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Innovation as a Success Key for Organizations

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Abstract

The close context of innovation and organization cause scholars to consider the possibility of the significant impact of innovation on organization. Researchers expressed that innovation plays a critical role on the effectiveness of organizations and enhances their potential to innovate and grow. Some researchers go as far as to state that one of the main reasons for the growing importance of the innovation during the past years is the need for innovation in the fast changing environment. Although most scholars agree on the positive effect of the innovation on organization, there are a few empirical researches that investigate it.

In this paper the objective is to describe the innovation as a critical factor in organization performance.

Keywords: Innovation ; Systematic approach, Organization performance

1. Introduction

It is universally accepted that innovation is the key to ensure the future growth and survival of any firm. Innovation allows organizations to coordinate themselves with the changes of the environment, market and customer demand. It is found that there is a relationship between organizational culture innovations and the adoption of information system. The innovation is described as a critical factor in organization performance and survival of the firms in a competitive environment. The importance of product innovation for good long-term company results is now widely recognized and has been extensively reported in the literature.. In result, because of the importance of innovation, many researchers have analyzed its antecedents, hoping to determine what a firm must do if it hopes to become more innovative.

Innovation was the subject of organizations for long times, Although by producing a new product you may be able to attract customers temporarily but more important than innovation and invention is the process which can be flowing like time cycle and by reaching to maturity period other competitors could Gain its production technology and you could benefit from it.

In this article we intended to investigate innovation and its necessity in this regard from researcher point of view and presented definitions. Some of them saw innovation from new perspective and some from treatment [1, 9].

Innovation is one of the most important and most complex issues organizations faced with today. Innovation is the success key for organizations.

In Gybenz idea, innovation in firms is the application of Ideas for firms whether they were used for products, processes, services, marketing system or management.

Some researchers who saw innovation from accepting ideas and concepts approach define innovation as accepted units by firms. Some others define innovation from behavioral point of view. They know organizational innovation as a durable organizational features, this means that an innovative organization shows innovative behavior over

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time[2]. Organizational innovation is fast becoming a crucial factor in company survival as a result of the evolution of the competitive environment. In this vein, Bachalandra and Friar consider that the successful introduction of new products is the lifeblood of most organizations.

In this method firm cannot gain level of innovation in short period of time, but innovations mean during period of time innovation acceptance average time and sustainability of innovation is also considered.

Lampkin and Dez investigate innovation from both behavioral and production point of view which they believe firm innovation will begin from the desire to test new things and will continue to commitment of dominating on new products or technology. But those things that Harley and Halt considered for innovation are the culture of participation in a firm and the ability to perform new ideas or readiness of a firm to accept new ideas. Culture of firm openness is not enough but range of acceptance or applying new ideas in business will determine the level of innovation [3, 10, 11].

2. definition of innovation

One of the major problem in innovation management is that there is not a single definition between researchers, policymakers and authorities .Innovation deprived from innovate which means creating new things[3] . Traditionally innovation has an important role in economy in comparison to creating.

It decent place when Austrian economist Jaseph Schumpeter considered innovation as an important role in entrepreneurship and made a theory for economic development. In this theory investment innovation, credit and maximizing the profit are three key elements. He distinguishes innovate and innovator from creation and creator. In 1930 he stated that innovation will appear in one of these forms [4, 12]:

- Introduce or commercialize new or improved product or service in the application of existing products and services.
- Introduce new production processes or improve existing business processes essentially.
- Opening doors for new market
- Developing new supply source such as materials, equipment and other inputs.
- Fundamental changes in industrial structures and organizational other [4, 13]

2-1 definitions of innovation include:

Innovation include some technological changes which according to Schumpeter definition include: producing products or services or utilizing methods or inputs that are new for firms [5, 14]. The main point is that the first one who use the methods or ways is innovative and others who use these ways later are followers.

- Slatter gave the following definition of innovation:
- Innovation means change and process improvement for product or system in a way that this change will be new for the firm.
- Creativity creates something and innovation will cause utilizing it [5, 15].
- Advadya introduce innovation as creation, developing and successful introduction of products, processes or new services.[2]
- Product Innovation includes successful exploitation of a new knowledge [6, 7, 16]. And so it depends on two conditions: Freshness and usefulness. Product innovation is a process which includes industrial design, management, R&D, production and economic activities related to marketing or improved product.
- Foxal defines production as "the capacity and willingness to purchase new products and services". Foxal definition focus on customer-innovation that is how much a new product or service which introduced to the market is accepted. So it is defined from the perspective of psychology.
- Endosamor defines innovation as a form of an innovative product or new process in the market.
- Department of tourism industrial DIST in Australia defines innovation:"innovation in the enterprise level is the application of an Idea for a new firm whether it may be used for producing products, processes services or organizational management or marketing.
- Porter argues that companies need to innovate to achieve competitive advantage and innovation is in the form of new technologies or new solutions of doing jobs.

- Dumenpor and Koopalakrishman define innovation as a tool , system , program or created or purchased service of an organization which is new for organization.
- Holt and Hurly define innovation as a firm culture for cooperation in terms of availability and readiness of the plant in the acceptance of new ideas – company access to new ideas is not enough but range of acceptance and implanting new ideas define the level of innovation.

Wang and Ahmed (2004) have defined organizational innovation as "organization public ability to introduce new products to market or opening new markets through innovative processes and behavior [8, 17].

- Rogers in 1998 defined innovation as "a term for defining a series of vast changes in business activities , which will lead to firm performance improvement .These changes may be related to new or improved goods or services ,invest in new machinery , opening new markets ,investment on education ,creating intellectual assets or technologies [6, 18].

From late 60s onward, the definitions are closely related and can be summarized as follow: The first successful use of the product or process from idea to use it [2]. Overly the innovation process can be shown in figure1-2: [8]

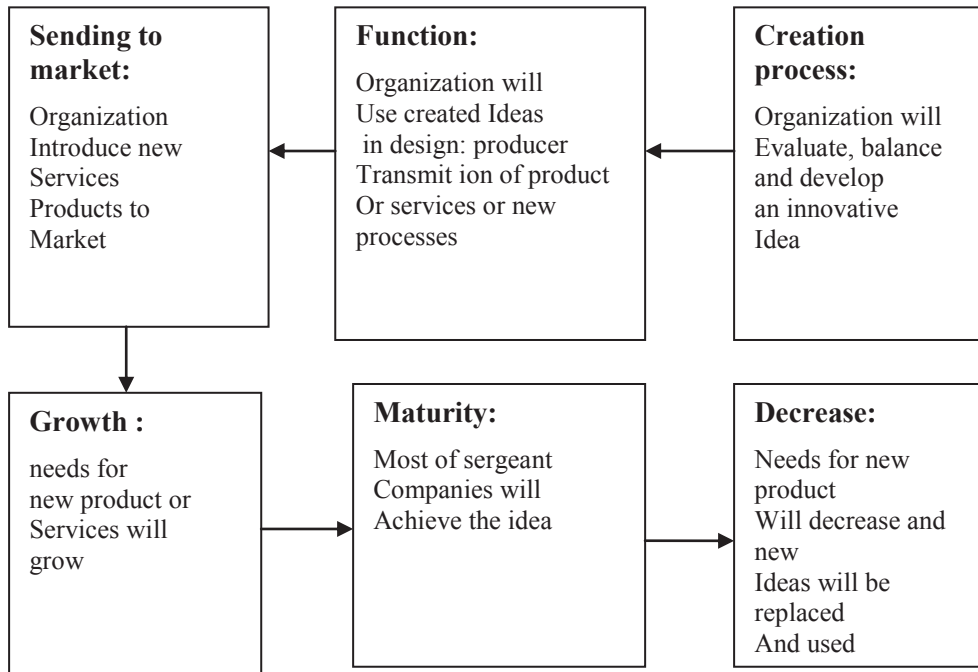


Figure 1-2: Innovation process

3. Systematic approach to innovation

Innovation process can also be examined from system point of view.

One of the management experts shows systematic approach to innovation as figure 2-2

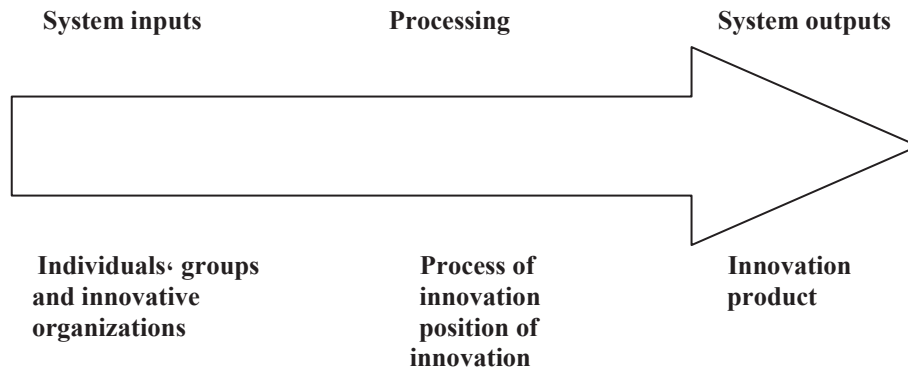


Figure 1-3: Systematic approach to innovation

Reviewing innovation literature shows that innovation does not only affect the organization but also influences on a lots of organizational concepts like job satisfaction, quality of products, performance, TQM, knowledge management, adoption of information system and etc. Furthermore, the innovation measurement scale helps the managers to recognize the facilitative factors of learning and to evaluate the innovation in their firms. Then they can develop organizational innovation in their companies.

Since the time that the innovation is known as an essential element to survive firms, different scholars consider this concept from different viewpoints such as psychological, sociological, organizational theory and industrial economy. This fact and the complex nature of innovation, lead to the lack of consensus on this concept.

Studying the innovation reveals that many researchers work toward innovation measuring and develops various normative models. These models are similar in some aspects and are different in others, i.e. there is no model that is accepted by all.

4. Conclusion

Innovation is one of the most important and most complex issues organizations faced with today. Innovation is the success key for organizations. Every company should has innovation process from creation to playing, when a product enters growth step, the company must play a change in product for supplying to market, because, another companies have reached the technology for producing.

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