

Available online at [www.sciencedirect.com](http://www.sciencedirect.com)

SciVerse ScienceDirect

Procedia Technology 1 (2012) 535 – 538

---

---

**Procedia**  
Technology

---

---

INSODE 2011

## The important of Innovation and its Crucial Role in Growth, Survival and Success of Organizations

Hamid Tohidi\*, Mohammad Mehdi Jabbari

*Department of Industrial Engineering, South Tehran Branch, Islamic Azad University, Tehran, Iran*  
*Department of Electrical Engineering, South Tehran Branch, Islamic Azad University, Tehran, Iran*

---

### Abstract

Innovation is one of the most important concerns of each organization and its role in the development and coordination of the market is inalienable. Innovation in all human areas is applicable from product development, methods of management, ways of doing works and etc.

In all of definition used for innovation, changing or improvement of the process or product are common.

Innovation is a process that begins with introduction to plan of an idea and will become a new function and so it different from creation.

The main point is that innovation is different from creativity. In this paper the important of innovation and its crucial role in growth, survival and success of organizations is discussed.

**Keywords:** Innovation ; Growth and healing, Creativity

---

### 1. Introduction

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 like Aterbak, Dreft and Atol whom saw innovation from accepting ideas and concepts approach define innovation as accepted units by firms some others like " Sabramanyan " define innovation from behavioral point of view. They know organizational innovation as a durable organizational features, this means that an innovation organization shows innovative behavior over time[2, 10].

In this method firm can not 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.

---

\* Hamid Tohidi

E-mail address: [H\\_Tohidi@azad.ac.ir](mailto:H_Tohidi@azad.ac.ir)

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 is 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, 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, 12] . Traditionally innovation have an important role in economy in comparison to creating but it finds . Its decent place when Austrian economist Jaseph Schumpeter considered innovation 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. There will be innovation even without creating and creation is not necessarily a source of innovation and itself will make the fruits of economy Joseph Schumpeter was the first economist who find out the important role of innovation in countries economy. In 1930 he stated that innovation will appear in one of these forms [4, 13]:

- 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, 14]

### 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].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, 16].
- Product Innovation includes successful exploitation of a new knowledge [6, 7 17]. 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 from of a 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, 18].

- 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, 19].

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]

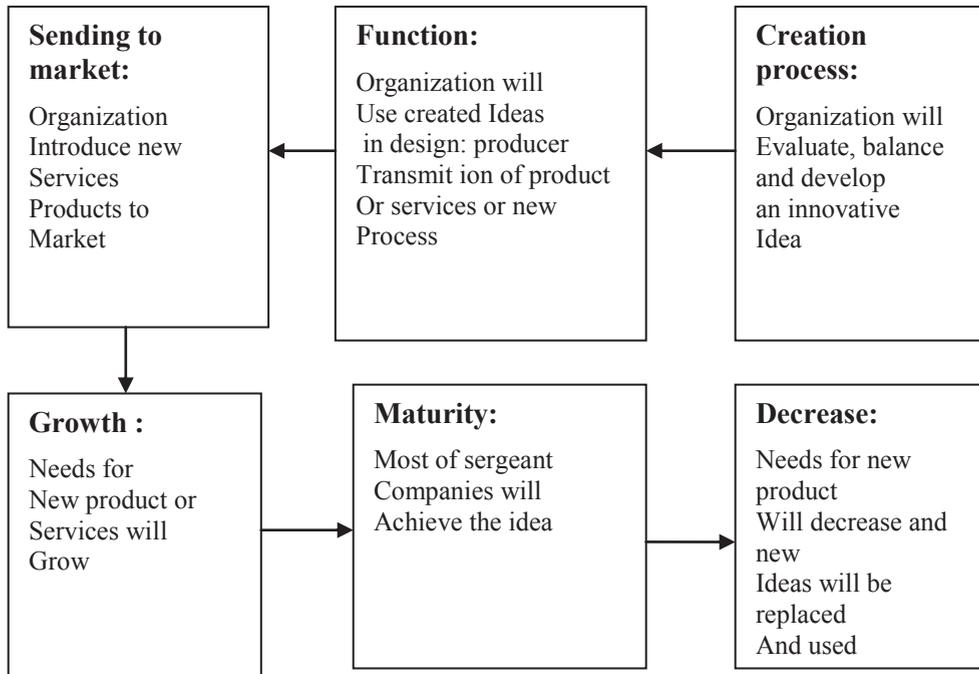


Figure 1-2: Innovation process

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

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

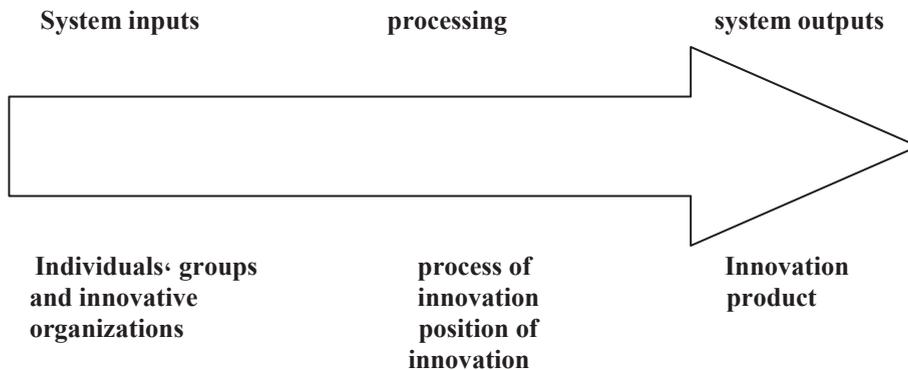


Figure 2-2: Systematic approach to innovation

Now we investigate scientists' different approaches. It should be noted that in addition of general definition of innovation · it has been classified as different types.

### 3. 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.

### References

1. S. Freeman, C. (1982) *The economics of industrial innovation, (2nd end), London, Frances Printer.*
2. Dodgson, M., 1997, Systematic integration of the innovation press within the firm, Australian-Asia Management Center.
3. Afuah, A. 1998, Innovation Management: Strategies, Implementations and Profits, New York, Oxford University press.
4. Betz, F., 1987, Managing Technology: competing through new ventures, innovation and corporate research , Prentice Hall.
5. Calantone, R.J., Cavusgil, T., Zhao, Y., 2002. Learning orientation, firm innovation capability, and firm performance. *Industrial Marketing Management* 31, 515–524.
- 6 . Cooper, R.G. and Kleinschmidt, E.J. (1993), "Major new products; what distinguishes the winners in the chemical industry?," *Journal of Product Innovation Management*, Vol. 10, pp. 90-111.
7. Edosomwan, J.A., 1989, integrating Innovation and Technology Management, New York, John Wiley & Sons.
8. Evangelista, R. and Immarino, S. and Mastrostefano, V. and Silvani, A., 2001, Measuring the regional dimension of innovation: Lessons from the Italian innovation survey, *Technovation*, 21, 733-755.
9. H. Tohidi, 'Modelling of Business Services in Service Oriented Enterprises' *Procedia-Computer Science Journal, Elsevier, 2011, USA.*
10. H. Tohidi, 'The Role of Risk Management in IT systems of organizations' *Procedia-Computer Science Journal, Elsevier, 2011, USA.*
11. H. Tohidi, 'Human Resources Management main role in Information Technology project management' *Procedia-Computer Science Journal, Elsevier, 2011, USA.*
12. H. Tohidi, Mohammad Mehdi Jabbari 'The main requirements to implement an electronic city' *Procedia-Computer Science Journal, Elsevier, 2011, USA.*
13. H. Tohidi, 'Review the benefits of using Value Engineering in Information Technology Project Management' *Procedia-Computer Science Journal, Elsevier, 2011, USA.*
14. H. Tohidi, 'Teamwork Productivity & Effectiveness in an Organization base on Rewards, Leadership, Training, Goals, Wage, Size, Motivation, Measurement and Information Technolog' *Procedia-Computer Science Journal, Elsevier, 2011, USA.*
15. H. Tohidi, 'E-government and its different dimensions: Iran' *Procedia-Computer Science Journal, Elsevier, 2011, USA.*
16. H. Tohidi, Aslan Azimi Afshar, Aida Jafari 'Using Balanced Score Card in Educational Organizations' *Procedia - Social and Behavioral Sciences, Elsevier, May 2010, USA.*
17. H. Tohidi, Aslan Azimi Afshar, Aida Jafari 'Strategic planning in Iranian educational organizations' *Procedia - Social and Behavioral Sciences, Elsevier, May 2010, USA.*
18. H. Tohidi, M. J. Tarokh, 'Productivity Outcomes of Teamwork As an Effect of Information Technology & Team Size, *International Journal of Production Economics (ISI), Elsevier, 2006, In Press, Netherlands.*
19. H. Tohidi, M. J. Tarokh, 'Modeling and Analysis of Productivity Teamwork Based on Information Technology', *International Journal of Production Research (ISI), Taylor and*