

Institutionalising Innovation as a strategy for Growth

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Abstract

Innovation is natural process of Human Invasion. There are different ways of perceiving innovation. but to be specific this paper explains the importance of institutions in Institutionalising Innovation as a strategy for growth. It is a systematic process which is narrated in this paper How one can establish innovation as a habitual pattern? Growing competition forces the organizations to innovate two different ways through human force and Robotics. Otherwise organizations fail to stand in the global market. This necessity has become a cultural pattern of successfully leading companies in the world.

Keywords: Innovation, strategy, growth, critical to quality metrics(ctq), global market.

1. Introduction

Innovation becomes the strategy for Organisation success. To most of us, innovation is a process executed at "special" times when we need to break new ground. Ironically, at those times, we're usually too rusty to be innovative. Why should we save our best efforts for a rare occasion? A rare breed of individual never gets out of practice-innovation is a habit. It's easy to find them: In all walks of life, they're the most satisfied, ingenious (regardless of natural intelligence), and high achieving. Four distinguishing traits work in tandem to set personal innovators apart: awareness, curiosity, focus, and initiative.

By developing these traits, you will cultivate the habit of innovation. This will empower you to succeed-by your standards and on your terms-in your occupation, education, as a parent, in personal relationships, and while pursuing your interests.

2. Awareness

Robotically reacting and thinking repels innovation. The first trait integral to the habit of innovation is awareness-of yourself and external circumstances.

To become self-aware, start noticing your thoughts-where they are and how they affect your emotions and actions. When your thoughts are not in the present, you miss life's magnificence as well as subtle signals of trouble. Don't get caught up in your thoughts, including opinions about yourself. They may not be "reality."

Also, become fully aware of yourself beyond your thoughts. How are you breathing? Moving? What do you feel and need? Don't try to make changes or pass judgment-just observe. Practice self-awareness a few times a day; soon it will come without effort.

Be warned: Self-awareness can be uncomfortable. We learn early to avoid pain by not thinking about what bothers us. Notice your tendency to pull away from where you need to look.

Once you're cultivating self-awareness, apply these skills outside yourself.

Here are some strategies to become more aware:

- Accept different perspectives. Each of us has a context for our views and behavior. The more perspectives you consider, the more choices you will have about how to respond. But find a balance, neither clinging white-knuckled to your own views nor letting others define you and your behavior.
- Be aware using all your senses.
- Look closely at processes, considering how and why things are done. Notice how obstacles are part of the process, not a negative to avoid.

- Peel back the layers, avoiding sweeping statements. Instead of "Oh no-here comes another change in the workplace," for example, consider what you fear. Forging new relationships? The loss of control? Changes to your routines? Having to be a novice again? Being specific shows ways you can have power over a situation. This skill will help you communicate with others, too.

3. Curiosity

Curiosity flows seamlessly from awareness. Once you open yourself to the nuances of life, it's hard not to find things that fascinate you and to begin wondering why.

To be curious, you must give yourself the freedom to risk and make mistakes. Interestingly, curiosity requires trust-trust that everyone and every situation have something to teach you. Even when there's no immediate practical application of the things you learn, you're training creative muscles that innovators keep well toned.

Curiosity jump-starts the habit of innovation by taking you to deeper levels of knowing and helping you to relate to others.

4. To Develop Curiosity

- Routinely seek opinions from people who have no experience with the subject. These can be the most refreshing sources of new information, since they are not entrenched in assumptions and mindsets.
- Seek alternative solutions, even when all is well. This gives you fallback positions.
- Try new things. Even if they don't work out, you'll learn lessons to apply elsewhere.
- When you have a problem, work like a detective. Ask questions. Look at everything. Seek out experts for their views. Do your own research.
- Notice and eliminate assumptions. They're usually wrong, yet we accept them as "fact."
- Fire your inner judge. Give ideas time to percolate before assessing them.
- "Browse" everywhere—at the library or newsstand, at friends' homes (stick with what's in the open!), with the yellow pages. Explore new places and types of information. Take different routes.

4.1 Two ways of innovation

Broadly speaking, there are two ways to talk about innovation inside organizations. One way is to talk about the systems and processes that are in place to manage innovation. These include things like new product pipelines, stage gate reviews, idea management programs, online portals for open innovation and so forth. It may include elaborate research & development programs and cross-discipline innovation teams. It's whatever innovation "infrastructure" an organization may have or create.

The other way is to talk about the personal and interpersonal behaviors, and ways of thinking that people in the organization engage in.

Isn't that second way of talking about innovation what it's really all about...harnessing human brain power and creativity? It comes down to finding ways to optimize human capital. How are you helping your people to become more personally innovative? How are you training and conditioning them to think and behave, and is that promoting or undermining your innovation objectives?

Innovation plays an important and dual role, as both a major source of uncertainty and change in environment, and a major competitive resource within the firm. In this we develop what we think is the most useful framework for defining and implementing corporate innovation strategy.

We begin by summarizing the well known debate in corporate strategy between rationalists and incremental approaches to the characteristics of technological innovation; we conclude that the latter approach is more useful, given the inevitable complexities and uncertainties in the innovation process.

We then describe and evaluate Michael Porter's pioneering framework that links innovation strategy to overall corporate strategy we conclude that its major strength is in linking the firm's technology strategy to its market and competitive position. But it both underestimates the power of technological change to upset established market and competitive conditions and overestimates the influence that managers actually have over corporate choice in technology strategy. For this reason, we propose that the most useful framework so far is the one developed by David Teece and

Gary Pisano. It gives central importance to the dynamic capabilities of firms and distinguishes three elements of corporate innovation strategy : (1) competitive and national positions (2) technological paths, (3) organizational and managerial processes.

5. Rationalists or Incrementalist Strategies for Innovation

The long standing debate between rational and incremental strategies is of central importance to the mobilization of technology and to the purpose of corporate strategy. We begin by reviewing the main terms of the debate and conclude that the supposedly clear distinction between strategies based on choice or on implementation breaks down when firms are making decisions in complex and fast changing competitive environments. Under such circumstances formal strategies must be seen as part of a wider process of continuous learning from experience and from others to cope up with complexity and change.

Notions of corporate strategy first emerged in the 1960s. A lively debate has continued since then amongst the various schools or theories. Here we discuss the two most influential the rationalist and the increment list . The main protagonist are Ansoff of the rationalist school and Mintzberg amongst the incrementalists. An excellent summary of the terms of the debate can be found in Whittington and a face to face debate between the two in the strategic management Journal in 1991.

6. Rationalist Strategy

Rationalists strategy has been heavily influenced by military experience where strategy (in principles) consists of the following steps (1) describe understand and analyze the environment (2) determine course of action in the light of the analysis ; (3) carry out the decided course of action. This is linear model of rational action: appraise, determine and act. The corporate equivalent is SWOT : the analysis of corporate strengths and weaknesses in the light of external opportunities and threats.

This approach is intended to help the firm to:

- 1) Be conscious of trends in the competitive environment.
- 2) Prepare for a challenging future.
- 3) Ensure that sufficient attention is focused on the longer term, given the pressures to concentrate on the day to day.
- 4) Ensure coherence in objectives and actions in large, functionally specialized and geographically dispersed organizations.

However, as John Kay has pointed out, the military metaphor can be misleading. Corporate objectives are different from military ones: namely to establish a distinctive competence enabling to satisfy customers better than the competition – and not to mobilize sufficient resources to destroy the enemy. Excessive concentration on the enemy (i.e. corporate competitors) can result in strategies emphasizing large commitments of resources for the establishment of monopoly power, at the expenses of profitable niche markets and of a commitment to satisfying customers' needs.

More important is that professionals experts including managers, have difficulties in appraising accurately their real situation, essentially for two reasons. First their external environment is both complex, involving competitors, customers, regulations , regulators, and so on. And fast changing including technical, economic, social and political change. It is therefore difficult enough to understand the essential features of the present, let alone to predict the future. Second managers in large firms disagree on their firms' strengths and weaknesses in part because their knowledge of what goes on inside the firm is imperfect.

Two-thirds of the organizations currently listed on the world's stock exchanges are going to fail. Reality checks are good for attention grabbing. Here's the historical reality on which the above statement is based: no more than a third of today's major corporations will survive in an economically important way over the next twenty-five years. We know this is true, and we know it's because most organizations are unable to sustain meaningful growth. No more than ten percent of all companies will be able to sustain above-average returns for more than a decade. As always, the interesting question, and the question to which the answer provides the best antidote to stagnation and failure, is why.

7. Conclusion

Why do organizations find it so difficult to maintain meaningful growth?

The answer lies in the strategic approach to driving innovation. The linkage between innovation and growth, as

measured by things like by R&D spending, patenting, and innovation counts, is undeniable. There have been enough studies on the topic now to accept the linkage on its face and move on to the next point of focus, and the next focus point should relate to how innovation should be factored in to each organization's strategic planning. The reason so many organizations have trouble maintaining growth is that most executives believe that the future is now, and therefore do not take the time to institutionalize innovation. Too many decision makers focus on generating a great new innovation or two to pump up growth in the relative near-term, as opposed to developing a systematic process focus that can create an innovation engine capable of driving growth indefinitely. The argument for a longer-term approach seems to be a simple one - after all, the ability to maintain growth is tied, by definition, to what an organization does over time. It's amazing how much push-back the simplest ideas can generate when it comes time to implement them.

Companies that buy into the truth of this argument find that it leads them in a very specific direction: they define innovation as one of their critical processes, and they become more process-focused generally. They also adopt some innovation-specific critical-to-quality (CTQ) metrics, such as lead time required for innovation and differentiated competitive advantage resulting from innovation, by which they can measure their progress. The bottom line is that companies cannot succeed and survive in an economically important way by being occasionally innovative. They must be consistently innovative over time at a rate that exceeds the rate of their competitors.

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