

TRANSFORMING CORPORATE CULTURE: EMPOWERING INNOVATION MANAGEMENT TO COPE UP WITH THE DYNAMIC ENVIRONMENT

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ABSTRACT

The Paper entitled 'Transforming Corporate Culture: Empowering Innovation Management to cope up with the Dynamic Environment' tries to reveal the need for innovative practices in an organisation so as to reshape the corporate culture in meeting the global competitiveness. It also states the relevance of innovative practices not only in products and services but in people also. The study also mentions the criteria on which the Innovative Management Tools should be developed. The paper ends with a promising note that human capital practices can drive the organisation towards innovation enabling to meet need of the day

KEYWORDS: *Innovation, Innovation Management, Typologies.*

INTRODUCTION

In the ever-evolving global business landscape, companies are confronted with a crucial choice: either adapt to the changing dynamics or risk losing their competitive edge. The imperative to stay relevant has driven businesses to explore technological innovations, leverage international transport, and embrace globalization. Consequently, organizations operating in the 21st century are presented with a spectrum of opportunities and challenges, shaped by the rapid evolution of our market. Over the past decade, technological advancements have empowered numerous companies to venture into the global arena, particularly in sectors like retail sales and advertising. The pervasive influence of social media and the internet has profoundly impacted various industries, ushering in advancements in online shopping and word-of-mouth advertising. Moreover, customers now wield greater influence over buyer interest, primarily through platforms such as blogs, YouTube, and online forums.

REVIEW OF LITERATURE

The survey of large enterprises has revealed distinct requirements for managing radical and incremental innovations. Notably, profitable radical innovations tend to be more prevalent in small and medium enterprises compared to their larger counterparts. Incremental innovations, encompassing enhancements to processes, products, and services to meet customer needs, receive focused attention (Oke A., Burke G. et al., 2007). The service industry has experienced the highest levels of growth and vitality in economic activity over the past decade, primarily attributed to innovations in services. Academic interest in innovation management has surged due to the expansion of the service sector through the introduction of innovative services and processes. A comprehensive understanding of the innovation life cycle is essential, involving the application of various techniques for risk analyses related to changes in cost, value, products, and processes at the organizational level (Frederic Tomala & Olivier Senechal, 2004).

While studies on innovations in the service sector are gaining recognition, there is a notable gap in research on the relationships between innovation types, the degree of innovativeness, innovation performance, and innovation management practices. Innovation performance is assessed based on radical product and service innovations, while informal connections are observed between incremental innovations for products and services and innovation performance. Formal practices are crucial in developing radical innovations by examining the existing relationship between product and service innovativeness and organizational innovation management practices. The organization of innovation activities and management policies is analyzed to develop management systems for innovation processes (Tuominen M., et al., 1999). Formal recognition of incremental innovations in strategies and the definition of formal practices for their implementation are crucial. Service innovations are notably prominent in the transport and retail sectors (Oke A., 2007). Ineffective deployment processes emerge as a significant hindrance to innovation management, preventing the full realization of its benefits, including innovation legacy. Addressing this requires the proper safeguarding of corporate strategies through patents and garnering support from top management to integrate innovation into the corporate culture (Oke Adegoke, 2004)

STATEMENT OF THE PROBLEM

To navigate the evolving business landscape, firms must adopt innovative practices to remain competitive. In the current era of competitiveness and service legacy, innovation is playing a pivotal role in reshaping the corporate culture of organizations. The strategic significance of innovation in services has garnered recognition from top executives, driven by globalized competition and the escalating demand for improved change and the adoption of best practices through process modifications. Given this context, the present study seeks to investigate the role of Human Capital Practices in driving innovations. Additionally, the study aims to provide tools for innovative management, acknowledging the crucial connection between human capital strategies and the successful implementation of innovative practices.

OBJECTIVES

- To gain a comprehensive understanding of innovation management in a general context.
- To investigate how Human Capital practices guide the organization towards innovation.
- To analyse the criteria upon which the design of Innovation Management Tools (IMT) is based.
- To explore different typologies and the applicable methodologies in innovation Management.

INNOVATION MANAGEMENT

Innovation management serves as a crucial tool for organizations, enabling them to seize opportunities and proactively create and introduce new ideas, processes, or products. At the core of innovation management lies creativity, with the ultimate objective of instigating a transformation in services or business processes. The genesis of innovative ideas involves two sequential steps: imitation and invention. Leveraging innovation management tools empowers leadership to activate and harness the creative capabilities of the workforce, fostering the continuous development of the company.

Various common tools integral to innovation management include brainstorming, virtual prototyping, product lifecycle management, idea management, TRIZ, Phase-gate model, project management, product line planning, and portfolio management. The innovation process can be conceptualized as an evolutionary integration of organization, technology, and market, involving iterative activities such as search, select, implement, and capture.

Innovation processes can be either pushed or pulled through development. A pushed process relies on existing or newly invented technology accessible to the organization, aiming to find profitable applications for the pre-existing technology. Conversely, a pulled process involves identifying areas where customers' needs are unmet and devising solutions to address those needs. Successful execution of either method requires a comprehensive understanding of both the market and technical challenges. The creation of multi-functional development teams, comprising both engineers and marketers, facilitates addressing both dimensions.

While innovation is a necessary prerequisite for the sustained survival and development of enterprises, it is not in itself sufficient. Technological and institutional innovation are the most direct routes to business innovation, with management innovation playing a crucial role in promoting both technological and institutional innovation. The overarching goal of innovation management within a company is to foster a conducive environment that encourages innovation. Such an environment not only facilitates more cooperation projects but also serves as the 'take-off platform for business ventures.' Senior management's unwavering support proves to be pivotal for successful innovation, with clear direction, endorsement, and support being indispensable in the pursuit of innovation.

MANAGING COMPLEXITY IN INNOVATION

Innovation represents a departure from established practices, surpassing prior norms. To effectively guide or sustain innovations, managers must place significant emphasis on the innovation network, necessitating a profound understanding of its intricate nature. Collaboration emerges as a critical wellspring of innovation, with networks of firms increasingly bringing innovations to market. These firms are chosen based on their comparative advantages and operate in a coordinated manner.

When a technology undergoes a significant transformation, resulting in a successful innovation, it serves as a valuable learning experience not only for the parent industry but for other industries as well. Major innovations typically stem from intra- and interdisciplinary networking within technological sectors, combining both implicit and explicit knowledge. While networking is essential, the integration of networks proves to be the linchpin for success in managing complex innovation. Encouraging organizational networking and fostering cross-functional innovations can be achieved through various means such as social economic zones, technology corridors, free trade agreements, and technology clusters.

INNOVATION MANAGEMENT TOOLS (IMTS)

Innovation Management Tools (IMTs) can be classified using typologies, offering a systematic approach. The utilization of typologies brings advantages such as the seamless integration of new methods and access to a wider array of tools. These typologies predominantly rely on eight criteria, specifically tailored for IMTs in the knowledge-driven economy (knowledge economy). The criteria include knowledge-driven focus, strategic impact, degree of availability, level of documentation, practical usefulness, age of the IMT, required resources for implementation, and measurability.

The final typologies proposed are the following:

Table 1

IMT Typologies	Methodologies and Tools
Knowledge Management Tools	Knowledge audit, Knowledge mapping, Document Management, IPR Management
Market Intelligence Techniques	Technology Watch / Search, Patent Analysis, Business Intelligence, CRM, Geo-Marketing
Cooperative and Networking Tools	Groupware, Teambuilding, Supply Chain Management, Industrial Clustering
Human Resources Management Techniques	Teleworking, Corporate Intranet, Online Recruitment, e-learning, Competence management
Interface Management Approaches	R&D - Marketing Interface Management, Concurrent Engineering
Creativity Development Techniques	Brainstorming, Lateral Thinking, TRIZ, Scamper Method, Mind Mapping
Process Improvement Techniques	Benchmarking, Workflow, Business Process Re-engineering, Just-in-Time
Innovation Project Management Techniques	Project Management, Project appraisal, Project Portfolio Management
Design and Product Development Management Tools	CAD system, Rapid Prototyping, Usability Approaches, Quality Function Deployment, Value Analysis
Business Creation Tools	Business simulation, Business Plan, Spin-off from Research to Market

The criteria for choosing Innovation Management Tools (IMTs) involve considering tools that are well-developed and standardized. These tools should specifically aim to enhance the competitiveness of firms through a focus on knowledge. Additionally, the selected tools should be freely accessible in the market and not bound by any copyright or licensing agreements.

HUMAN CAPITAL PRACTICES THAT DRIVE INNOVATION

The following are the most effective human capital practices which are driving to creativity and innovation.

Utilize Technology for Collaborative Knowledge Sharing

Fostering collaboration is key to stimulating creativity and innovation. Technologies such as social media and conferencing tools facilitate virtual or in-person gatherings to enhance collaborative efforts.

Promote Innovation as an Organizational Value

Leading innovative companies consciously embed creativity into their cultures, recognizing that a creative environment, rather than just hiring creative individuals, is instrumental in fostering innovation.

Integrate Innovation into Leadership Development

Cultivating an innovative culture involves having leaders who not only value creativity but are creative themselves. Innovation should be embedded as a competency in leadership development programs.

Link Compensation to Innovation

While the impact of incentives on creativity is still under debate, their use in organizations sends a clear signal that innovation is highly valued. This signalling contributes significantly to the development of an innovative culture.

Establish an "Idea-Finding" Program

Innovative companies implement systems that tap into the collective knowledge of all employees, providing a platform for promoting and recognizing good ideas from across the organization.

Support External Projects

Despite sounding counterintuitive, funding projects outside the organization becomes crucial as market boundaries blur. Strategic innovation partnerships gain importance, and supporting external projects becomes a strategic move.

Foster Creativity through Training

Contrary to the notion that creativity is innate, creative thinking skills can be developed. The most innovative companies invest in training programs to enhance creative thinking skills among their workforce.

Institute a Review Process for Innovative Ideas

Recognizing that even the best ideas require refinement, development, and identification of their market potential, implementing a review process signals the organization's commitment to valuing and nurturing innovative ideas.

Recruit for Creative Talent

Especially at the undergraduate and graduate levels, companies should shift their focus from quantitative to creative minds in the on-going war for talent.

Reward Innovation with Engaging Work

Companies that identify their most creative employees can enhance their creative abilities by providing autonomy in working on projects that align with their natural interests. This approach serves as a rewarding mechanism for fostering innovation.

CONCLUSION

Innovation represents a substantial positive transformation, applicable to products, processes, or even people. While innovation, in itself, is not exhaustive, it stands as an indispensable prerequisite for the on-going survival and progress of enterprises. The primary avenues for business innovation are technological innovation and institutional innovation. Notably, management innovation assumes a pivotal role in fostering both technological and institutional innovation. The objective of innovation management within a company is to nurture an environment conducive to innovation, providing a platform that facilitates more cooperation projects and serves as the 'take-off platform for business ventures.

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