

THE ROLE OF THE ORIENTATION TOWARDS INNOVATION WITHIN ORGANISATION

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Abstract:By finding new solutions to problems, innovation transforms the existing markets, changes the old ones, creates new ones; it can bring about huge profits or send small outsiders to dominant positions. The ability of developing new ideas and innovations is one of the top priorities in many organisations. The innovativity of the firm is a cultural aspect that positively influences the capacity of adopting and implementing new ideas, processes and products. Innovativity includes orientation towards innovation at organisational level. Identifying the needs and desires of a customer and delivering products and services that are able to satisfy these needs are keys to attaining organisational objectives. Customer orientation and orientation towards innovation are not incompatible; the important thing is that the organisations should be able to correctly appreciate the extent of their orientation in both directions. The orientation towards innovation has the potential of creating markets and consumers.

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Key words: orientation towards innovation; innovativity; organisation; customer orientation; market orientation.

1. INTRODUCTION

Innovation is the process of bringing to the market of new products and services. Finding fresh solutions to problems, innovation destroys the existing markets, transforms the old ones, creates new ones, and it can bring huge profits and project small outsiders to dominant positions. Different disciplines approach various aspects of innovation, including the marketing, the management of quality, the management of technology, organisational behaviour, product development, strategic management, the economy.

The success of innovation is conditioned first by deep understanding of the needs of the customers, and then by the development of products or services that satisfy those needs. "I don't want to invent something that nobody would like to buy".The success of innovation depends on its being accepted by the customers.

An innovative decision factor can adopt definitions of totally new products, can redefine the sector of consumers or can re-classify the competitors.

The innovations are new ideas regarding totally new products or services, new uses of existing products, improvements of existing products, new markets for existing products and new marketing methods. The development of new ideas is a creative process. An issue of present-day interest in marketing management is the stimulation of

creative thinking processes by creating an adequate setting within the organisation. Studies on creativity have a double importance for the employee in marketing, as the “creative person is also an innovator”. This is typically the first person who tries something new.

The people propel innovation. The great majority of people work in organisations. Stimulating the process of creative thinking by building an adequate environment within the organisation is a stringent issue in the management of marketing. Maintaining the status of marketing as promoter of change in your own organization is essential.

Functional marketing represents a process by which one can achieve desirable innovations, a systematic and continuous impulse towards solving problems. Creating a department for marketing development one can create innovations which were not expectable in conventional marketing systems, innovation being there almost totally separated from the process of marketing.

Innovation is vital for customers, organisations and countries.

Marketing is in close connection with change, it is dynamic. Many relevant things are known about creating, operating and maintaining an innovative marketing function in resistant organisations. Marketing means innovation.

2. INNOVATIVITY AND INNOVATION SKILLS IN AN ORGANISATION

The innovativity of the culture of a group has a significant, positive role in influencing the ability to innovate. The group culture is characterised by increased receptivity to new ideas and innovation, it is associated with higher levels of innovation. Innovation is a mechanism by which organisations adjust themselves to dynamic environments.

A group is characterised by higher innovativity if its members are encouraged to learn, to develop, if they are able to influence the decisions of the group. There is a close connection between the development of people and the innovativity of culture. The absorbing capacity of the organisation is connected to the capacity of absorption of the people in the company. Receptivity to innovation, situated at the basis of adaptability and change, is systematically connected to other dimensions of culture.

Market orientation and orientation to learning are ancestors, precursors of innovativity.

Constant innovation is the only way in which organisations can cope with competition. In order to be competitive, companies must continuously adapt themselves to the requirements of the market and integrate innovation in the culture of work, aimed at ensuring survival in a competitive global business environment. It is innovation who keeps competitive company, at micro level and a healthy economy, at macro level.

Innovation has become the essence of the survival of an organisation; it is the core of entrepreneurial spirit. Organisations must keep innovating. To innovate does not necessarily mean to use the latest and most expensive technologies. To innovate means a certain way of thinking and of seeing the enterprise and its environment. Innovation supposes the existence of new ideas that the market needs. The degree to which a company is prepared for innovation is a cultural challenge. This ability requires radical changes in organizational culture.

The results of a study conducted in five Indian companies, with regard to their orientation to innovation, highlights the significance of the Indian companies having re-

oriented their strategic position. One cannot speak about general strategies for innovation, as a strategy is characterised by dynamism, being influenced by time and space.

Passion for change and improvement are essential elements of successful managerial strategies. Organisations have to discover their own ways of encouraging people to innovate and to create a climate for innovation. They have to be more learning oriented, to collect and disseminate implicit and explicit knowledge. Winners are only the companies that were able to demonstrate rapid reactivity, flexibility in product innovation, as well as the managerial skill of coordinating and delivering internal and external competences.

The management of innovation has to be regarded as a form of organisational competence. Large and important companies invest in cultivating this competence, with the help of which they develop efficient processes of innovation that lead to inventing new products, services and processes, and to superior business results. There appears a new conceptual model of company seen as an engine for innovation. Sizeable investments in the capacity of innovating are considered an engine for creating wealth.

The ability of developing new ideas and innovations is one of the top priorities in many organisations. The development of the economy of learning, intense global competition, considerable technological progresses have brought innovation to an ever central place in competitiveness. Innovation is the mechanism by which organisations create new products, processes and systems required by the adaptation to market changes.

Much research has been done on organisational innovation, there are numerous theoretical positions, but each theory only adds a piece to the puzzle, none of them achieving a complete image. The approach based on the resources of the firm supposes that the differences in the performance of the companies are due to differences created by specifically valuable resources of the firm, that bring profit, and abilities that cannot easily be imitated or substituted. Consequently, the companies are in competition not for new products, but for a more profound factor – their ability of developing new products. The dynamic abilities highlight the management abilities and inimitable combinations of resources, which include all the functions, the development of the product and of the process, the production, the human resources and organisational knowledge.

The ability of innovation represents a high-level integrative skill, the ability of modelling and controlling multiple skills. The organisations that possess innovation skills, and that also have the ability of integrating competences, key-abilities and the resources of their company, for successfully stimulating innovation.

Between 1980-1990 managers and organisations were confronted with organisational challenges affecting their existence as such. Then, the competitive advantage consisted in basic variables such as: efficiency, quality, reactivity of the consumers and speed. Nowadays, organisations are confronted with an additional challenge: - the necessity of innovation not only occasionally, but also often, with a solid rate of success. Innovation can help organisations to play a dominant role in modelling the future of their industries. However, managers have to co-ordinate daily the basis operations, cultivating at the same time innovations and change in their companies.

Efficient innovation is hard to get where the basic tendencies are conducted separately, in isolation. High-performing innovators consider innovation an effort at the level of the whole organisation, they acknowledge the interdependence of innovation with basic elements and operate their management according to this. Remarkable innovators encourage, require and reward innovation coming from anywhere in the organisation, not only from the departments for development and research. They make a point of combining organisational knowledge about products, processes, technologies and basic competences. Integrative management supposes the essential factors and innovation work in harmony .

The ability of innovation offers the possibility of acting as a funnel for searching, locating, developing potential innovations that could be subsequently introduced into the main production. This is a key-mechanism for self-renewal in organisations and their products. The ability of innovation brings together the efficiency of the basic production with the creativity of the new tendencies.

It is not sufficient for a company to be innovative. It must also have practices and control mechanisms in its management which allow handling increase and innovation tensions. Equilibrium between basic and new resources is necessary in order to obtain optimal performance and results.

The following elements can be identified in organisations considered as being innovative: vision and strategy, turning to account of basic competences, organisational intelligence, management of the ideas and of creativity, organisational structures and systems, culture and climate, management of the technology.

The connection between vision, strategy and innovation is important for the efficient management of innovation. The success of innovation requires clear articulation of a mutual vision with firm expression of a strategic direction. Without a strategy for innovation, the interest and attention may be dissipated. The most innovative companies want to be “the best among the best”. They don’t try only to be equal to others. They create a vision, a target, which, if reached, will create products that will have superior performances and will lead to a distinct position on the market. The organisations that adopt an offensive strategy in order to try to create the future (instead of trying to protect the past) are more innovative. The ability of the creative capacity of integrating basic elements with new ones is also very important. Correct and efficient directing of resources represents something essential for the success of innovation. An efficient management of the resources contributes to increasing the number of innovative initiatives and improves the probability of stimulating innovation.

Organisational intelligence represents the ability of processing, interpreting, decoding, and accessing information to a certain objective, so that it might increase the potential of adaptation to the environment in which one operates. Organisational intelligence refers first of all to learning from customers and about competitors. A company with superior information about its competitors can use that information to its advantage. As far as the management of ideas and of creativity is concerned, the creativity operates continuously and it can originate in numerous acts of the employees which accumulate into incessant improvement. Creativity may also emerge from a radical idea that transforms the strategy of the organisation or creates a new business.

The organisations must encourage creativity. Creativity can be considered as an idea-generating process.

As far as the management of technology is concerned, innovative companies are able to combine their basic technological strategies with innovation and business

strategies. This combination generates a strong mechanism oriented towards competitive progress.

High levels of innovativity in the culture of the organisation are associated with a higher capacity of adaptation and innovation. High levels of innovation are associated with cultures that focus on learning and development, participative decision making. It is difficult to identify an industry which is not engaged in permanent or periodical innovation and re-orientation due to the dynamic nature of most markets.

The companies with a higher capacity of innovation will be more successful when reacting to the environment and developing new abilities leading to competitive advantage and superior performance. The ability of applying knowledge implies a higher level of learning.

An innovative strategy offers a permanent challenge to any company. Innovation plays a key-part in obtaining performance in business. From a cultural point of view, market orientation is understood as organisational culture in which the market, the customers and the competitors form the central axis of the *modus operandi* of the company.

The companies focused on listening to their clients, cannot, in most cases, manage to forecast the future and anticipate innovations which will later be successfully sold. They will be outrun by more receptive competitors, who obtain competitive advantages, guiding their consumers to the place they want them in, even if the consumers are not aware of the fact, that is permanently surprising them. If this reasoning proves true, market orientation would inhibit innovation.

3. CONCLUSIONS

Market orientation supposes a continuous innovative effort and, together with organisational culture, it represents a prerequisite of receptivity or of the wish to develop new ideas, defined by researchers as the „innovativity of the company”. The innovativity of the company is a cultural aspect that influences positively the capacity of adopting and implementing new ideas, processes and new products. Different studies have proved that innovation can help a company improve its competitive position and that market orientation exerts a positive influence on entrepreneurial results.

Most market oriented companies, besides having greater availability for innovation, commercialise a higher number of innovations than their competitors. Research studies show that market orientation significantly facilitates the innovativity of the company. In its turn, this favours the innovation ratio of the company and the innovativity of new products, both variables exerting a direct, positive influence on the performances of the company. Market orientation encourages the capacity of the company to adopt and implement new ideas, processes, and products. The strategic choices of most market-oriented companies imply the intention not only of playing a pro-active part in creative development, but also of innovating on a regular basis.

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