

Hybrid working and management innovation in the SME: insights and implications for management team practice

Arthur Kearney

South East Technological University, Waterford, Ireland, and

Denis Harrington

Graduate Business, South East Technological University, Waterford, Ireland

Abstract

Purpose – Focusing on the small and medium-sized enterprises (SME) context, the paper aims to examine the emergence of new management practices in management teams under hybrid working. Drawing from contributions in the management innovation domain, a framework for management practice in supporting hybrid working in the SME context is proposed.

Design/methodology/approach – An integrative review of literature in the domains of management innovation, SME, and hybrid working is conducted. Future nuanced empirical research is posited.

Findings – The conceptual framework proposes that five management innovations emerge in the context of SME hybrid working: strategic management innovations, network relationship management innovations, control and evaluation management innovations, sense-making and sense-giving management innovations and organising innovations, and that these drive SME management practices.

Research limitations/implications – Building on the management innovation literature, this study articulates the unique context of hybrid working in the SME as a space for management innovation and develops a framework which proposes relevant management team practices.

Practical implications – The practical relevance of management innovation occurs both in negotiating the change to hybrid work and in cultivating an organisational culture where management innovations become an ongoing response to feedback from a changing and dynamic environment, as indicated in the conceptual model. Where executives are open to opportunities and changes emerging from this environment, as opposed to taking more constrained approaches, for instance, as framed by resource conservation theory, a management innovation perspective can help reframe hybrid working in context as a strategic opportunity.

Social implications – It is argued that the lens of management innovation at the level of the SME management team gives policymakers an opportunity to view hybrid working as an opportunity for both improved social and economic outcomes and also as that such outcomes can be developed through management innovation. Policies supporting such development might include modifications to existing training supports for SMEs. Specific modifications can support management teams and executives in both reflective learning and intervening so as to support the development of future management innovations in their businesses.

Originality/value – The conceptual framework of the emergence of management innovations and practices for management teams reflects a unique theoretical approach to hybrid organising. Future empirical research is necessary to progress the framework's development.

Keywords SME, Management innovation, Hybrid working, Emerging management practices

Paper type Research paper

Introduction

A growing body of literature on hybrid working has recently begun to focus on approaches related to management innovation. This is evident in studies such as [Williams and Shaw](#)

© Arthur Kearney and Denis Harrington. Published in *Journal of Work-Applied Management*. Published by Emerald Publishing Limited. This article is published under the Creative Commons Attribution (CC BY 4.0) licence. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this licence may be seen at <http://creativecommons.org/licences/by/4.0/legalcode>



(2025), contextualising hybrid working in the non-profit sector as a framework for future productivity and performance improvement. Here, management innovation is an implicit outcome. The role of management innovations manifested as softer skills is argued in [Osorio and Madero's \(2025\)](#) study of GenZ's motivation for hybrid work specific to the context of the entrepreneurial small and medium-sized enterprises (SME). Contemporary with this emerging research space, the context of hybrid working in the SME is increasingly the focus of debate among practitioners and at the policy level.

To date, limited research has been undertaken into management innovation in the SME context. Specifically, there is limited research into how management innovations might emerge in the context of hybrid working. Articulating the importance of the embeddedness of management innovation development in the social context of the SME, [Mawadia et al. \(2018\)](#) have investigated the role of technological change in supporting management innovation. Their work emphasises the importance of a bricolage approach to managing such change as a support to management innovation. Equally, [Melander et al. \(2023\)](#), in a manufacturing context, support the importance of psychological ownership within the SME, especially in framing the development and potential for management innovation. The role of top management teams in driving management innovations in the SME has also been investigated by [Yu et al. \(2022\)](#).

The paper thus seeks to contribute to the existing literature by focusing specifically on how management innovation might evolve in the SME hybrid working context. It aims to do so by building a conceptual framework relating the domains of management innovation to hybrid working in the unique SME context. Several implications for SME management team practice are evident from the framework developed. The study also contributes to emerging debates on hybrid working in the SME context. Specifically, it offers policymakers insights into how the management innovation lens can provide a midway perspective on future training and development support to the sector, thus avoiding the polarities where hybrid working is viewed as an either/or option for the SME.

Several aspects of the SME hybrid working context support the uniqueness of this paper. Firstly, a lack of human resource management (HRM) and associated specialisation imply that SME management team practice is more generalist in nature ([Harney et al., 2022](#); [Amarakoon and Colley, 2022](#); [Hotho and Champion, 2011](#)). This generalist management contains the potential to integrate such management team practice into shaping management innovations in the hybrid working context. Second, the embeddedness of SME management team practice ([Amarakoon and Colley, 2022](#); [Mawadia et al., 2018](#)) implies that contextual management innovations emerge tacitly underpinned by informal relationships. Finally, and building on the emerging SME hybrid working literature ([Williams and Shaw, 2025](#); [Benedic, 2022](#); [Bellis et al., 2024](#)), we use the lens of management innovation to offer a novel conceptual framework for hybrid working in context. Through this lens, we contribute to the existing literature on management innovation in the SME context ([Melander et al., 2023](#); [Ben Hamadi and Fournès, 2023](#); [Yu et al., 2022](#); [Murullo et al., 2020](#); [Pertuz and Peres, 2020](#)). Methodologically, the paper takes the form of an integrative review of literature ([Snyder, 2019](#)) guided by the research question: “*How do management innovations evolve in the SME in the hybrid working context and what are the implications for SME management team practice?*”

The paper is organised into seven sections. The initial section documents the nature and relevance of the integrative literature review. The following sections articulate the SME context for the research question: management innovation in the SME; the impact of hybrid working on management innovation; the impact of hybrid working on the SME and management innovation as new management team practices in the SME hybrid working context. A conclusion articulates the academic, practice and policy contributions of the paper and indicates future research trajectories.

Integrative literature review

Following [Snyder \(2019, p. 335\)](#), we develop an integrative literature review, aimed to “assess, critique, and synthesise the literature on a research topic in a way that enables new theoretical

frameworks and perspectives to emerge". The integrative review is aligned to the present study in an effort to provide new perspectives on what is an emerging research domain. For the current paper, we reviewed the literature searching key databases (Emerald, Science Direct and Wiley) and Google Scholar in the domains of management innovation, hybrid working and the SME context. The searches were performed at the level of inclusion of the terms in the abstract. In taking this approach, we accept the limitations that the integrative review lacks the rigour of a more systematic approach (Torraco, 2005), and hence the paper presents an initial theoretical framework in an attempt to shed light on the ways in which management innovations evolve in SMEs, particularly in a hybrid working context and the implications for SME management team practice.

Unique aspects of SME hybrid working context

SMEs provide a unique context for the study of business phenomena by virtue of several nuanced aspects. In the domain of management innovation, specific aspirations for future research of the phenomena in the SME context are argued (Piazza and Abrahamson, 2020; Khosravi *et al.*, 2019). The following section articulates the SME perspective and the ways in which management innovation evolves in context. Emerging from an original entrepreneurial idea, many SMEs possess resources and capabilities honed to a unique industry and often from specific technical capability therein (Merin-Rodriguez *et al.*, 2024). Relevant examples are provided by SMEs in the manufacturing sector (McAdam *et al.*, 2007). However, the limited size of the SME hampers specialisation within business functions, differentiating the SME from larger firms (Pertuz and Perez, 2020). Consequently, SMEs resort to embedding in network ties and often build on the original entrepreneur's strategic vision and leadership. SMEs culture extends the shadow of the life of the original entrepreneur, often embedding creativity and informality into the lives of employees (Leitch and Volery, 2017). Simple structure, a function of a limited numbers of employees (Donner and de Vries, 2021), further gives a level of formal structure to culture. This legitimises culture as a strategic navigational tool communicating strategic vision in the absence of formal policy mechanisms (Anning-Doson, 2021). Limited specialisation applies not simply to functional capability development but extends to SME management, which is generalist in nature (Gilmore *et al.*, 2007). Exemplifying the generalist nature of management capability, the role of the owner/manager often comprises ownership, strategy development and operational work (Nyamunda and Freeman, 2021). SME growth, is embedded in strong owner/manager dominance, legacy culture and structures and sometimes amplified by family embeddedness (McKelvie *et al.*, 2021). This implies that modelling growth on pure profit-making objectives ignores the SME context. For example, SME strategising emerges from the contemplation of resources such as networks, sometimes including family, from generalist management and is strongly influenced by culturally induced path dependency. In an SME context, opportunities for product and product innovation are often articulated by entrepreneurial leadership and creative culture and structured by technical capabilities (McAdam *et al.*, 2007). In contrast, process innovation emerges as often technologically supported organisational innovation and as novel forms of research and development stimulated by leveraging supplier relationships (Hervas-Olivier *et al.*, 2016a, b).

What is management innovation and how might it evolve in an SME context?

Emerging from a systematic review of innovative management practices in SMEs, the most frequent innovative management practices were found to be embedded in project management, process improvement, product change, idea generation techniques and human talent development (Pertuz and Perez, 2020). Laforet (2011), in a study based on key informant interviews and survey-based research suggest that outcomes of SME management innovation manifest as enhanced reputation, increased operational efficiency and cost benefits. It also

included an improved workforce skills base, the latter driving a virtuous cycle of human talent development and continuous improvement in capability to innovation management.

Highlighting how complexity plays a key role in the acceptance or rejection of SME management innovation, [Ben Hamadi and Fournès \(2023\)](#) articulate the central role played by the owner/manager. They argue that role is one capable of unlocking management innovations either through individual-level strategic capability or through effective management of networked relationships. [O'Regan and Ghobadian \(2005\)](#) link the importance of strategic capability both in orienting the SME internally towards innovative management practices but also in engaging with dynamic environmental change. Referring to the unique context for innovation offered by the small business [Sahut and Periz-Ortiz \(2014\)](#) argue that while the economic environment of the business is central to how owner/managers strategically orient the business, equal or even more importance needs to be given to informal and institutional conditions. Central to this is how such conditions can explain interpretations of future impacts of management innovations.

Environmental dynamics influence SME management innovations, with [De Blick et al. \(2024\)](#) arguing that where SMEs management are heavily influenced by the motivation to reduce external financing levels, the impact is to induce cost-saving management innovations. Considering the impact of dynamic technological change on the SME, [Hervas-Oliver et al. \(2016a, b\)](#) evidence the benefits of SME management innovation driven by technological change, which relies on appropriate managerial capabilities to integrate such change into context-specific management innovations. Longitudinally [McAdam et al. \(2007\)](#) articulate how innovation of SME management practices in a manufacturing context can emerge as an organisational capability. This reflects a move away from an original focus on the business's technical base of competitive advantage towards practices contextual to emerging business functions ([de Oliveria and Fernandes Terence, 2018](#)).

Where the SME is configured to engage in open innovation, [Murillo et al. \(2020\)](#) suggest that the potential in open innovation is the creation of opportunities and challenges for SME managers to enhance management innovations in context. Management innovations here are driven by both the nature of the opportunities and challenges and by owner/manager interpretations. Focusing on the importance of such interpretations as formed by managerial capabilities, [Colclough et al. \(2018\)](#) argue that an ambidexterity at the managerial level emerging from ambition and entrepreneurial capability is superior to resources or market conditions in supporting SME management innovation.

[Yu et al. \(2022\)](#) refine discussions of the importance of the top management team by focusing on the impact of SME top management team expectations. They argue that such expectations foster the development of "intangible cultural resources" in the SME. In contexts where top management teams are aware of the importance of such cultural resources, innovative management practices can be encouraged and, in a sense, are de-risked. However, in situations where such awareness is lacking, the propensity to develop management innovation may remain moribund ([Endrissat and Leclercq-Vandelannoite, 2021](#)). Contemplating the employee perspective, [Hotho and Champion \(2011\)](#) interpret management innovation as an SME people management challenge. They argue that the propensity to innovate and even the effectiveness of management innovations emerge in a tensioned social space between a people management supportive of creativity and a social space where employees view associated change as unduly straining.

[Mawadia et al. \(2018\)](#) argue the role of bricolage in the SME management team, as environmental complexity obscures traditional certainties during a period of technological transformation. From the perspective of management innovation, a bricolage approach suggests that bricolage itself may be a management innovation. Further, other management innovations may emerge from interpretations informed by bricolage, as opposed to conventional strategic planning.

Hybrid work and management innovation: theoretical frameworks

Theoretically informed by [Hobfoll's \(1989\)](#) conservation of resources framework, [Williams and Shaw \(2025\)](#) propose a framework of hybrid working where performance is driven by two

inputs: personal ways of working (flexibility, use of technology, concentration, etc.) and contextual factors (location, virtual – hybrid, organisational work environment). These inputs drive results and manifest as well-being at work and productivity (goals, skills, customer and team). The potential for management innovation through the lens of this framework is driven not simply by organisational restructuring. Instead, it is understood by novel management practices which engage with the contextual factors, including employee interpretations of the innovations. [Dale et al. \(2024\)](#), considering the health impacts of hybrid work, frame their study through [Bakker and Demerouti's \(2007\)](#) job-demands resource theory. This framework assumes that all work has inherent demands and resources, which then impact employee well-being. Again, this lens supports the view that management innovations are interpreted by employees and that such interpretation can inhibit or enable their effectiveness. [Trevor and Hollweg \(2023\)](#) extend the contemplation of management innovations in the hybrid context through the lens of organisational culture. They suggest that hybrid working can support innovative management practices where appropriate balancing of physical contact and online working overcomes the cultural challenges of purely online working.

Hybrid working in the SME

[Benedic \(2022\)](#), in a case study of a consulting SME, highlights how the management team interpreted the challenges of hybrid working. The challenges were viewed as apprehensions concerning the potential dissolution of the business's entrepreneurial leadership and the loss of tacit knowledge from the informal structure and knowledge sharing. An business's effective response to these challenges emerged through a strategic approach to restructuring responsibilities and communication patterns. Specifically, the role of federated teams at the employee level encouraged full participation. Central to the success of the business studied were interpretations of the senior management team. Interpretations were that hybrid working presented an opportunity to engage with inevitable workplace change and, in this sense, to take a proactive approach through innovations in management practice. Framed through leadership theory [Bellis et al. \(2024\)](#) argue the potential in digital leadership as a means of supporting and maximising the effectiveness of hybrid working. In their view, digital leadership supports the building of an "agile culture". Here residual challenges of emplacement in a traditional physical workplace are overcome through supportive leadership-driven sense-making. Given the nuanced nature of SME leadership, achieving impact from digital leadership may occur through the uniquely "entrepreneurial leadership" ([Sklaveniti, 2017](#)). Building on [Palvalin et al.'s \(2015\)](#) framework of "New ways of working for knowledge workers", [Williams and Shaw \(2025\)](#) argue the central role of a new and agile approach to people management in the transition to hybrid working. Looking past this study's findings, it appears reasonable to indicate that such an agile approach to people management can become a proactive engagement tool. Then, it can support engagement with hybrid work in the SME, not simply as a challenge but as an opportunity.

Even where virtual working is effectively delivered in terms of technology, challenges may emerge through a sense of greater isolation in the virtual space. Even where employee technological capability supports engagement with work in the hybrid space, the very effectiveness of the engagement may dilute the need for being engaged by the physical culture when in the workplace. The controlling function of management is argued to be challenged or in need of innovation in this context, as traditional means of assessing performance are subject to novel information asymmetries between SME top team managers and employees ([Eng et al., 2024](#)).

SME hybrid working as a context for management innovations

[Table 1](#) below summarises key studies which inform the development of the conceptual framework. Studies are positioned into five domains of contextual management innovation:

Table 1. Summary of key studies informing the conceptual framework

Element of framework	Nature and contribution of study	Study
Strategic management innovation	Case study of the transition to hybrid working. Effective transition requires strategic leadership innovation in engaging with challenges and in developing new modes of strategising	Benedic (2022)
	Case study of digital leadership. Findings indicate that innovative strategic level digital leadership supports both physical and online aspects of hybrid working	Bellis et al. (2024)
	Editorial to International Journal of HRM- highlights an increased trend among employees to seek hybrid work and to require supportive and often novel approaches from strategic leadership	Harney et al. (2022)
	The case study advocates the role of strategic HRM in providing novel forms of strategic leadership which can provide a sense of location (place) both online and physically	Amarakoon and Colley (2022)
Network relationship management innovation	Interview and survey-based study highlights how hybrid working changes existing network relationships, creating management innovation opportunities in building and forming new networks	Williams and Shaw (2025)
	Large survey on growth attitudes of small managers indicating how management innovations can emerge from management openness to novel consequences of changes in embedded business networks	McKelvie et al. (2021)
	Case study of two management accounting innovations, illustrating the role of networks in shaping management innovation in context	Ben Hamadi and Fournès (2023)
	Qualitative study of twenty-five co-working spaces. This study highlights emergent aspects of hybrid working, with self-organising network potential	Endrissat and Leclercq-Vandelannoitte (2021)
	A qualitative case study illustrates the strength of individual leadership in a small business context, both internally and when engaging with external networks	Nyamunda and Freeman (2021)
	Two case studies illustrate the role of supportive human resource practices in small business network change	Matthews (2013)
	Case study indicating the people management challenges where innovation requires new network collaboration	Hotho and Champion (2011)
		<i>(continued)</i>

Table 1. Continued

Element of framework	Nature and contribution of study	Study
Control and evaluation management innovation	Reflexive thematic analysis-based study of aspects of hybrid working effectiveness. Findings indicate that new means of control and evaluation can emerge	Eng et al. (2024)
	A case study of interpretations of innovation management provides examples of the need to innovate control systems in the face of technological change	McAdam et al. (2007)
	Case study investigation of how an Enterprise Resource Planning (ERP) system impacts on both formal and informal reporting processes. Finds that technological change requires both technical and social process design capabilities	Greasley and Wang (2016)
	Interview-based study of employee interpretations of hybrid working. Findings support both positive impacts on productivity from a quieter work environment and freedom to organise time, and challenges from perceived lack of structure	Hanzis and Hallo (2024)
	Introduction to Special Issue of Organisation Studies: “Cultivating paradox in ‘new’ modes of organising”: Highlights post-modern perspectives on the unintended consequences of employee freedom in emerging organisational forms	de Vaujany et al. (2021)
Sense-making and sense-giving management innovation	Ethnographic study of entrepreneurial leadership. Highlights the importance of sense-making and sense-giving in the face of dynamic technological change	Sklaeniti (2017)
	Survey based study. Highlights how top management teams drive management innovations through the-giving development of cultural resources inside the business. The cultural resources then shape employees to support management innovations	Yu et al. (2022)
	Survey based study. Management innovation emerges over a long time periods. Top managers shape employee adoption of management innovations through sense-making and sense-giving	Merin-Rodriganez et al. (2024)
	Structured literature review. A major finding indicates that hybrid working involves “individual-level switches in work modes and collective-level characterisation of work mode extent and (a) symmetry”. Sense-making and sense-giving are central to successful negotiation of hybrid work as an ongoing transition process	Lauring and Jonasson (2025)

(continued)

Table 1. Continued

Element of framework	Nature and contribution of study	Study
Organising as management innovation	Action research-based study of virtual working, evaluating role of socialisation in supporting new modes of organising. Study framed by discontinuity theory	Asatiani et al. (2020)
	Study of five teams in a hybrid work context. Findings indicate that there is limited consideration of temporal aspects of work, in organising hybrid work	Griva et al. (2024)
	Case study of the development of a physical working space supportive of transition to hybrid working. Indicates the benefits of strategic level organising as a precursor of effective new modes of organising	Benyon and Mival (2015)
Source(s): Authors' own work		

strategic management innovation, network relationship management innovation, control and evaluation management innovation, sense-making and sense-giving management innovation and organising as management innovation.

Strategic management innovation

A number of studies of hybrid working in context indicate how management innovations emerge at the strategic level. Hence, we use the term strategic management innovation. [Benedic \(2022\)](#) described an emerging hybrid working context as dislocating existing strategic management practices. Dislocation forces top management team members to consider and experiment with management innovations in strategising. Examples of such management innovations include streamlining of the strategising process due to sociotechnical impacts of online meetings; creating opportunities for engagement with stakeholders (who were previously restricted in time and location of physical meetings) and disrupting overly strong board relationships which are distanced in the online element of the hybrid context. The emergence of strategic management innovations is not, however, purely technologically determined. In this regard [Bellis et al. \(2024\)](#) highlight the supportive role played by digital leadership at the strategic level in moulding an “agile” culture. The impact of the agile culture is argued to support strategic management innovations such as those in the examples above through encouraging, guiding and giving feedback to management team members. Advances in strategic HRM suggest not only that such digital leadership is supportive of strategic management innovations but also that increasingly employees are open to and even demand it ([Amarakoon and Colley, 2022](#)). Such openness and demand emerge from changing societal and workplace mores ([Harney et al., 2022](#)).

Network relationship management innovation

SME embeddedness in network relationships is disrupted by moves to hybrid working ([Williams and Shaw, 2025](#)). Examples of this disruption include the possible weakening of strong ties which evolved from long-term physical proximity, the emergence of new strong ties based on online relationships supported by new opportunities during office-based work and changes to customer, supplier and stakeholder relationships. Changes to the latter three relationships can occur not only at the level of strong/weak ties ([McKelvie et al., 2021](#)) but also through the impact of new technology mediation of the relationships ([Ben Hamadi and Fournès, 2023](#)). Top management teams can engage actively with management innovation in

the areas of network relationships, where they integrate existing strategic understanding of relationships with a level of awareness of how hybrid organising can drive change. [Endrissat and Leclercq-Vandelannoitte \(2021\)](#) further developed an understanding of potential management innovations at the level of network relationships. They argue that employee knowledge and social networks support a more self-organising model of employee reactions to hybrid working change. From this perspective, management innovations may require top teams to provide softer leadership and to avoid direct interventions during a period of change to hybrid working ([Nyamrunda and Freeman, 2021](#)). For many SME top teams, this may prove challenging, as the normal approach to navigating change is argued to be directive ([Matthews, 2013](#); [Hotho and Champion, 2011](#)).

Control and evaluation management innovation

Hybrid working impacts on management systems of control and evaluation and offers the potential for management innovations to be developed by the top management team ([Eng et al., 2024](#)). Examples of such management innovations include the adoption and/or progression of information technology-based systems of control, including monitoring of working time; opportunities to use online meetings for sharing information and perspectives in controlling organisational performance and opportunities to fundamentally alter existing working hours and associated management control mechanisms towards that which fits with the hybrid working arrangements. [McAdam et al. \(2007\)](#), in highlighting how technological innovation impacts control systems at the sociotechnical level, suggest that management innovations in the area of control and evaluation are socially mediated by the top management team. Hence, management innovations, whether directed by management or more self-organising and emergent, are shaped by how top management interpret their value/effectiveness. It is then this interpretation which renders how effective the innovations are at the employee level. Building on this sociotechnical perspective, [Greasley and Wang \(2016\)](#) indicate that the very nature of the management innovation depends on how well top management frame and guide the innovation in the social context. Reflecting on the perspective of employees, enhanced opportunities for productivity from a quieter working environment and greater control over time are tensioned with challenges in structuring work time and energy commitment ([Hanzis and Hallo, 2024](#)). This suggests that management innovations in the areas of control and evaluation require a nuanced and sensitive approach. Finally, [de Vaujanay et al. \(2021\)](#) note the unintended consequences of online working, indicating that giving employees high levels of freedom may internalise pressure to perform. The outcome of such internalisation results in a distancing from traditional social cues in the physical environment and even from online evaluation methods. In the case of the latter, this occurs as employees pay them a level of lip service.

Sense-making and sense-giving innovation

Complex environments common to small businesses make the use of a sense-making and sense-giving perspective central to strategic efforts to support change ([Sklaveniti, 2017](#)). Sense-making and sense-giving innovations are argued to be central to supporting the transition to hybrid working ([Lauring and Jonasson, 2025](#)). Given the augmented complexity emerging from hybrid working in the SME context, management innovations in sense-making and sense-giving support effective leveraging of hybrid working. [Yu et al. \(2022\)](#) indicate the potential for both types of management innovation, where top management are argued to support the development of “cultural resources”. Examples of sense-making management innovations are evident in the relational dynamics. Here, both top management team member and employee relationships are stretched by the hybrid context. Where top management team members develop the capacity to effectively frame opportunities from relationship change and to explain and generate a common understanding of the change, this can serve as a

sense-making management innovation. Sense-giving management innovations can then be developed in new ways of connecting with employees in the hybrid context, in supporting them through the change. Management innovations at the level of sense-making and sense-giving often emerge over a longer period of time, as previous modes of sense-making and giving are slowly shed (Merlin-Rodriguez *et al.*, 2024).

Management innovations as organising

The very nature of organising is changed in the move to hybrid working, as physical co-location of employees, direct contact with top management team members and sense of place are partially removed and replaced (Asatiani *et al.*, 2020). Flowing from the change in contact with coworker, employees continue to be imbued with physical interaction, yet it is now increasingly mediated in an online context (Benyon and Mival, 2015). Contact with top management takes a similar trajectory. Change in terms of place retains a sense of physical location yet involves taking new perspectives on what was previously a place of non-work.

One perspective on how management innovation can occur is where top management wishes to change existing organisational reporting mechanisms and structuring of activities. Hybrid working then gives an initial thrust for change. This occurs through removing accepted informal and sometimes formal routines, which ultimately support accepted organising. Strategic thinking of new organising structures and even reporting mechanisms by the top management team can then emerge once the context of the change is appreciated.

Griva *et al.* (2024) argue that problems emerge from failure to engage with deeper aspects of hybrid organising. They argue that top management needs to do more than deploy “just speed and synchronisation of work” (p. 611). Instead, they need to delve into “rhythm, event-driven organisation” (p. 611) and be open to how different personalities engage with temporal aspects of work. This suggests that where top management possess tacit knowledge of the organisation and are willing to use this knowledge, management innovations in organising may avoid the problems highlighted.

Advancing previous theoretical perspectives on SME management innovation

Linking the present discussion to previous theoretically informed research in the field based on Hobfoll's (1989) resource dependency theory (Williams and Shaw, 2025), we suggest that management innovations in the SME context can be seen to emerge in a more dynamic environmental context than that depicted by the resource dependency theory. This dynamic context emerges partially from the shear nature of the environmental change but also from the capacity of the owner/managers and management teams to creatively engage with such environmental change. At both individual and team levels, this is likely to emerge where there is a level of acceptance of change and willingness to actively engage with novel possibilities (Benedic, 2022). Reflecting on the job-demand resource theory of Bakker and Demerouti (2007) as articulated by Dale *et al.* (2024), we suggest again that both the opportunities presented by hybrid working and contemporary changes in SME people management (Harney *et al.*, 2022; Amarakoon and Colley, 2022) are directing owner/managers towards a more open and creative engagement with the nature of job demands and associated resources. In this context, management innovations are supported by this open approach but also driven by the changes in contemporary labour markets (Osorio and Madero, 2025).

From the above discussion, a conceptual framework of how management innovation can evolve in the SME hybrid working context is proposed in Figure 1 below. We posit that the SME environmental context provides unique barriers and enablers for the changes induced by hybrid working. Based on the review of literature, hybrid working is interpreted by an owner/manager and management team in a unique SME context. Implications for barriers and enablers include the embedded nature of management, opportunities for entrepreneurial leadership (Leitch and Volery, 2017); dominant owner/manager leadership in a strong organisational culture

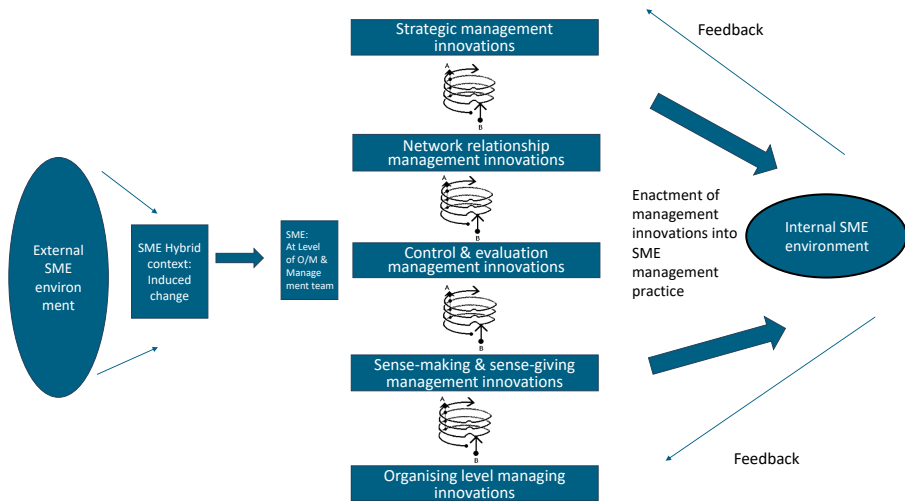


Figure 1. Framework of hybrid working and the evolution of management innovation in the SME. Source Authors' own work

(Anning-Dorson, 2021), a simple communication structure (Donner and de Vries, 2021) and above all, a generalist style of management (Gilmore *et al.*, 2007). It is then from the potential inherent in how the SME management team and owner/manager interpret and engage with hybrid working in the context of the barriers and enablers that five types of management innovation (discussed in Table 1) are posited to emerge. Each of the five is linked to context and to each other; for example, strategic management innovation impacts each of the five through the capacity for strategic foresight of the management team to shape the other four management innovations. Strategic management innovations emerge where existing patterns of strategising are disrupted and can lead to novel and even innovative means of strategising (Benedic, 2022).

Accompanying strategising innovations are opportunities for members of the top management team to develop digital leadership capability (Bellis *et al.*, 2024), supporting the organisation's culture in the move to hybrid working. Support is evidenced through encouraging, guiding and giving feedback to employees and colleagues in the transition and beyond. Emerging from the embeddedness of the top management team, opportunities for management innovations in network relationships management innovations in control and evaluation can emerge where management teams seize opportunities for new mechanisms of control and evaluation (Greasley and Wang, 2016). However, the effectiveness of such seizing depends on the requisite levels of support for employees in the period of change (Hanzis and Hallo, 2024). Given the centrality of the owner/manager and management team in an organisation where strong culture and simple culture support communication, opportunities for management innovation in sense-making and sense-giving appear central to transitioning to hybrid working (Merlin-Rodriganize *et al.*, 2024; Yu *et al.*, 2022). Finally, the conceptual framework reflects how the very nature of organising becomes a source of management innovation in the change to hybrid working. For the management team, this change implies the benefits of supporting the change with appropriate use of tacit knowledge (Griva *et al.*, 2024) and demands and opportunities emerging from the dislocation in the move to hybrid working (Benyon and Mival, 2015).

Conclusion

Focused by the research question, *how do management innovations emerge in the SME in the hybrid working context and what are the implications for SME management team practice?*

this paper has built on previous studies of hybrid working from the SME perspective and is unique in taking a management innovation lens to hybrid working in context, building on previous studies of management innovation in the SME context (Melander *et al.*, 2023; Ben Hamadi and Fournès, 2023; Yu *et al.*, 2022; Murullo *et al.*, 2020; Pertuz and Peres, 2020). Theoretically, we have indicated that previous studies framing hybrid working in the SME context using resource conservation (Williams and Shaw, 2025) and job-demand resource frameworks (Dale *et al.*, 2024) can be further developed through the present study's use of the management innovation lens. In doing so, this will support a move towards a more creative interpretation of resources and job demands.

Implications for SME management teams

The conceptual framework acknowledges how unique nuances of the SME context shape how hybrid working can support five types of management innovations, each rooted in existing management team practice in the areas of strategic management, network relationship management, control and evaluation and sense-making and giving and organising. In contrast to management innovations in larger organisations, the framework highlights how each of the five types of management innovation supports the others. This suggests that where the framework is used strategically by a management team, innovations in management practice can emerge. Based on the management team's often tacit knowledge, the framework provides structured guidance for contemplating opportunities for management innovations which can be tried out. It is suggested that where management teams are open to feedback, such innovations can be improved over time. SME training can build on the framework in developing existing enterprise modules to engage with management innovation and then to integrate the conceptual framework into the modules.

Implications for policy/society

Each of the five management elements in the framework depends for effective development on engagement with the SME context. At the level of policy, we suggest that efforts to encourage innovations in SME management practice can be made more successful than hitherto with a greater capacity for these to be contextually enriched. For both policy and society, we suggest that hybrid working can now be viewed as an opportunity for the leveraging of management innovations as important sources of competitiveness and advantage for companies. For policy makers, we build the SME context into the framework, and in developing five nuanced types of management innovation, we offer policymakers guidelines as well as areas where further interventions might be made. These points of intervention can frame future training and development interventions and discussions with industry forums. Given the potential benefits to society of hybrid working in terms of sustainability and community development, we provide further support to achieve such benefits. We suggest that existing enterprise policy instruments can be modified to engage with the domain of management innovation, hence integrating management and enterprise theories. In this context, the conceptual framework provides an integrating mechanism of more entrepreneurial aspirations for SMEs with the contextual practice of management.

Future research

The present paper is based on an integrative literature review, and a future, more systematic review of literature can further build and broaden the scope of the conceptual framework proposed. Future empirical work can build on the proposed conceptual framework, and given the emergent nature of the framework, longitudinal case study research is suggested.

References

- Amarakoon, U. and Colley, L. (2022), "Attraction and retention of employees in Australian regional SMEs: the importance of place and scale in human resource management", *Personnel Review*, Vol. 52 No. 3, pp. 521-538, doi: [10.1108/pr-03-2021-0172](https://doi.org/10.1108/pr-03-2021-0172).
- Anning-Dorson (2021), "Organisational culture and leadership as antecedents to organisational flexibility: implications for SME competitiveness", *Journal of Entrepreneurship in Emerging Economies*, Vol. 13 No. 5, pp. 1309-1325.
- Asatiani, A., Halalainen, J., Penttinen, E. and Rossi, M. (2020), "Constructing continuity across the organisational culture boundary in a highly virtual work environment", *Information Systems Journal*, Vol. 31 No. 1, pp. 62-93, doi: [10.1111/isj.12293](https://doi.org/10.1111/isj.12293).
- Bakker, A.B. and Demerouti, E. (2007), "The job demands-resources model: state of the art", *Journal of Managerial Psychology*, Vol. 22 No. 3, pp. 309-328.
- Bellis, P., Cunial, M. and Trabucchi, D. (2024), "Mastering hybrid worlds through digital leadership: the role of agility in fostering innovation", *Business Horizons*, Vol. 67 No. 4, pp. 369-380, doi: [10.1016/j.bushor.2024.04.002](https://doi.org/10.1016/j.bushor.2024.04.002).
- Ben Hamadi, Z. and Fournès, C. (2023), "Understanding the adoption or rejection of management accounting innovations within an SME using Rogers conceptual framework", *Journal of Accounting and Organisational Change*, Vol. 19 No. 1, pp. 142-163.
- Benedic, M. (2022), "Hybrid work for small business: strategies for reaping benefits", *Journal of Business Strategy*, Vol. 45 No. 1, pp. 41-47, doi: [10.1108/jbs-09-2022-0163](https://doi.org/10.1108/jbs-09-2022-0163).
- Benyon, D. and Mival, O. (2015), "Blended spaces for collaboration", *Computer Supportive Cooperative Work*, Vol. 24 Nos 2-3, pp. 223-249, doi: [10.1007/s10606-015-9223-8](https://doi.org/10.1007/s10606-015-9223-8).
- Colclough, S., Moen, O., Chan, A. and Hovd, N. (2018), "SME innovation orientation: evidence from Norwegian exporting SMEs", *International Small Business Journal*, Vol. 37 No. 8, pp. 780-803, doi: [10.1177/0266242619870731](https://doi.org/10.1177/0266242619870731).
- Dale, G., Wilson, H. and Tucker, M. (2024), "What is healthy hybrid work? Exploring employee perceptions on well-being and hybrid working arrangements", *International Journal of Workplace Health Management*, Vol. 17 No. 4, pp. 335-352, doi: [10.1108/ijwhm-03-2024-0041](https://doi.org/10.1108/ijwhm-03-2024-0041).
- De Blick, T., Paeleman, I. and Laveren, E. (2024), "Financing constraints and SME growth: the suppression effect of cost-saving management innovations", *Small Business Economics*, Vol. 62 No. 3, pp. 961-986, doi: [10.1007/s11187-023-00797-9](https://doi.org/10.1007/s11187-023-00797-9).
- de Oliveira, P. and Fernandes Terence, A. (2018), "Innovation practices in small technology based companies during incubation and post incubation periods", *Innovation Management and Review*, Vol. 15 No. 2, pp. 174-188, doi: [10.1108/inmr-02-2018-007](https://doi.org/10.1108/inmr-02-2018-007).
- de Vaujany, F., Leclercq-Vandelannoitte, A., Munro, I., Nama, Y. and Holt, R. (2021), "Control and surveillance in work practice: cultivating paradox in new 'modes' of organising", *Organization Studies*, Vol. 42 No. 5, pp. 675-695.
- Donner, M. and de Vries, H. (2021), "How to innovate business models for a circular bio-economy", *Business Strategy and the Environment*, Vol. 30 No. 4, pp. 1932-1947, doi: [10.1002/bse.2725](https://doi.org/10.1002/bse.2725).
- Endrissat, N. and Leclercq-Vandelannoitte, A. (2021), "From sites to vibes: technology and the spatial production of co-working spaces", *Information and Organisation*, Vol. 31 No. 4, 100353, doi: [10.1016/j.infoandorg.2021.100353](https://doi.org/10.1016/j.infoandorg.2021.100353).
- Eng, I., Tjernberg, M. and Champoux-Larsson, M. (2024), "Hybrid workers describe aspects that promote effectiveness, work-engagement, work-life balance and health", *Cogent Psychology*, Vol. 11 No. 1, pp. 1-13, doi: [10.1080/23311908.2024.2362535](https://doi.org/10.1080/23311908.2024.2362535).
- Gilmore, A., Gallagher, D. and Henry, S. (2007), "E-marketing and SMEs: operational lessons for the future", *European Business Review*, Vol. 19 No. 3, pp. 234-247, doi: [10.1108/09555340710746482](https://doi.org/10.1108/09555340710746482).
- Greasley, A. and Wang, Y. (2016), "Building the hybrid organisation through ERP and enterprise social software", *Computers in Industry*, Vol. 82, pp. 69-81, doi: [10.1016/j.compind.2016.05.007](https://doi.org/10.1016/j.compind.2016.05.007).

- Griva, A., Kruse, L., Hattinger, M., Hoberg, K., Pappas, I. and Conboy, K. (2024), "Making space for time: strategies for the design of time-aware hybrid work", *Information Systems Journal*, Vol. 35 No. 2, pp. 611-645, doi: [10.1111/isj.12552](https://doi.org/10.1111/isj.12552).
- Hanzis, A. and Hallo, L. (2024), "The experiences and views of employees on hybrid ways of working", *Administrative Sciences*, Vol. 14 No. 10, p. 263.
- Harney, B., Gilman, M., Mayson, S. and Raby, S. (2022), "Advancing understanding of HRM in small and medium-sized enterprises (SMEs): critical questions and future prospects, Editorial", *International Journal of Human Resource Management*, Vol. 33 No. 16, pp. 3175-3196.
- Hervas-Oliver, J., Boronat-Moll, C. and Sempere-Ripoll, F. (2016a), "On process innovation capabilities in SMEs: a taxonomy of process-orientation innovative SMEs", *Journal of Small Business Management*, Vol. 54 No. S1, pp. 113-134, doi: [10.1111/jsbm.12293](https://doi.org/10.1111/jsbm.12293).
- Hervas-Oliver, J., Ripoll-Sempere, F. and Moll, C. (2016b), "Does management innovation pay off in SMEs? Empirical evidence from Spanish SMEs", *Small Business Economics*, Vol. 47 No. 2, pp. 507-533, doi: [10.1007/s11187-016-9733-x](https://doi.org/10.1007/s11187-016-9733-x).
- Hobfoll, S.E. (1989), "Conservation of resources: a new attempt at conceptualizing stress", *American Psychologist*, Vol. 44 No. 3, p. 513.
- Hotho, S. and Champion, K. (2011), "Small business in the new creative industries: innovation as a people management challenge", *Management Decision*, Vol. 49 No. 1, pp. 29-54, doi: [10.1108/00251741111094428](https://doi.org/10.1108/00251741111094428).
- Khosravi, P., Newton, C. and Rezvani, A. (2019), "Management innovation: a systematic review and meta-analysis of past decades of research", *European Management Journal*, Vol. 37 No. 6, pp. 694-707, doi: [10.1016/j.emj.2019.03.003](https://doi.org/10.1016/j.emj.2019.03.003).
- Laforet, S. (2011), "A framework of organisational innovation and outcomes in SMEs", *International Journal of Organisational Behaviour and Research*, Vol. 17 No. 4, pp. 380-408, doi: [10.1108/13552551111139638](https://doi.org/10.1108/13552551111139638).
- Lauring, J. and Jonasson, C. (2025), "What is hybrid work? Towards greater conceptual clarity of a common term and understanding its consequences", *Human Resource Management Review*, Vol. 35 No. 1, 101044.
- Leitch, C. and Volery, P. (2017), "Entrepreneurial leadership: insights and directions", *International Small Business Journal*, Vol. 35 No. 2, pp. 147-156, doi: [10.1177/0266242616681397](https://doi.org/10.1177/0266242616681397).
- Matthews, J. (2013), "Innovation in Australian small and medium sized enterprises: contributions from strategic HRM", *Asia Pacific Journal of Human Resources*, Vol. 40 No. 2, pp. 193-204, doi: [10.1177/1038411102402004](https://doi.org/10.1177/1038411102402004).
- Mawadia, A., Eggrikkx, A. and Chapellier, P. (2018), "Integrated software deployment and management innovation: a bricolage perspective", *International Journal of Entrepreneurship and Small Business*, Vol. 35 No. 1, pp. 1-26, doi: [10.1504/ijesb.2018.094274](https://doi.org/10.1504/ijesb.2018.094274).
- McAdam, R., Keogh, W., Reid, R. and Mitchel, N. (2007), "Implementing innovation management in manufacturing SMES: a longitudinal study", *Journal of Small Business and Enterprise Development*, Vol. 14 No. 3, pp. 385-403, doi: [10.1108/14626000710773501](https://doi.org/10.1108/14626000710773501).
- McKelvie, A., Brattstrom, A. and Dennis, W. (2021), "What do they think and feel about growth? Examining small business managers attitudes towards growth in the United States", *Journal of Business Venturing Insights*, Vol. 15, e00243, doi: [10.1016/j.jbvi.2021.e00243](https://doi.org/10.1016/j.jbvi.2021.e00243).
- Melander, A., Brunninge, O., Andersson, D., Elgh, F. and Lofwing, M. (2023), "Management innovation in SMEs- taking psychological ownership of Hoshin Kanri", *Production Planning and Control*, Vol. 35 No. 24, pp. 1687-1705, doi: [10.1080/09537287.2023.2214517](https://doi.org/10.1080/09537287.2023.2214517).
- Merin-Rodriganez, J., Dasi, A. and Alegre, J. (2024), "Digital transformation and firm performance in innovative SMEs: the mediating role of business model innovation", *Technovation*, Vol. 134, 103027, doi: [10.1016/j.technovation.2024.103027](https://doi.org/10.1016/j.technovation.2024.103027).
- Murullo, C., Di Minin, A., De Marco, C. and Piccaulga, A. (2020), "Is open innovation always best for SMEs? An exploratory analysis at the project level", *Creativity and Innovation Management*, Vol. 29 No. 2, pp. 209-223.

- Nyamrunda, F. and Freeman, S. (2021), "Strategic agility, dynamic relational capability and trust among SMEs in transitional economies", *Journal of World Business*, Vol. 56 No. 3, 101175, doi: [10.1016/j.jwb.2020.101175](https://doi.org/10.1016/j.jwb.2020.101175).
- Osorio, M. and Madero, S. (2025), "Explaining Gen Z's desire for hybrid work in corporate, family and entrepreneurial settings", *Business Horizons*, Vol. 68 No. 1, pp. 83-93, doi: [10.1016/j.bushor.2024.02.008](https://doi.org/10.1016/j.bushor.2024.02.008).
- O'Regan, N. and Ghobadian, A. (2005), "Innovation in SMEs: the impact of strategic orientation and environmental perceptions", *International Journal of Productivity and Performance Management*, Vol. 2 No. 1, pp. 400-416.
- Palvalin, M., Vuolle, M., Jääskeläinen, A., Laihonen, H. and Lönnqvist, A. (2015), "SmartWoW—constructing a tool for knowledge work performance analysis", *International Journal of Productivity and Performance Management*, Vol. 64 No. 4, pp. 479-498.
- Pertuz, V. and Perez, A. (2020), "Innovation management practices: review and guidance for future research in SMEs", *Management Review Quarterly*, Vol. 71 No. 1, pp. 177-213, doi: [10.1007/s11301-020-00183-9](https://doi.org/10.1007/s11301-020-00183-9).
- Piazza, A. and Abrahamson, E. (2020), "Fads and fashions in management practices: taking stock and looking forward", *International Journal of Management Reviews*, Vol. 22 No. 3, pp. 264-286, doi: [10.1111/ijmr.12225](https://doi.org/10.1111/ijmr.12225).
- Sahut, J. and Peris-Ortiz, M. (2014), "Small business, innovation and entrepreneurship: editorial", *Small Business Economics*, Vol. 42 No. 4, pp. 663-668, doi: [10.1007/s11187-013-9521-9](https://doi.org/10.1007/s11187-013-9521-9).
- Sklaveniti, C. (2017), "Processes of entrepreneurial leadership: Co-acting creativity and direction in the emergence of new SME ventures", *International Small Business Journal*, Vol. 35 No. 2, pp. 197-213, doi: [10.1177/0266242616673420](https://doi.org/10.1177/0266242616673420).
- Snyder, H. (2019), "Literature review as a research methodology: an overview and guidelines", *Journal of Business Research*, Vol. 104, pp. 333-339, doi: [10.1016/j.jbusres.2019.07.039](https://doi.org/10.1016/j.jbusres.2019.07.039).
- Torraco, R. (2005), "Writing integrative literature reviews: guidelines and examples", *Human Resource Development Review*, Vol. 4 No. 3, pp. 356-367, doi: [10.1177/1534484305278283](https://doi.org/10.1177/1534484305278283).
- Trevor, J. and Hollweg, M. (2023), "Managing the tensions of hybrid work", *MIT Sloan Management Review*, Vol. 64 No. 2, pp. 1-7.
- Williams, S. and Shaw, N. (2025), "Hybrid working- Benefits and challenges for productivity and performance", *International Journal of Productivity and Performance Management*, Vol. 74 No. 1, pp. 163-179, doi: [10.1108/ijppm-05-2023-0230](https://doi.org/10.1108/ijppm-05-2023-0230).
- Yu, C., Wang, T. and Lin, C. (2022), "Do top management teams expectations drive and support management innovation in small and medium-sized enterprises", *Journal of Business Research*, Vol. 142, pp. 88-99, doi: [10.1016/j.jbusres.2021.12.035](https://doi.org/10.1016/j.jbusres.2021.12.035).

Corresponding author

Arthur Kearney can be contacted at: arthur.kearney@wit.ie