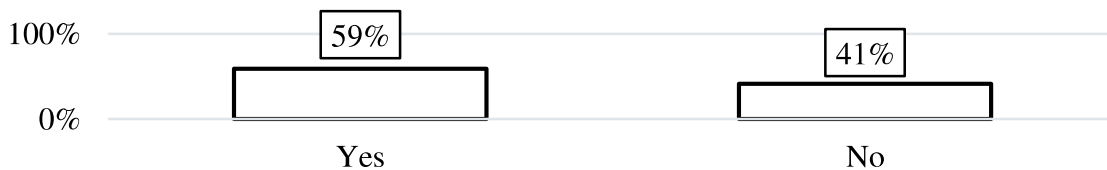


Figure 39: Question: If you make an innovative proposal, does the middle management understand that you are the author of the innovative proposal?

Source: created by author

According to 59% of the respondents' senior management is aware that they are the author of innovative proposal (Figure 39).

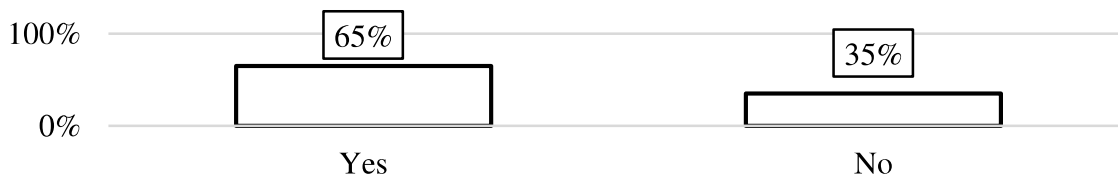


Figure 40: Question: Do you consider that the working environment, where you work in, is based on trust between colleagues?

Source: created by author

65% of the respondents indicated that the working environment is based on trust between colleagues (Figure 40).

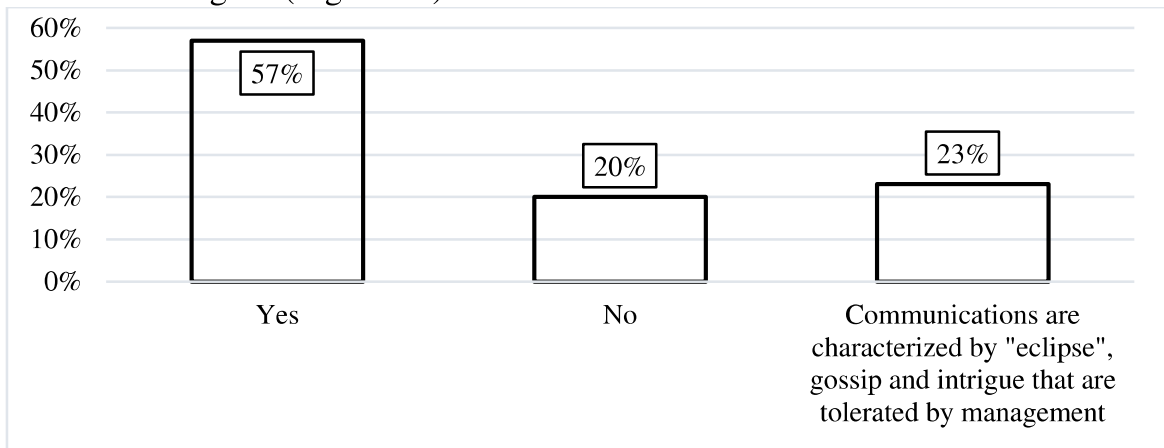


Figure 41: Question: Do you think that the communications in your organization are opened?

Source: created by author

57% of the respondents indicated that the communications in the organizations are opened (Figure 41).

Criteria: Innovation in recruitment and selection

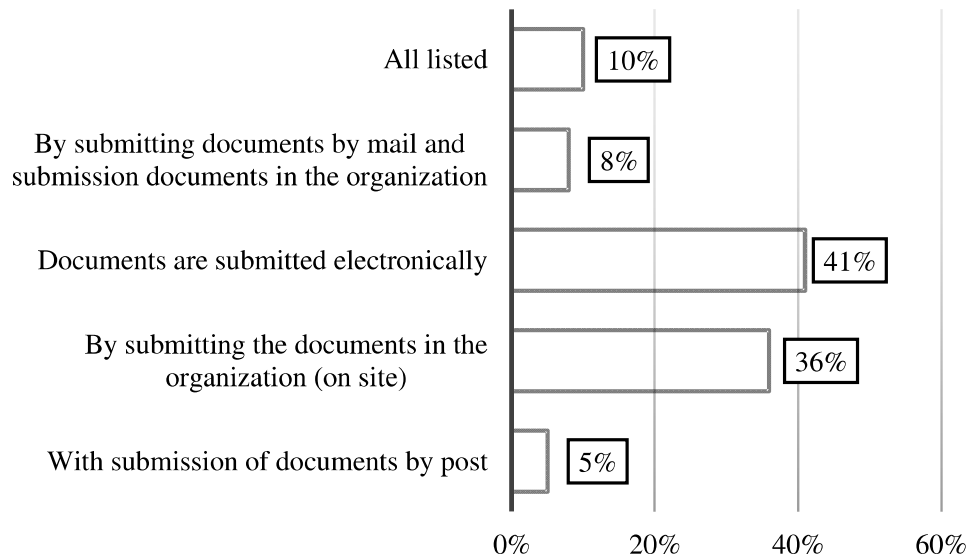


Figure 42: Question: How do you apply for vacant position in your company?

Source: created by author

41% of the respondents indicated that documents are sent electronically (Figure 42).

80% of the respondents indicated that interviews and tests are conducted in organizations (Figure 43).

73% of the respondents have indicated that work from home is not stimulated (Figure 44).

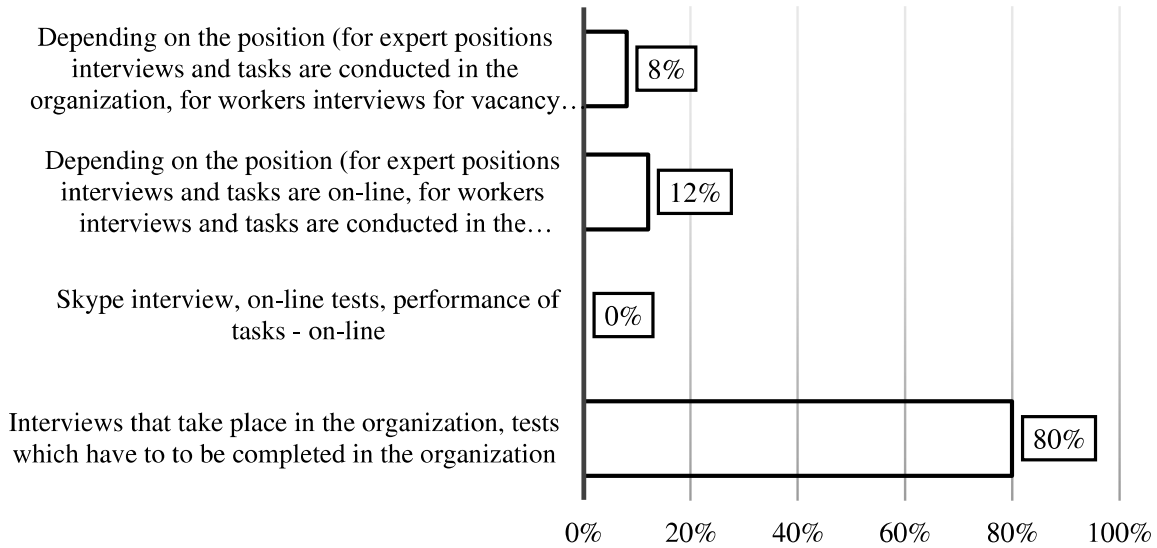


Figure 43: Question: Which selection approaches apply to the organization you work for?

Source: created by author

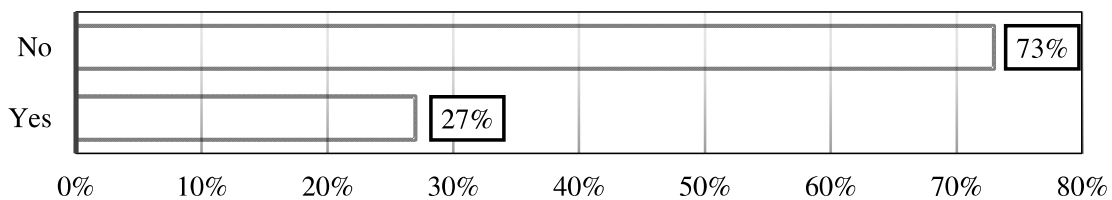


Figure 44: Question: Does the organization stimulate work from home (where it is possible/appropriate)?

Source: created by author

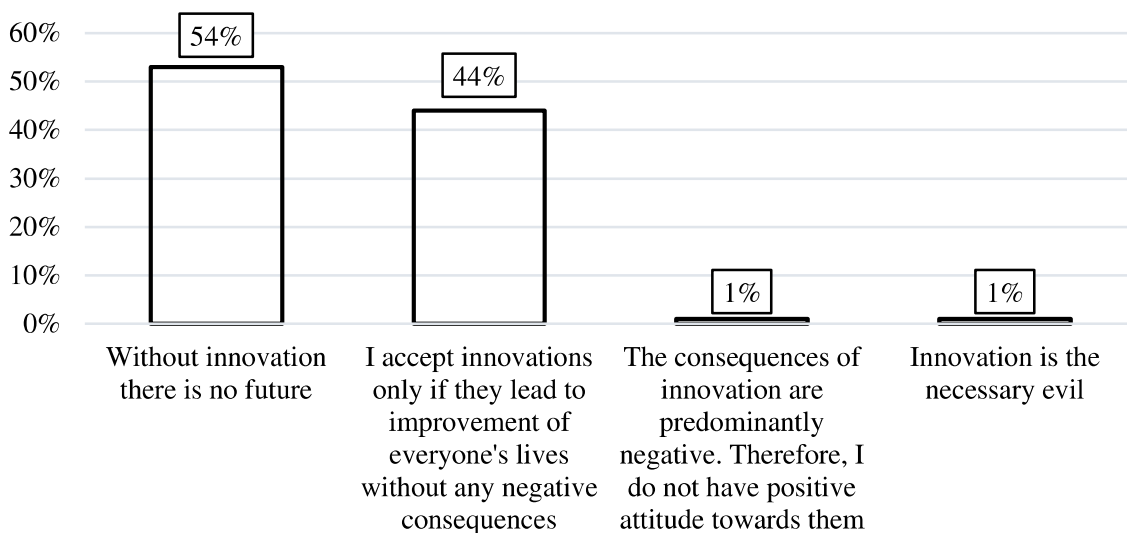


Figure 45: Question: What is your attitude towards innovations?

Source: created by author

According to 54% of the respondents, there is no future without innovations. 44% on the other side accept innovations, if they do not lead to negative consequences (Figure 45).

CONCLUSION

As a result of the analysis, we can draw three conclusions related to working hypothesis, non-compliances and innovation practices in the future.

First conclusion, related to the working hypothesis. The working hypothesis is partially confirmed, because the companies, operating in Bulgaria, predominantly show correspondence between their human resources practices and the practices of innovative companies and HR departments.

Second conclusion is related to non-compliance between HR practices in the organizations which have business in Bulgaria and HR practices in innovative organizations and HR Departments. There are five non-compliances:

- Absence of Policy for talent management;
- Working environment does not meet the individual needs, associated with providing some of the following: table tennis, recreation room with fun games, fitness, basketball court, free days for volunteering, possibility to keep a pet in the office;
- Employees are not provided with services related to support for raising small children, support for care for the elderly, possibility to use free medical services for family members;
- There are no innovative methods for selection such as on-line or skype tests and interviews;
- Companies in Bulgaria do not encourage work from home, for the jobs which permit it.

Third conclusion is related to the understanding of innovative practices in HR management in the present and the future. The current understanding of innovative practices in HR management will soon be outdated. Under the influence of innovation, HR management practices will change substantially, for example, recruitment and selection. "Upwork alone has more than 10 million freelancers registered from 180 countries" [162]. A study by the McKinsey Global Institute predicted that, by 2025, robots could jeopardize between 40 and 75million jobs worldwide [162]. This means that there will be recruitment and selection for robots. "It is coming to the end of retirement. Forget quitting at 65; everyone is going to have to stay on for longer, but we should exploit older people's experience" [162]. This means that we have to look for another type of training or we have to look for different types of labor.

Along with that, the future seems to be like Professor Klaus Schwab warns in The Fourth Industrial Revolution [160, p.11]. According to him, it will increase inequality between people. "Robots and machines will displace people ..," ... the gap between labor and capital grows" [160, p. 11]. Probably all this will affect the practice of wage formation. In these forecasts, despite positive thinking, expectations are not good. Therefore, innovative HR practices should focus on developing "innovative leadership" [161, p. 102], which is capable of uniting robots, machines

and people, not opposing them. The direction of innovative leadership should be raising income, improving people's lives in the global world, and providing security for all living creatures.

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