Introduction

In this concluding chapter, we bring together the threads and reflections on the chapters contained in this text and show how they relate to multi-level issues. The book has focused on the world of Human Resource Management (HRM) and the systems and practices it must put in place to foster innovation. Many of the contributions argue that in order to bring innovation about, organisations have to think carefully about the way in which they will integrate what is, in practice, organisationally relevant – but socially distributed – knowledge. They need to build a series of knowledge-intensive activities and networks, both within their own boundaries and across other important external inter-relationships. In so doing, they help to co-ordinate important information structures. They have, in effect, to find ways of enabling people to collaborate with each other at lower cost, by reducing both the costs of their co-ordination and the levels of unproductive search activity. They have to engineer these behaviours by reducing the risks for people that might be associated with incorrect ideas and help individuals, teams and business units to advance incomplete ideas that are so often difficult to codify. In short, a range of intangible assets must flow more rapidly throughout the organisation and an appropriate balance must be found between the rewards and incentives associated with creativity, novelty and innovation, versus the risks that innovation may also bring.
In examining the ways in which HRM is linked to innovation, we believe that researchers and practitioners alike should focus their attention on four levels of analysis:

- the organisational form used to structure the innovative parts of the work process
- the psychological processes that generate innovative employee behaviour within this framework
- the impact of leadership as a facilitator of the innovation process, and
- the learning models and processes that help to develop innovation and the institutional processes to embed such models.

In the following sections, we summarise what contributors see as the most important issues and questions at each level of analysis, and the directions for future research that these suggest.

**The organisational form used to structure innovative parts of the work process**

The first level of analysis is the organisational form used to structure the innovative parts of the work process. The organisational form is the way in which organisations choose to combine strategy, structure and the internal control and co-ordination systems in order to provide the appropriate operating logics, rules of resource allocation and mechanisms of corporate governance. In Chapter 2, Sparrow argues that this is the most appropriate level of analysis from which HRM functions should start their analysis of the strategies needed to foster innovation for the following reasons. At the micro-level, even within one organisation, there are seven broad but also markedly different organisational forms that might be adopted: building units that are specialised to the creative portion of the innovation problem; using fluid, lateral and team modes of co-ordination with joint decision-making rights; external or internal venture capital models; internal professional service models; networks or project-based sets of partner SMEs; or open, dynamic, virtual and networked spaces. Each form brings its own organisational development issues. The different options establish the organisational design, the paths through which organisational aims get disseminated and resources allocated, and how duties, rights, functions and roles will be governed. They shape the way in which knowledge will be managed and brokered and intellectual capital will be leveraged. They help foster