

## **Innovation: - Sharing the Pie with New Family Member**

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### **Abstract**

We are in the era where the companies have started to recognise the research and development as the key aspect of any organisation. In other words it would not be wrong to state that the companies are in continuous strive of development be it in any terms – product, process and practice. The surety of the existence of any organisation or system in today’s world is directly mapped with its ability to adapt and to keep pace with the latest trend. Innovation being the process of successful inclusion of any invention made has become essence of the business world. Innovation though done with the objective to seek improvement, at times being labelled as creative destruction. As the market tends to assume that the many innovations though leads to improvement, but it has a cost too. The cost may be job loss at mass level. But we must adhere to the fact that every coin has a flip side too. The paper attempts to uncover the other side of the innovation and is based on concept that innovation is like sharing the pie with the new family member.

**KEYWORDS:** Innovation, creative destruction,

### **Understanding Innovation: -**

Dynamism and unpredictability of environment are the unavoidable aspects of the companies operating zone. A key to survive in such radical environment is to innovate. Innovation is considered as the fundamental way which enables the company to add constant value to its customers and consequently to its stakeholders. Innovation may be defined as embracing new-fangled advancement in terms of product or process or in terms of organisational approach which leads to appreciable result such as financial benefit, efficiency, wellbeing (REILLON, 2016). Some thinkers believes an invention when becomes feasible for commercialisation or affordable for the customers in the form of goods or services it may be stated as innovation. (Douthwaite, 2016) Innovation occurs as an outcome of repetitive learning cycles.

Some expert view on innovation(Skillicorn):

- “An innovation is a feasible relevant offering such as a product, service, process or experience with a viable business model that is perceived as new and is adopted by customers.”  
- Gijs van Wulfen (the author of the FORTH Innovation Methodology.)
- “The application of ideas that are novel and useful. Creativity, the ability to generate novel and useful ideas, is the seed of innovation but unless it’s applied and scaled it’s still just an idea.”

- vid Burkus

- “Very simply put, innovation is about staying relevant. We are in a time of unprecedented change. As a result, what may have helped an organization be successful in the past could potentially be the cause of their failure in the future. Companies need to adapt and evolve to meet the ever changing needs of their constituents”.

- Stephen Shapiro

- “I define the innovation process as a great idea, executed brilliantly, and communicated in a way that is both intuitive and fully celebrates the magic of the initial concept. We need all of these parts to succeed. Innovative ideas can be big or small, but breakthrough or disruptive innovation is something that either creates a new category, or changes an existing one dramatically, and obsoletes the existing market leader. We can obsolete ourselves or someone else, and it can be ‘sexy’, or address a basic human need – both the iPad and disposable diapers qualify for me. But it needs to either create a new market, or radically change an existing one.”

-Pete Foley

- “Anything that is new, useful, and surprising. That last criteria, surprising, tends to ‘surprise’ people because they usually don’t hear many people talk about it. For me, a great innovation are the simple ones that make you slap your forehead and say, “Gee, why didn’t I think of that?”

-Drew Boyd

### **Schumpeter’s view on Innovation:**

(Śledzik, 2013) **According to Schumpeter** – “process of industrial mutation, that incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one”. He went far to, state innovation as the creative destruction(McCraw). He also stated that development is historical process in reference to structural changes which is driven substantially by innovation and categorised the same in below categories:

- New product
- New method of production
- New market
- New sources of raw material / semi-finished products
- New structure of industry

### **The key features of Innovation:**

Innovation may said to have following three key features

- Novelty – refers to the change with reference to the prevailing scenario
- Adoption – refers to the change which is adopted by the potential consumer
- Outcome – refers to the value creation may in terms of efficiency, improved wellbeing and other.

### **Innovation types:**

Innovation is categorised among four types as per Oslo Manual(2005) of OECD (The organisation of Economic Co-operation and Development) and Eurostat:

- Product – A new product or service or significant advancement in a product or service
- Process – any new or improvised method of production or delivery
- Marketing – a new method leading to significant modification or advancement in terms of packaging, promotion, and other
- Organisational – a new method comprising changes in terms of practices adopted, organisation of workplace or relation so maintained externally.

### **Impact laid by Innovation:**

It is not necessary that innovation always lead to the major impact. Innovation impact varies from situation to situation case to case. Such as

- Disruptive innovation is a game-changer innovation which impact the entire market
- Radical (also known as breakthrough innovation) leads to the changes at the fundamental level in the sector
- Incremental (also known as sustaining innovation) is one which occurs within the organisation making impact a lower degree.

Accordingly innovation lays impact on the aspects – employment, output and productivity

(Douthwaite, 2016) Hindsight thinking carries two risks: on the one hand there is paralysis, an inability to start in the absence of perfect clarity about the bright idea; and, on the other hand, over-commitment to the prototype solution ending in costly failure.

### **Some critical factors for Innovation:**

The complexity regarding the understanding of the innovation make it tough for the researcher or the innovators to reach the consensus regarding the critical factors that an organisation must possess or develop to be successful at innovation. But still some factors over the period has been basis for the successful innovation. As per (Johannessen, 1994) the factors critical are:

- Change Agents– the role to be played by the change agents is among the critical factors for the innovation. However in an organisation one fails to find many of them. They are basically those who believe in their vision and make efforts to promote it actively.
- Culture of the organisation – it has been argued that if an organisation the factors related to the culture which stimulates the innovation are found absent then the innovation will be resisted even when it necessary for the organisation.
- Style of Management – one shall adhere to the fact that if the top management of the organisation provides ample support for the innovation and has inclination towards it, the other members of the organisation are not left with much to oppose the innovation. An open management style has also been associated with the successful innovation.
- Market- Any innovation how so ever critical or out of the world it may be, unless and until market recognises the same and generates the demand it cannot be successful.

- Coordination and Service- an organisation deals with the society involving the features such as – turbulence, complexity and knowledge. Coordination among the various factors is warranted for the innovation along with the service. Services may be internal and external to the organisation, as one acts complementary to other.

Another study considered LMX (Leader – Member Exchange) as the antecedent of innovation. (Elisabeth Wilson-Evered & Neale, 2001)

(Altunoğlu & Güre, 2015)categorised the factors that have influence on the innovation as:

- Group level; and
- Organisational level.

Under group level factors such as leadership and under organisational level factors such as organisation structure, strategy, culture, etc are included.

### **Concern Area for the Innovation:**

The critical factors discussed if found absent in any organisation forms the area of concern regarding the innovation. But stated below are among the critical factors that may harm the innovation related activities of the organisation:

- The one of the key concern so identified by the Rosabeth M. Kanter is regarding the attention from the people. In other words how to make individual recognise and appreciate the idea, its requirement and the opportunities it provide. (Maguire, Kazlauskas, & Weir, 1994)highlights that the leadership lays influence over the innovation.
- (Criscuoloa, Laursen, Reichstein, & Salter, 2017)Identification of the sources leading to the most rewarding ideas of innovation always remain a key area of concern.

### **Changing face of innovation:**

“Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty . . . all old-established national industries have been destroyed or are daily being destroyed. They are dislodged by new industries . . . whose products are consumed not only at home, but in every quarter of the globe. In place of old wants satisfied by the production of the country, we find new wants . . . the intellectual creativity of individual nations become common property”

-K. Marx and F. Engels, TheManifesto of the Communist Party, 1848 ( (Tidd, Bessant, & Pavitt)

Innovation has always been in the radar of the humanity to the extent to which innovation progressive notion. The basic perception of innovation has been negative (Meissner, Polt, & Vonortas, 2017) rather it was seen as imposition of change on well-established order and the innovators as the suspicious persons. Innovation was considered as the bumpy road. Schumpeter though stated it as the creative destruction. (Jovanovic & Tse, 2007)related creative destruction withshakeout - “ a substantial fraction of firms exits, and yet industry output on average continues to rise implying

that aggregate capacity does not fall. The capacity withdrawn by the exiting firms is replaced by incumbents and new entrants.”(Cabral, 2011)alsohighlighted “shakeout”.

Another Aspects that directly and indirectly is that innovation disrupts routines as it involves learning. In other words innovation involves the cost in terms of time and money and always some uncertainty whether the new learning will be beneficial or not. As

We must in today’s aspect be clear that even though innovation is bumpy way but the alternative of doing nothing or being stagnate or being unresponsive to the market is not viable. As survival of organisations depends entirely on the ability to adapt to the dynamic environment in which the organisation operates or functions. The prominent forces that forms the competitive environment of the business includes:

- Globalisation
- Virtual working mode supported by the technological advancement
- Sustainability
- Business model development in terms of networking

It’s only with the passage of time, innovation is being perceived in positive sense and not as the negative concept. Industry over the period realised its need and the researcher and practitioners addressed different aspects witnessing that innovation cannot be avoided:

- The decline in the demand may be seen on the temporary basis in almost any industry or business across the globe. This face of temporary fall may be taken as the opportunity to launch the innovation as the existing demand are already making a low and losing the market grip. In other words the opportunity cost is assumed to be lower at this time.
- Technological advancement though enable the organisation to adapt or to excel in the market it is operating but it’s criticised on the aspect of throwing the obsolete players out of the market. But, as we are operating in the society the whole concept of the economies or other discipline lies on sustainable development. If an advancement is made and it leads to more efficient utilisation of the resources and delivering the benefits to the public at large, then it’s worth adoption. Though innovation has been challenged on the ground of job loss but every innovation doesn’t does so. Such as in the case when innovation lead to the creation of new market then it creates new opportunities altogether in new area. In this case is would be like sharing the pie with a new family member rather than snatching from one and giving to other.
- Another aspect is some firm which enter the industry in wave that follows the shakeout may exit after learning that it’s not their cup of tea.
- Consolidation is seen as the aspect wherein the acquisition and mergers may take place and market tries to get in harmony after the uneasiness caused in the shakeout in the industry or market.

### **Conclusion:**

Research and Development now a days are becoming the essence of the organisations. One of the major reason behind is that the organisations have started to accept the fact that if they don’t advance and become adaptive to the dynamic environment in which they are operating they will threaten their survival. That simply means, the loss of job

or bread and butter to those associated with the organisation. Thus innovation becomes a better option where in at least the organisation keep alive the bread and butter of those associated with it even if a few has to bear the cost. Innovation thus become the inherent part of the organisation.

Critics may consider it as creative destruction but even Nature follows the rule of creative destruction. One must not complex the concept of innovation and shall not see in only through one lens. As the different aspects of innovation and its relative impact has been discussed, which mean a single lens would fail to analyse the innovation real picture.

Any business in today's era where we are talking about sustainability and corporate social responsibility we must understand that any improvement that innovation bring will deliver the benefits to the public at large or to the society. The opportunity cost needs to be considered and if we are able to deliver better value addition to the customer or to the society. It becomes more of the scenario wherein we are sharing the resources of the society in the new manner. In other words sharing the same pie with the new family member, as the creation of new market would be having its customer from the older one.

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