

Organizational innovation, barriers and factors

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Abstract

In today's world, if an organization cannot do anything about innovation, it will face problems or even failure. Because science, technology, goods and productions are developed at a high speed and the non-dynamic organizations without innovation cannot compete rapidly and finally they will be losers. They cannot solve the new problems and they are turned into isolated organizations and this makes the organization inactive and unsuccessful in organizational missions. Based on the importance of innovation in the current organizations, the present study evaluated organizational innovation and its significance and considered the barriers and challenges facing innovation. Then, the factors leading to the development and improvement of innovation were identified.

Keywords: Organizational technology, the barriers of organizational innovation development, Effective factors on organizational innovation

Introduction

The changes in current organizations are rapid, multi-dimensional, complex and comprehensive and the organizations without any prediction, coordination and consistency can not continue or develop. Until two the past decades, many organizations in local competition field by following the quantity and economical goals continue their life but by international competition and importance of quality and post economical aims, the organizations cannot continue without development and their development is not possible without good reaction and informed response to the dynamic environmental conditions. It can be said that by the

increasing changes in the present world, the continuous change process was one of the most important fields for human life. Thus, the companies following the competitive advantage are forced to flexibility and accepting the changes. In such period, innovation is the main basis of the organizations. The nature of global economy growth is changed with the innovation and it is possible by rapid development of technology, short cycle of the product and increasing the development of new products. Today, successful organizations continuing in the competitive world are the ones that can adapt to the changes and apply new thinking in the organization.

Today, post-industrial organizations are knowledge-based organizations their position depends upon creativity, innovation, discovery and innovation. Today, innovation is increasingly considered as one of the main factors of long-term success of the company in competitive markets. It is because the companies with innovation capacity can respond to the environmental challenges more rapidly and better of the non –innovative companies.

The definitions of organizational innovation

The concept of innovation attracted the attention of the researchers. According to Dijong , this concept was considered by Schumpeter in 1934 and it was recognized with the description of innovation and it is considered as the process of creating new trade mark, products, services and processes and its effect on economical development. Then, various scientists explained this concept differently for long-term sustainability of the organizations. Innovation is considered as an important factor in the organizations. Innovation is the manifested creativity. In other words, innovation means the realized creative thinking, innovation is presenting the

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product, new processes and services to the market. Innovation is using mental abilities to create new thinking or concept. Innovation introduces new combination of main factors of production inside the manufacturing system.

Innovation is the successful implementation of creative ideas in the organization. Innovation is formation of idea, accepting and implementation of new ideas in the processes, products and services and tendency to change via taking new technology, resources, skills and management system. Innovation is creation, accepting and implementation of the new ideas, processes, products and services. Innovation is creation, accepting the execution of new ideas on new processes, productions and services or marketing methods.

The significance of organizational innovation

Today, innovation attracted the attention of many theorist and researchers of various fields and it is of great importance in the organizations full of change for competition with organizing the competitor and remaining in changes cycle. As innovation is an important factor in the organizations to create values and sustainable competitive advantage in the complex and varied current space. The organizations by more innovation in response to the varied environments and creation and development of new capacities allowing them to achieve the best performance are more successful.

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In the current varied and knowledge-based world that only innovative organizations can respond to the needs of the customers and beneficiaries, it can be said that innovative organizations can respond the environmental challenges better and more rapid than other organizations. Innovation is a window to new opportunities to the organization and it is required that the organizations use the innovative activities and identity the existing limitations and improve the resources and eliminate the limitations. Indeed, today by the complexity of competition, innovation is one of the main advan-

tages for the life of the companies. All the organizations need new ideas for sustainability. New and innovative ideas are the vital part of the organization body. The innovation not only makes the organizations able to achieve competitive condition compared to the competitors, it presents useful tools to improve organizational performance.

The barriers of innovation in Iranian organizations

To eliminate the problems of rapid environmental changes and improving the development should encourage the creativity and innovation in the organization and among their people. These organizations can be sustainable in the instable and varied environment if they put aside the past traditional traditions and habits and try to follow creativity, innovation and continuous new concepts for their sustainable development as the main criteria of the success of the organizations is the fact how to educate innovative people. The development of innovative people is not possible unless a place is prepared to develop the thinking and make them attain creation. The identification of the barriers and challenges of innovation in the organization can present good solutions and provide a good preparation for organization development. If we do not present a good ground by identification of the barriers and challenges of innovation creativity, temporary activities are not useful for developing creative and innovative thoughts and based on the rapid current environment, the organization will be destroyed. Indeed, in innovation process of the organization staffs, some barriers are made and not considering them distract people and new thoughts are not created anymore. Thus, in the new era, the behavior sciences attempts to provide the conditions in which complex minds can analyze the issues. This is what not considering it can cause into the inactivity and wasting organizational potential and prevents the dynamics and change in the organization. The managers should know that releasing creativity power and using new thoughts depend upon coping with the mentioned barriers and coping with them is not difficult but it takes time.

The barriers of organizational management

The bossy behavior of the manager: Prescriptive leadership managements, negative attitude to the subordinates, using wrong reward system, the inability of the managers in prediction of practical results (positive or negative), ambiguity of the costs

and innovation outcomes. The weakness in the law-based system, weakness in supervision and evaluation, the lack of following the plans and inability of assessments, unsuitable rewards and more emphasis

on the procedures by the manager and traditional management style lead into the loss of innovation ability in the organization and in this way, human resources are lost.

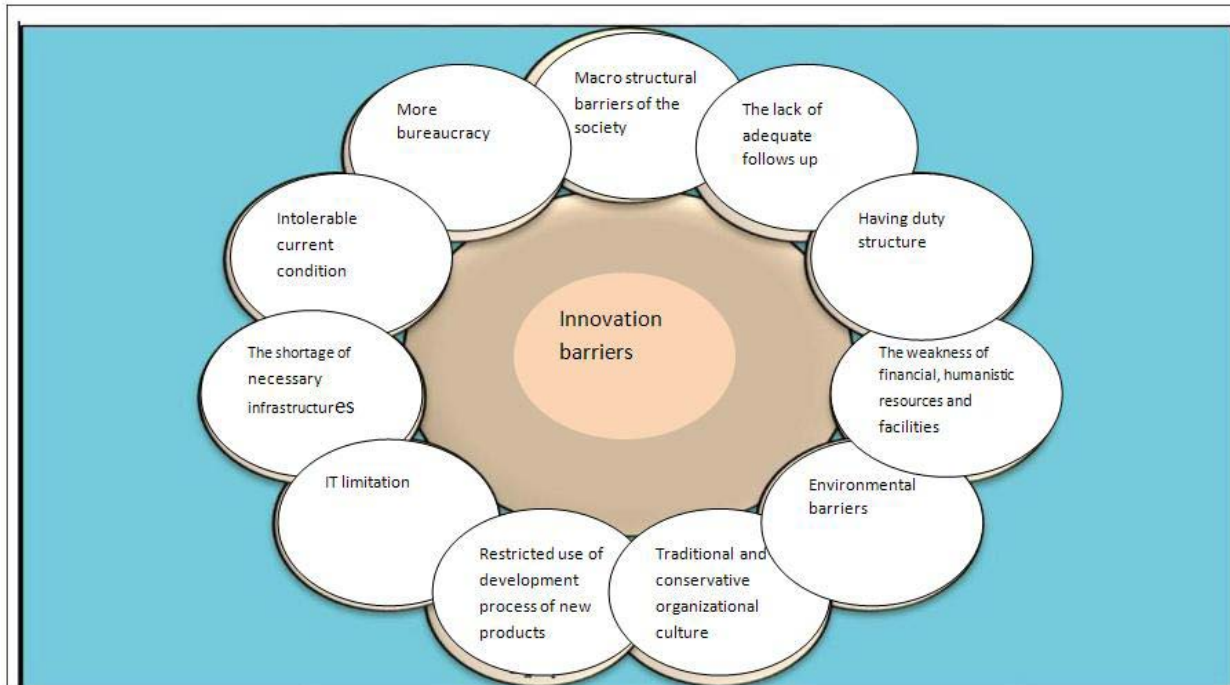


Figure 1. The barriers of organizational innovation.

Other reasons regarding the fact that the managers in the organizations can be considered as a barrier on innovation development is as following:

First, most of the managers do not consider themselves innovative as innovation has no important role in the duties of ordinary managers. In most of the companies, the managers are selected, trained and rewarded due to their capacities in rework. Nobody expects the managers to be innovative.

Second, most of the managers doubt that brave innovation of management is not possible. Most of the managers are excited of the slow progress of science but they are not concerned about the weakness of the management task progress.

Third, most of the managers consider themselves as practical, not day dreamers and based on their experience, the progress of management is mostly gradual rather than transformational and there is no reason to change it.

More bureaucracy: Extreme bureaucracy is equal to the procedures and law eliminating the creativity and it leads into slow reaction to the environment and the lack of risk taking.

Intolerable current condition: Current condition means routine preventing the development of innovation. Routines are definite and behavioral model is predicted by them. When routines are used in the organizations, everybody knows his work. On the other hand, routines are tools to finish the intra-organizational contradictions making some frameworks consisting of a network of procedures changing them are difficult. The routines are the standards the managers try to keep them without any change.

The shortage of necessary infrastructures : There is a great distance between inventions and economical productivity of them. The distance is called death valley by innovation association. Innovation is faced with the shortage of required infrastructures or despite its existence, is not developed yet to be used as a whole.

The lack of adequate follows up: One of the greatest challenges of the companies on innovation is the distance between innovation and continuous growth requiring the collaboration between the management of an executional structure and pro-

cess-oriented structure in the organization. If the design of the product is not done rapidly, it cannot be presented to the market, the profitability of a product is lost.

The knowledge of duty structure: The banks and insurance institutions have duty structure; the labor force is divided into small tasks. This department division leads into the contradiction between innovation authority units with the units responsible for routine things. They considered their aims in long-term and short-term time as heterogeneous. The contradiction in prioritization of the tasks, competition to achieve financial resources, the lack of efficiency human resources and the need to do the project form of the tasks and the problems of matrix structure as the defects this structure is faced about innovation with them.

Restricted use of new products development process: To achieve innovation via this process, it is required to form some teams of different departments. The lack of familiarity with project work, the difficulty of labor division and the weak relation between the members and weakness in team work are the problems that are occurred frequently in these organizations.

Traditional and conservative organizational culture: The managers of these organizations escape risk and risk taking in the culture of financial institutions shows the ignorance. Kanongo (1990) in a study considered the cultural factors important in organizational creativity and innovation and believed that lacking them leads into the self-alienation of people and low creativity. He believed that in the communities in which traditional religion, irrelevance of reward, tyranny system and nepotism

are dominant in the organization, they will not be creative organizations and these factors reduce productivity and alienation of the people in the organization.

The limitation of IT: The lack of adequate access to experts in IT is felt more than any other factor in financial organizations. Integration of information systems of these institutions and their complexity are the barriers because of the nature of IT based on its infrastructure.

Environmental barriers

One of the barriers of innovation in an organization is the environment in which the organization is active because the organization interacts with the surrounding environment and they get frequent effects from the environment. The progress of an organization depends upon commitment in creating good relation with the environment. When an organization by some reasons cannot creates such positive interaction with the environment outside the organization, this condition namely when external environment process are contradictory with the internal benefits of the organization, not only it takes the energy of managers and the organization in interaction and negative feedbacks, but also they cannot focus on innovative thinking in the organization and makes disturbance in the processes. When structural methods and the relation between the scientific, industrial, technology institutions is separated and various organizations are not in touch with each other, any organization does what it wants and they do their activities without considering the macro structure of the society and this is an important barrier in innovation in an organization.

The macro structural barriers of the society

The structural methods and the relations between the scientific, industrial, technology, manufacturing, service, educational, health institutions in the third world countries are the barriers of innovation and creativity. So, the major human resources are wasted.

The weakness of financial, humanistic resources and facilities

Generally, the lack of budget, educated human resources are effective in the active participation of the staffs of an organization. When there is no time or adequate culture for formation of group meetings and thinking rooms, etc, or if they exist, they don't have the required facilities to continue cre-

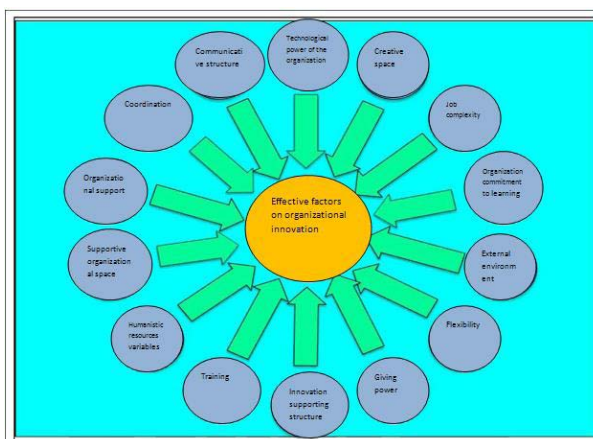


Figure 2. The effective factors on organizational innovation.

ative thinking centers, thus any attempt in this regard is failed

The organizational technological power

The effect of this independent variable on organizational innovation is evaluated by the study of some indices as the relation of the abilities of the staffs and managers to the existing technology in the company, the change of the processes of company activity to increase the success of a new technology, the change of performance and marketing knowledge of the company by technology change, the change of organization structure in some technology changes of the company.

Communicative structure

Despite the effective communication structure, different parts of the organization will be better for searching, collecting and disseminating information. This increases the chance of identification of innovation opportunities via the relation with the organization. The fully developed infrastructure of the internal relation made the presentation of the idea more simple and let people increase the improvement of accepting new ideas and presenting the ideas. The full communication structure making the close interpersonal relations possible is having positive relation with the amount of innovation. It can be said that in an organization with open communication, the employees can trust each other and feel safe to express their new ideas. Indeed, if there is a good relation between the employees of the organization to encourage them for more participation in better planning and orderly plan, they appear effectively at work place and to improve the progress of the organization do creative and inventive attempts and express their new ideas.

Coordination

The coordination of people and work groups at organizational level is necessary to create innovation. In the study done by Dagerti Hardi regarding the manufacturing preparations, it was defined that the failure in the organizations without organized group structure was high.

By coordination people based on their individual tasks to entire organization, the employees can better identify the new ideas. The ideas related to the needs of the organization. This issue helped them to consider the limitations of the organization by giving the ideas and performing them.

Organizational support

The past studies showed that the organizations giving value to innovation, free choice, human resources and coordination have more innovation. The quality of the relation between the supervisor and the subordinates is positively associated with individual innovation. The supervisors who expect more of their subordinates share the increase of their productivity. Giving special amount of free choice and decision making power to the employees has an important role in individual innovation. The managers and supervisors in the organization should be trained at excellent level as above their applied skills, they have the required educational skills. The free choice is given to all the employees of the organization and based on the studies, by centrality of power; innovative activities are encountered with problem all over the organization.

Human resources variables

In human resources issue, it can be said that innovative organizations actively encourage the training and development of the knowledge of their members as up to date. Job security is high for their employees to reduce the fear of being fired due to mistake and it shows them to be flexible. When new thoughts are evolved, the pioneers give importance to the excitation of thinking and support it and cope with the problems and assure that innovation is implemented.

Training

Training is learning based experience and to make stable changes in a person allow him to do his work and improve his abilities, change the skills, attitude, knowledge and social behavior. Thus, training means the change of knowledge, attitude and interaction with co-workers. Based on the results of Basador *et al* (1994) study, the training based on creating thinking skills, lead into creative results in terms of quantity and quality. The research institutions and innovation in an organization can facilitate innovation in the organization. Creating common beliefs for innovation and as it is considered as common norm in the organization to creativity, it needs training. Indeed, you should teach the people to test the environment for new procedures, new technologies and the changes of thought frameworks of the customers. The teachings not only increase income via organizational innovation, it leads into the improvement of the attitude of the employees. Thus, the managers should be prepared for the tests inside the organization.

Creating innovation supporting structure

For creating innovation in the organization, the organizational structure should be directed to flexible structures as “they have positive effect on innovation as their specialization is low, they have a few rules and the lack of focus is mostly due to the mechanical structures. Flexibility increases consistency making the acceptance of innovations easy.

External environment

One of the effective factors in innovation in an organization is the environment in which the organization is active because the organization is interacting with the surrounding environment and is affected by the environment considerably. The managers of some of the organizations cannot have positive interaction with the environment outside the organization and it not only takes the energy of the managers and organization in negative feedbacks, they will no longer focus on innovation solutions in the organization and the processes are disturbed and the facilities any organization requires for progress of his plans including the organized innovation and its adaptability with department and beyond the department procedures of the external environment, the successful organizations are the ones to establish good interaction with the external environment at geographical, political, economical, cultural and humanistic views.

Creating creative space

One of the important ways of manifestation of innovation is creating dynamic space of creativity, It means that the managers should be ready to accept new ideas from anyone in the organization. The organization should search for them and shouldn't wait others present new thought.

Job complexity

When a job is complex, its worker has the free choice and it is expected based on the above conditions and using the power and based on the expectations, present many inventive ideas.

The commitment of the organization to learning

The commitment of the organization to learning leads into the promotion of learning culture in the organization. In this culture based on the organization inclination, the knowledge is created and many opportunities are provided for learning in the organization and besides developing the knowledge

of people and their sharing in each other knowledge and the increase of the capability of implementation of the new ideas, processes or products, the innovation capacity in enterprise is increased. Thus, an organization committed to learning by the knowledge in predicting the need of the customers committed to innovation and learning space and using the new ideas in the organization can increase their innovation ability and have more innovation capacity compared to its competitors.

Flexibility and reforming the evaluation system of performance

Traditional regulations avoid the creativity in the organization. It is required to change the performance evaluation system from the traditional state to avoid the creativity of the experts and employees. The managers by flexibility reduce the limitations imposed on the experts and employees and increase their creativity. In an innovative organization, the evaluation of the employees is not based on their physical presence and all human resources are evaluated based on excellence and progress indices and the quality of activities and innovation.

Giving power

Giving power and responsibility to the employees allow them to learn of their experiences and help them with creation new ideas and serious solutions and promote their responsibility in fulfilling the organization goals. The managers by giving power to the experts and employees should minimize the physical supervision and they observe the result of their task.

Organizational environment supporting innovation

The organizations can support innovation with encouragement, identification and giving reward to creativity and assign adequate amount of human resources, budget and time (Kohen and Lion-sal, 1990; Scott and Bruce, 1994; Woodman *et al.*, 1993). Scott and Bruce (1994) stated that organizational environment shows the signals people receive in their expectation of the organization for potential outcome of their behavior. It means that the perceptions of the staffs affects the inventive behavior in the organization as encouraging creativity at work place and as organizational resources are assigned to support creativity. Thus, when they have their own organization as open system changing and supporting the creative ideas and with adequate resources as time, staffs and budget in the organization, they

consider the organization environment as supporting organizational innovation and they try to take risk and support innovation. The organizational innovation is developed in the free environment of the organization, the environment in which the discovery of new ways is promoted should provided dynamic space in the organization to develop innovation that the organization staffs can raise their ideas and the organization environment should be as the staffs feel the organization gives value to their new ideas and support them.

Conclusion

Today, innovation is considered as one of the main factors of keeping competitive advantage and long-term success in competitive markets and all the organizations require new ideas and thoughts to remain in the organization. New thoughts are vital for the organization and they are saved. Now, innovation in the organization is required for progress and keeping the existing condition, the innovation is continued. To continue in the current world, we should consider innovation and besides the identification of environmental changes provide new responses to cope with them and be influenced of them and have influence on them. There are some barriers in innovation of organizational forces and not considering them leads into distraction and there will be no new thought and if we do not provide a good place by identification of the barriers of innovation creativity, Temporary activities are not useful for development of creative thoughts. The barriers of innovation were identified in the present study as macro structural barriers in the society, the lack of duty structure, traditional and conservative organizational culture, more bureaucracy, management barriers of organizational innovation. The effective factors on development of organizational innovation were identified and we can refer to the technological power of the organization, organizational support, education, external environment, organizational space supporting innovation.

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