

**T.C.**  
**ISTANBUL AYDIN UNIVERSITY**  
**GRADUATE INSTITUTE OF SOCIAL SCIENCES**  
**DEPARTMENT OF BUSINESS ADMINISTRATION**



**FORMING A FAVOURABLE ENVIRONMENT FOR MANAGING  
INNOVATION IN ORGANISATION**

**MBA THESIS**

**AKINTAN Olumide Oluayo**

**Supervisor:**

**Prof. Dr. Akin MARŞAP**

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1) Tez Danışmanı: Prof. Dr. Akın MARAL AP

2) Jüri Üyesi Yrd. Doç. Dr. Fırat BAYIR

3) Jüri Üyesi Yrd. Doç. Dr. İlkay KARADUMAN

Not: Öğrencinin Tez savunmasında başarılı olması halinde bu form imzalanacaktır. Aksi halde geçersizdir.

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**LIST OF ABBREVIATIONS**

(CEO) Chief Executive officer .....	4
(R&D) Research and development .....	14
(OECD) Organisation for Economic Corporation and Development .....	22
(MBNA) Monumental Building of North America .....	24
(IBM) International Business Machine .....	26
(R&D) Research and Development .....	37
(ORAU) Oark Ridge Associate University .....	49

## CHAPTER 1

### 1.0. INTRODUCTION

An innovative organization is no doubt a competent organization. It improves in either its product or service quality, therefore thrives in a competitive market situation. Therefore, any organisation that have the ability and characteristics to channel creativity and comeout with a useful and valuable results is referred to as innovative organisation. When managers mention changing an organisation to enhanced creative, it simply implies stimulation and nurturing of innovation.

Creativity can be seen as ability to merge ideas in a different way or making significant relations among ideas. In essence, crativity provides new ideas useful for quality improvement in organisation and to put the idea into action (Samuel, 2000: 519 - 522). Innovations play a significant role in the life of companies and its critical to the long-run success of virtually any organisation. This statement can be termed as a postulate, which as we know, it does not call for a verification. The managers have defined innovation in different ways;

Innovation can be defined as creation of new ideas, product, services, or processes via the improvement, discovery or invention (Stewart and Lyman, 2000:146).

In another management textbook by Pearson; he defined innovation as when new ideas are been introduced to improve the organisational process, product, or service (Samuel and Trevis, 2012: 487).

As found in Oxford's Dictionary of Business and Management innovation is been defined as; innovation was seen as when an innovator or his company have an upper hand over his rivals or competitors via using a new approach to designing, producing, or marketing goods (Oxford online Reference. 2013).

The initial natural form of occurrence of innovation is as an idea which is later transformed into innovation. The process requires some factors or agent to be implemented. Innovation must be well comprehended not to be an easy task as it also have its cons and prons. The establishment of a stable and condusive environment for this changes, in other to achieve the aims and objectives of the management system is part of the focus of this study. The anticipation of likeable problems that may surface during this process and applying best strategies to solving such banes efficiently.

## 1.1.LITERATURE REVIEW

The concerns and quest of managers have often advanced research into organisational innovation. Consequently, various theories advance offers prescriptions for improving innovativeness of firms (total innovations been developed). Although, from a piece revised in 2001 by Ben and Danny, it been reviewed that inspite of a broad literature and the depth and extensive empirical research, a consistent body of theory remains hard to define or even a dominant theory (Fiol, 1996; Wolfe, 1994). Squeezing harder does not often work all the time, by Wolfe, he argues, the most consistent trend been observed from most past reviewed organisational innovation literature it had been observed that results from research have been inconsistent. Each and every theory contributes to the idea of innovation. No one can portray an exact one precise dimension. Therefore, a generally accepted detailed and credible framework as guide for managers towards achieving a successful innovation still does not yet exist (Martins and Terblanche, 2003).

There exist several number of conditions in an organization which can definately work in the approval and also aid the process of starting a new innovation as it has been illustrated in a graduate research work at kalmar Baltic business school; These are the conditions which are been mentioned below and they involves the following: Importance of management participation, the importance teamwork, the importance of effective communication and importance of information flow, and as well as innovative culture (Siegmund and Olga, 2008).

Thus, an important contribution also came from a Consultant and Professor at the Loughborough University, Department of Innovation in Design and Construction (John and Mike, 2004). Just of recent, Lord Sainsbury, the Britain's Science Minister, had

also proposed that a Business's ability to innovate is vital to its Global Competitiveness. If you can endeavour to ask many of today's CEOs and they are likely to respond to you that new ideas generation in no time and innovation are most paramount to them as well as their organisations (Porter, Stern & Council on Competitiveness, 1999; Benn and Danny, 2001).

Various studies have identified an environment which encourages interest to take risks must be encourage and is an unavoidable attribute for innovation. Normally every organisations can be able to systematise or stage a little innovation by providing their employees with the basic resources needed for innovation and a conducive environment. For example, at 3M all technical employees have 15% permission to devote their time to a project of their choice (Coyne, 1996). This is just a strategy of self development and innovativeness to my understanding.

## **1.2. BACKGROUND OF STUDY**

In my own perception, for any companies continuous existence innovation is essential, achievement and for gaining competitive position, attainment of organisations goals and objectives. Any company that succeeds in taking the route directed towards innovations can gain competitive advantage and hence enjoys a good competitive position of the market share. Later in the theoretical part of this research work, innovation will be further discussed. But for creating a clearer picture, It will be significant to have various definition of innovation. In turn, the stages of innovation can be divided into five: Invention, development, diffusion, integration and decline (Stewart & Lyman, 2000: 160 - 165). All this five phases are all related strongly with each other

and one is next to the other. In orderwords, it means that without the one phase, there is no another phase and it goes on and on vice versa.

The critical thing is not just to start the process, but also to start rightly and from the proper track. The first stage plays a crucial role in the innovation process, at this stage, an organisation most likely face questions like creating a particular environment in an organisation to allow innovations during the innovation process. As regards all the various stages of innovation, it is significant that everybody comprehends the issue that the first stage of the innovation process is crucial closely related to the organisational environment. Therefore, it is important the stages are been mentioned. Also we must also understand that innovation is related with creativity and subsequently the relationship between innovation and change. In the theoretical part, will shall focus more and analyse more in detail about this issue.

### **1.3. THE RESEARCH PROBLEM**

Research problem focused on in my topic is to describe: “the organisational environment, in which innovations can occur within the company, the structurer changes organisational reaction and adoption to the changes, also factors that affect innovation in organisations”.

As it already has been discussed in the introductory part, it is necessary that innovative environment must be ensured. In my opinion, I am of the believe that every company directing efforts towards innovation must give room for structural changes, usually it is not very easy to come by. Companies should focus attention to various major characteristics towards innovativeness. It is not just comingup with fresh ideas and so forth through creativity. The innovation process and the total process is quite very complex. At this stage of my research work, based on my understanding, the

organisational structure must be flexible and there must be a good effort directed towards innovativeness. The research emphasises that without a good environment to foster innovation, the company will have difficulties to compete with other firms and even achieving their aims and objectives. In other words, the innovative company will have to earn its objectives, also realise steady and desired changes with development. It must be the priority of the organisation to surpass others in terms of innovativeness. But, the company must be developed as well as innovative. This is only possible when the environment is conducive for all types of innovation.

#### **1.4. THE PURPOSE OF THE STUDY**

The purpose of study are:

- A. To give answer to the problem that occur during the process of innovation.
- B. Understanding the significance of forming a favourable environment in which innovations could occur.
- C. Examine necessary factors or conditions for a favourable environment for innovation.

The study discuss factors necessary in forming innovative organisational environment at which innovation will thrive in the organisation. As previously and briefly stated in the earlier introduction, that forming a good environment is strongly related to the process of change. To attain certain goals some companies will need to change, hence the need for becoming innovative. Furthermore, in order to understand better, it is necessary to know that organisational structure is mostly altered in implementing an innovation sometimes. As a modern manager, we must know that



structure always follow strategy. Innovation will require certain strategies and most consequently bring changes in the structure. Companies and organisations must focus on certain areas when they want successful innovation (Thomas et al, 2012: 279).

In order to be successful with innovation, there must be clear understanding within the organisation. It will be paramount that managers and the whole organisation as a system comprehends the requirements i.e from the top managers to the employees. Innovativeness within a company will help them to gain a sustainable competitive advantage. Furthermore, managers or organisations must understand that in the recent business world, the significance of influencing an environment have a significant role on the growth and strength of organisational innovations, from study of the pace of innovation (Stewart & Lyman, 2000: 159 - 160).

In conclusion, also it important to mention the necessity for managers and the entire organisation to have a detailed knowledge about this topic, it plays a key role on the organisation's performance. Managers, business owners and employees all talk about innovation. But it must also be noted that an organisation have to behave in a certain way before, their will be a need to innovate. And also during and after innovation, the organisational behavior before is a minor focus aimed at this thesis. Innovation is fruitless without a good companies behavior and willingness to create a good environment.

## CHAPTER 2.

### 2.0. HISTORY AND DEFINATION OF INNOVATION

#### 2.1. HISTORY OF INNOVATION

There is a long history behind innovation. Early researches done on innovation have majorly addressed organisation's ability to respond and cope with both external and internal changes (Burns and Stalker 1961; Hull and Hage 1982). Additional works have helped to differentiate and clarify innovation. Promotion of both process and product innovation have received reasonable emphasis irrespective of the need for change instantly (Kanter 1988). It is no longer sufficient for an organisation ability to promote process and product innovation, as such a third type of innovation has been introduced called Strategy innovation or business concept innovation. The invention of strategy or business concept innovation was as a result of the insufficiency of organisation to promote process and product innovation.

The concept behind innovation is now more complicated in some other different ways as well. The first major scholar **Joseph Schumpeter** that address innovation in 1911 (The theory of economic development) where he proposed 5 types ( Thomas, 2007: 4 -5):

##### A. **Product innovation:**

It can be defined as the introduction of a new good – it must be one with which consumers do not know yet – or of a new quality of a good.

##### B. **Process innovation:**

It means introducing new means of production, which have not yet been tested via experience from the point of manufacture concerned.

**C. Business model:**

It means opening a new market, a market into which certain branch of manufacture of a country in question have not yet ventured into previously, whether the market existed or never existed

**D. Source of supply:**

It means acquiring a new source of supply of raw materials which could be half of the manufactured goods, again it is inconsequential if this source existed or has to be first created.

**E. Mergers & divestments:**

It involves the process of new organisation of any industry, i.e monopoly position creation (for example through trustification) monopoly position breaking up.

**2.2. DEFINITION OF INNOVATION**

Innovation have been defined different by various authors and scholar after Schumpeter. In the previous chapter, I stated some common definations of innovation. In addition, as previously seen; “Innovation can be defined as applying a new ideas to the improvement of organizational processes, products, or services (Samuel and Trevis, 2012: 487):

This is a well structured and detailed defination of the simple and literal meaning of innovation.

- A. Product innovation: means introducing a new product, or doing an important qualitative change to an existing product.

- B. Process innovation: It is introducing of a new process of delivering goods and services or process of making.

The fifth type (mergers and divestments) innovation as previously stated by Schumpeter is in most cases not considered an innovation now. It will also be important to discuss the views of some critics of the third type of innovation (Business strategy) as it is proposed by the scholar Schumpeter and authors of other literatures on innovation. This has therefore been congenitally added within the second category, as a type of innovation process. Though, Joseph Schumpeter has not just only listed these three categories, but he also has also defined a third type of innovation as opening of a new market, or when a new source of supply for raw materials is developed. The critics prefer to allocate the third and fourth types of innovation to an entrepreneurial activity rather than as an innovation, of which I am in total agreement and support.

### **2.3. INNOVATION IN THE MODERN MANAGEMENT**

Defining innovation from the modern management viewpoint; “Innovation can be defined as a process of using a new idea to improve processes, products, or services in an organisation (Samuel and Trevis, 2012: 483 - 487)”

As the term broadened, there have been deeper insight and broader understanding on innovation. Christensen gave a deeper insight on the concept of innovation by resolving it into newness and impact. Which he analysed in his publication, into three main types of innovation (process, product or service, and strategy), each of which can vary in terms of the degree of Newness (incremental to radical) and also the Impact (sustaining/discontinuous); (Donald et al, 2012: 45).

Henderson and Clark in 1990, used the differentiation model base where he clarified component and system knowledge to differentiate four various kinds or classes of innovation, this is illustrated in the (Table 1) i.e system changes. (Henderson and clark, 1990: 57):

### CATEGORIES OF INNOVATION

	Overtuned	Reinforced
Unchanged linkages/ System	Modular Innovation	Incremental Innovation
change	Radical Innovation	Architectural Innovation

Table 1: The four categories of Innovation, component changes and system changes (Henderson and Clark, 1990).

From the above analysis, radical and incremental innovation are separated as two opposite extremes. Although, two new intermediate stages between them is been introduced as shown in the (Table 2) subsequently, they are modular innovation and architecturalinnovation (Henderson and clark, 1990):

## ANALYSIS OF CHANGES REVOLVED WITH TYPES OF INNOVATION

Component	Innovation	System
Improved	Incremental	Indifferent
New	Modular	Indifferent
Improved	Architectural	Architecture/New configuration
New	Radical	Architecture/New configuration

Table 2: Analysis of the changes revolved with types of Innovation.  
(Henderson and Clark, 1990).

The next discrepancy below is for radical and increase innovations. The term incremental innovations means product and services are been improved on. On the Contrary, radical innovations means completely new technologies should be established or be combined with the previous old ones. The big difference majorly in this case is that there are no improvements being done whatsoever.

### 2.4. NATURE OF INNOVATION

It is very vital that the nature of innovations is being properly understood and discussed by the innovative organisation. Venturing into innovation is very critical and their is huge potential of failure if not properly done. For the prevention of innovations failure, a good environment is necessary. Further details about it will be more discussed later properly throughout this research work 'Forming a favourable environment for the managing innovation in an organisation'. Speaking on innovation at the Innovate 2011 by Technology Strategy Board in the UK, Professor Eddie Obeng, the founder of the Pentacle Business School outline a set of statements about the nature of innovation in

which he had summarise five decades of empirical research and are applicable to most settings (Ammon, S and Oliver A, 2013):

- A. Innovation usually plays a key roles in reshaping productivity
- B. Most innovation results from previous product or ideas.
- C. Innovation is pervasive throughout the economic system
- D. Most innovative change is a gradual process
- E. Radical changes are rare and largely unknowable - most changes in knowledge  
And technology are evolutionary.
- F. Innovation in most cases involves relation i.e joint effort by two or more  
parties.
- G. Most innovators fail to capture returns from their efforts as this requires  
different skills than creating innovations.
- H. There are a lots of the types of innovations
- I. There are can be a 'regular' route in terms of activities of innovation.
- J. Geography could be an influencial factor on innovation.
- K. To manage innovation process properly advance practises by organisation could  
be very helpful.

Firms are been confronted with the need to build an organisational routines which does not only encourage and support creation and development of a brand new idea but also their delivery and execution.

Research have revealed that separate internal structures usually support innovative insincerity; it is a unit for exploring creative radical new ideas and another for creating

incremental advancement in already thriving ideas. Significant progress also entails autonomy where the inventor encourages creativity and the creation tools to analyse, contrast and effectively manage a portfolio of R&D projects. In addition, it needs good channel within the company as well. So, they can grow and mature with time.

Another important issue which needs good a comprehension of the innovative nature is that companies should effectively innovate.

Without effectively innovating, it will be at the detriment of the organisations survival because they really put little attention to significance of the issue of innovation process and effectively. In the business world innovations are vital factor and a criteria for all companies. To finalise on the innovative natures. I will love to draw our focus to the significance of innovation.

## **2.5. THE IMPORTANCE OF INNOVATION**

In order for us to understand the need for innovation. It will be essential to find answers to this three important questions:

- A. Why is it important to innovate
- B. What happens when a company does not innovate
- C. Why is it that innovation is vital

### **2.5.1. PORTER'S FIVE FORCES OF COMPETITION**

The Micheal Porter has proposed Five Forces model, the models which examines the forces on an industry. This model must be valuable for all executive in any industry devide the changes threats and means of approaching them. The model is as good place to start thinking about the need for more gaining stand in a competitive market via



innovative strategy. These forces are diagrammatically illustrated as shown below in (Figure 1) as found in a strategic management and business policy (Thomas, 2012:109):

### The Five Forces That Shape Industry Competition



Figure 1: Five Forces Driving Industry Competition.

(Thomas, 2012: 110).

Only three of these forces is most likely to drive the need for innovation. They are All more broadly explained further below:

#### A. **New Entrants:**

All markets with new entrants and competitors are less invested in ways things works in the market and barriers for free entry keeps reducing most industries and this therefore nencourages and allows new entries from many different geographical locations and entrepreneurs. The entrants gives new dimension and models for service, process and businesses which were not previously considered.

**B. Buyer Power:**

Thanks to the 21st century and advancements in technology via all the various online information. Now, the buyers can have more or various options to choose than in the past. This will keep improving over the time. As their is now power in growth by offering a service and product that all is been fashioned to the buyers demand along with vital experience and information which is significant.

**C. Alternatives and substitutes:**

Thanks to the improved technological advancement. The trade had been efficient. There have been a wide range substitutes fo all products or services, as it was in the most recent past decades E.g If someone finds one particular commodity or product too expensive, customers will therefore have various choices and even similar and better replacements. Therefore, as producers or service rendering organisations. We must be offering a differentiated product or service from other competitors in the market.

**2.5.2 SOME MICRO AND MACRO FACTORS AFFECTING INNOVATION**

The Micro factors that could affect innovation includes (a) Competition, (b) Suppliers (c) Customers (d) Labor (e) Competition. The "Porter's Five Forces" modal is an industrial analysis used by firms to understand the micro environment. While the Macro factors includes:(a) Economic Environment (b) Political and Governmental Environment (c) Socio-cultural Environment (d) Natural Environment (e) Demographic Environment (f) Technological Environment (g) International Environment (Answer.com, 2014)

### 2.5.3. PORTER'S EXCLUSION (PACE OF CHANGE).

According to a blog by Jeffery Phillips, A factor michael porter did not mention was the change pace. There is steady increasment in the pace of change and could lead to discontinuities in the market. In the past, with expectation of a long product life cycles, products and services were designed to suit this and expecting a return over years or even decades. Pace of change systematically shortens the life cycle of products and rise in demands. By virtue of these, manufacturing can be retraced to the US, so as to be alot responsive to consumer tastes changes and efficiency in delivering orders (Jeffery Phillips, 2012: 1).

#### 2.5.3.1. IT IS A RACE.

In an auto racing, there is always a common start out and leaders are slightly ahead of those lagging behind over time, there is then further movement in the race, it is primarily determined by speed and agility. This is simply an illustration of the market situation. Often managers will say that their level of innovation is the same as the traditional competitos. Although this is only a significant measurement. There are also two other ones:

##### A. Speed of change in the market:

In this case, the question to ask is the product and services do they match the market expectations? Ordinary matching competitors may imply drafting a laggard. So the question should be be focused on the consumers demand as regards pace of change.

##### B. Shifts in expectations:

Does your product actually align to the customers requirement or demands and expectations. What is the product/service awareness given by new entrant or substitute to your presently existing products.

**C. Speed of change based on new entrants and substitutes:**

The new entrants are the accelerators of any market not the entrenched players, also with products or services with substitutes. Ask yourself a question like in your market what is the pace of changes.

What is the new idea offered, the effect of the changes in the market. What is the advantages of more innovation?

What are the induced new ideas or solutions been presented and the changes inflicted in the market? What is the reason business requires added innovation? Because of the life cycle of product, cheap entry, increased competitors and more substitutes.

In addition, in another internet blog, authored by a member of American creative Association and Yapps Lorraine cohen the Exxon Mobil Company past coordinator of upstream programs., it showed 10 Reasons why we need innovate (Lorraine, 2014:1-2):

This present century, we have seen new innovation in technology wise, new services, we have seen new industries emerged. The call for innovation in business is still less. Listed below are some reason companies needs to innovate.

- A. Business Longevity
- B. Economic growth.
- C. Human well-being progression.
- D. Advantage in competition.
- E. Because of insufficiency cost-cutting

- F. Increased need for business revenues.
- G. To change previous poor performance in 2 decades of U.S. firms.
- H. Opportunity utilization
- I. Effective innovation flow constantly.
- J. More adequate returns.

## 2.6. TYPES OF INNOVATION

The most well known and first four types of innovation were discussed in Thomas McCreaw in his book the prophet of innovation (Thomas, 2007: 4 -5):

### A. **Process innovation:**

It can be defined as improvement in technology and simplification of process. Also, the process innovation can also occur within a company and makes the process, procedure efficient and easier.

### B. **Product innovations:**

A new product is introduced by a company to the public. It may have gone through severe modification. The changes actually render it new, this may be durability, technical changes or improved function.

### C. **Service innovations:**

This type of innovation does not pertain to technological changes as we have for process and service. They are directed to the customers via improvement in communication.

### D. **Business model innovations:**

It highlights the active areas of a company. We are able to know the origin of various revenues via the business model regarding innovation. We can therefore state that there is a change in the mode a company does business.

**E. Marketing innovations:**

As already known that it is a discipline, has been changing the background knowledge in the social science which serves as its backup is also changing. It is comprised of (e.g price, quality, and behavior data, understanding of human behaviour from psychology, anthropology and sociology (C-suite insider, 2014).

**F. Organisational innovations:**

The introduction and application of a new method of doing business practise, external relations, workplace organisation innovation. Changes in the three named above mentioned are all based on the organisational method already in use. The changes that occur due to the following factors prices, commission, selling out new or important product are not usually termed as innovation (Journal of European union, 2006:1).

**G. Supply chain innovations:**

Supply chain innovation is important for companies of all sizes. It means looking at the way a company applies its assets, operating resources, and capabilities to develop new ways to satisfy customer needs (Leslie, 2006:2).

**H. Substantial innovations:**

Provides greater opportunity to value-add as it engenders the creation of business opportunities that are likely to lead the industry and provide a competitive advantage to the company developing them. This level of innovation requires considerable investment in the process and an effective strategy for managing the innovation from its gestation and development period through to successful commercialisation (CEO forum, 2014:1):

**I. Financial innovations:**

Financial innovation can be defined as the act of creating and then popularising New financial instruments as well as new financial technologies, institutions and markets. It includes institutional, product and process innovation.

**J. Institutional innovations:**

Relate to the creation of new types of financial firms (such as specialist credit card firms like MBNA, discount broking firms such as Charles Schwab, internet banks and so on); (Financial times, 2014: 3).

**K. Product Innovation:**

relates to new products such as derivatives, securitised assets, foreign currency mortgages and so on.

**L. Process Innovations:**

Relate to new ways of doing financial business including online banking, phone banking and new ways of implementing information technology and so on.

**M. Incremental Innovations:**

Incremental product innovation concerns an existing product whose performance has been significantly enhanced or upgraded. This again can take two forms. A simple product may be improved (in terms of improved performance or lower cost) through use of higher performance components or materials, or a complex product which consists of a number of integrated technical subsystems may be improved by partial changes to one of the subsystems (OECD Frascati Manual, 2013).

#### N. **Breakthrough /Radical Innovation:**

It can be also termed as the radical innovation, as it has been stated above. It is a vital point for the two kinds of innovations and it is difficult to differentiate them. Although, differentiation can be done easily theoretically but practically tougher than it actually appears (Katz, 2009: 45).

#### O. **Transformational Innovation:**

This is usually (but not always) the introduction of a technology that creates a new industry and transforms the way we live and work. This kind of innovation often eliminates existing industries or, at a minimum, totally transforms them.

For those not attached to existing infrastructure transformational innovation is hence been championed . This types of innovation is very uncommon. In actual sence how many ideas are really new inventions yearly? In a lifetime? It is so few.

In certain ways, the change needed to achieve transformational innovation it mostly is not dependent on the existing entity that is committed to the initial process of doing things. Therefore, transformational innovation is often seen emerging from start-up companies. It is mandatory that no company direct all their effort to transformational innovation (Creative realities, 2014: 4).

Following the studying of all the types of innovation, the subsequent steps will be focused on the various phases of innovation and their significant innovative environment. People must be able to give monetary reward for innovation when it is been transformed into goods and services. The goods must be a good value for money,



and satisfy human needs or wants. Therefore, we must understand that a conducive and favourable environment is necessary for innovation.

For the existence and long term success of any organisation, innovation is highly vital. If deployed correctly, the “collective intelligence” of an organization has the power to spark innovation. When an organisation does not focus enough efforts towards innovation. It becomes less competitive and less attractive to investors and the customers. Eventually, such organisation will fail.

It is generally believed by many managers as seen from literatures that innovation serves as the fuel to prosperity of a lot of organisations (Globeforum, 2012). To be sure, though, innovation starts with employees. In fact, a recent long-term study of new product development, service, reveals the secret to innovative successes. According to The general manager Diego Gutierrez said that Millicom International Cellular S.A (MIC), the Group Company having received a recognition award as one of the 15 winners in the G20 Challenge on Inclusive Business Innovation. From Tigo's statement; about his joy to have won this prestigious award which recognizes the company for its innovation and financial, environmental and social sustainability; and he further stated are they committed to providing the technological capabilities that is advantageously enable their company to deliver a superior quality of experience to the customers and been a huge contributor to the physical wellbeing and advancement of the country.

## **2.7. STAGES OF INNOVATION**

The number of settings in which innovation occurs is also increasing. For example, a manager might be juggling around technological innovation such as

(network computing), social innovation such as (diversity training), process innovation such as (computerized inventory control), and market innovation such as (expanding to new market overseas) all at the same time. Clearly, the modern manager must be able to manage innovation. Innovation can be managed, but that requires understanding innovation and how it is accepted in the organisations. Researchers suggest a five steps process to describe the life cycle, or stages, of innovation in business (Stewart, 2000: 160 - 165):

**A. Invention:**

it is the creation of new idea or process, but invention is not the same as innovation.

**B. Development:**

It involves taking the invention and making it practical for some purpose or Market.

**C. Diffusion:**

It is the third stage and it is the process of getting the innovation into use by end users or customers.

**D. Integration:**

Refers to the process of making the change permanent in the organisation.

**E. Decline:**

It is the last and fifth stage of innovation when the innovation stops being used.

## 2.8. DRIVERS OF INNOVATION

Usually cost minimisation has adequately been a major driver of innovation, this does not therefore render other drivers less significant. Some measures have been frequently showing such regulatory factors stood as drivers of innovation in the Past several decades. In addition to this, the need therefore to promote the image helps and it has been related to environmental and sustainable development innovations. Having a good image therefore promotes both the customer loyalty and the companyies strategies towards growth. The primary drivers of innovation include (Hamel, 1996: 45):

- A. Financial pressures to decrease costs, increase efficiency, do more with less.
- B. Increased competition.
- C. Shorter product life cycles.
- D. Value migration.
- E. Stricter regulations.
- F. Industry and community needs for sustainable development.
- G. Increased demand for accountability.
- H. Community and social expectations and pressures (giving back to the community, doing good) etc.
- I. Demographic, social, and market changes.
- J. Rising customer expectations regarding service and quality.
- K. Greater availability of potentially useful new technologies coupled with the need to keep up or exceed the competition in applying these new technologies.
- L. The changing economy.

## 2.9. THE PACE OF INNOVATION

The pace of innovation is increasing. Typing was fundamentally unchanged from the invention of the typewriter in the late 19th century until the introduction of the computer-based word processor in the early 1960s. These early programs ran on mainframe computers, and they offered new flexibility and ease of document revision. Next came stand-alone word processors by IBM and Wang in the mid – 1960s and then personal computers on TRS-80 and Apple II computers in 1970s this trend keeps improving and will most likely continue. Similar advances in technologies in other business functions and industries have also accelerated the pace of change (Stewart and Lyman, 2000: 165):

In the present world of business, for all companies to survive. They must innovate, it can be referred to as the driving force. Although being innovative is not the only recipe for success. To ensure innovative success, it is necessary that there are rules and regulations been set. As it is seen from the day to day activities of many companies, the laid down rules and regulation will serve as the guide for the member during innovation. Therefore, an organisation must have a process or structure through which they follow. The ideas of members should be reviewed and analysed via a very dynamic procedure before its been introduced into the company's system. This ideas can also be as a result of creativity.

Continuous innovation should not be optional, It must be clearly necessary. At times, creativity and innovation are used interchangeably. But it should be noted, that this two are different and not to be confused or used interchangeably.

## **2.10. INNOVATION AND CREATIVITY**

Innovation can be defined as turning a new idea into new or improved processes, services, or process that promotes the achievement of organizational goals. The ideas on which innovation is based come from creativity in the organization. Innovation is the process of turning those ideas into something tangible that benefits the organization. An organization that is creative but not innovative is characterized by a fertile source of good ideas, but lacking in the ability to make the ideas tangible. An organization that is innovative but not creative is characterized by the ability to turn ideas into tangible benefit, but lacking good ideas to make tangible. An organizations can be either creative or innovative, and makes the point that managers should strive to build organizations that are both a source of sound ideas and capable of turning the ideas into tangible benefits for the organization.

### **2.10.1. DEFINATION OF CREATIVITY**

Creativity from a management viewpoint may be somehow controversial, though creativity does not directly mean to be generating original ideas or even a brand new perspectives on existing ideas. Therefore it can simply be defined as:

the process of generating original ideas or new perspectives on existing ideas  
(Samuel, 2012: 483 - 487)

Creative is been analysed and examined in two basic forms, creativity in individuals and Organization.

### 2.10.2. IMPORTANCE OF CREATIVITY IN ORGANIZATIONS.

Creativity is just viewing issues from different perspective and introducing new means and process towards accomplishing tasks rather than employing the old methods of accomplishment. Creativity makes us to be unique and gives us new solutions to problems both old and new. The relationship between breaking away from old rules and norms for accomplishing tasks and meeting critical organizational challenges is clear. For example, many managers have to face this challenges; (Samuel, 2012: 407):

#### A. THE DAILY CHALLENGE OF MOTIVATING ORGANIZATION

##### MEMBERS:

As a result, are constantly searching for new ways to encourage employees to be more committed to their work.

#### B. THE CHALLENGE OF DEALING MORE EFFECTIVELY WITH

##### COMPETITORS:

This will make managers search for new ways to increase the quality of their products or develop new and more competitive products overall.

#### C. MOTIVATING ORGANIZATION MEMBERS OR DEALING MORE

##### EFFECTIVELY WITH COMPETITORS IS NECESSARY FOR

##### ENSURING ORGANIZATIONAL SUCCESS:

Because creativity is the source of new ideas on how to meet such challenges, managers should see creativity as a boost to push organisation success.

### 2.10.3. IMPORTANCE OF CREATIVITY IN INDIVIDUALS

Creativity is a function of three components, within each and every individual. The components involve the following creative thinking skills, expertise and motivation (Samuel, 2012: 403):

#### A. **Expertise:**

It means at which an individual can single handedly do and can do in the broad Domain of his or her work. This knowledge refers to the work related techniques and procedures and also a total understanding of the overall designated working environment and circumstances

#### B. **Creative thinking:**

It is the ability to merge already existing ideas into a new combination. Overall, creative thinking is an exercise which determines how creative and imaginative, unique individuals approach problems

#### C. **Motivation:**

When an individual realises the essence of creativity. That person is sure to do so. The raw materials of that individual are creative thinking and expertise. But motivation is actually the determinant if the individual is going to be creative or not. There are various factors which can motivate an individual's creativity, they are extrinsically through organisational rewards and punishment or intrinsically via personal interest and passion that are related to the situation. In most organisations people get very high motivation to fulfill their own needs. Therefore, looking from a managerial perspective; "motivation is the process of inculcating organization members with the opportunity to fulfill their needs or desire by performing productive behavior within the organization.

When there is self-fulfillment, the spirit of innovation will automatically be set in

motion. In reality, managers do not motivate people. Rather, they create environments in which organization members motivate themselves. Motivation is one of the four primary interrelated activities of the influencing function performed by managers to guide the behavior of organization members toward the attainment of organizational objectives and innovation.

#### **2.10.3.1. STRATEGIES FOR MOTIVATING ORGANIZATION MEMBERS**

Managers have various strategies at their disposal for motivating organization members. Each strategy is aimed at satisfying subordinates' needs (consistent with the descriptions of human needs in Maslow's hierarchy, Alderfer's ERG theory, Argyris's maturity-immaturity continuum, and McClelland's acquired needs theory) through appropriate organizational behavior (Samuel, 2012: 407): and these managerial motivation strategies are as follows:

- A. Managerial communication.
- B. Theory X–Theory Y.
- C. Job design.
- D. Behavior modification.
- E. Likert's management systems.
- F. Monetary incentives.
- G. Nonmonetary incentives



#### **2.10.4. CATALYST FOR CREATIVITY AND INNOVATION (TOTAL QUALITY MANAGEMENT)**

##### **A. TOTAL QUALITY MANAGEMENT (TQM):**

It Is the continuous process of involving all organization members in ensuring that every activity related to the production of goods or services has right and appropriate role in establishing product quality (Samuel, 2012: 488 - 489).

#### **2.11. FACTORS ASSOCIATED WITH ORGANISATIONAL INNOVATION**

##### **2.11.1. ORGANISATIONS CULTURE**

An individual who posses the ability to read and access an organisation's culture has a valuable skill. To choose and select an employer that have culture compatible with your values and offers you comfort at work. Your ability to accurately examine, access employers will really help you go a long way in decision making. And you are sure to reduce yourself of the risk of making wrong decisions. And as such you will undoubtedly have business transactions with numerous organisations You will be able to negotiate a contract, arrange a joint venture. Ability to assess another organization culture can be an advantage in successfully completing this pursuits. But getting an accurate read on an organization's culture is no easy task. You are most likeable to get your informations by asking questions and making observations.

##### **2.11.2. SUSTAINING AN ORGANISATION'S CULTURE.**

Once the culture is in place the next thing is practices within the organization that act to sustains and reinforce it by giving employees a set of similar experiences. There

are different kinds of practices. Performance appraisal criteria, Selection process, Training activity and Promotion procedures to ensure the people hired tally with the culture, also reward those who are solidly in support of it, and penalize (even expel) those who are against it. But there are 3 basic forces controllable by the management that play a vital role in sustaining an appropriate culture. This is going to be discussed briefly (Stephen, 2000: 349 - 350):

A. Selection Process:

The paramount aim in the selection process is to pick and hire the person who have the knowledge, skills, and requirements to carryout all the needed job very successfully in the organization. But typically, usually more than one candidate will be identified who meets the given job requirments. The selection process will sustains an organization's culture by selecting out those individuals who might attack or undermine its core value. It also assures the selection of new people who are team-oriented and work who co-workers are committed to working with.

B. Top Management Behavior:

In most cases the action of the top management also have a major impact on the organization's culture. Through what they say and how they bahave, the senior executives establish norms that filter down through the organization as to if the whether risk taking is desirable; how much freedom managers should give their employees; what is appropriate dress; what action will payoff in terms of pay raises, promotion and other rewards.

### C. Socialization methods:

No matter how efficient the human resource were in recruiting into an organisation, the employees will still not be totally used to the organisational culture. The new employees potentially disturb the beliefs of and customs that are in place because they are not yet familiar with the culture. The organization will therefore, want to help new employees adapt to its culture. This adaptation is called socialization (Stephen, 2000: 354).

### 2.11.3. **ROLE OF LEARNING IN INNOVATION**

In the end, the process of innovation depend on learning. Such changes do not come about in static environments, nor do they occur when people are not interested in improving their own positions or that of their organisations. Example of a type of learning is; learning by doing E.g that a new product or service in a business gets handled three times – by the inventors, the producer who makes it, and by the marketers who convince end users to buy and adopt it. In small business, the entrepreneur may perform the three task and sub-contract some or all of them, or delegate to employees (Stephen, 2000: 360)

## 2.12. **INNOVATION AND ORGANISATIONAL STRUCTURE**

### 2.12.1. **ORGANISATIONAL STRUCTURES TO SUPPORT INNOVATION.**

As seen a spanish article by Takahashi and Takahashi, The decision which involves the innovation – related structure should be the major concerns of companies seeking to boost their innovative capacity. Innovation is a complex multidisciplinary

activity either process, product, or Marketing which involves different areas all in a single firm such as (Marketing, Finance, R&D, Manufacturing e.t.c) the suppliers and client. For an effective functioning of the system coordination of the different activities it entails is required. (Takahashi & Takahashi, 2006: 40).

However, in an organisational setting where the system is static and rigid. There is difficulty in the labour to provide the needed flexibility and agility for sustaining innovative competitiveness. This can be due to the framework being rigid and the specialization of labour.

For organisation that utilises experience – based learning and knowledge sharing and interaction (for example problem solving groups, project teams and task rotation) will make positive contribution to innovative activities. Furthermore, viewing this two concepts broadly. We would be able to get a better idea of what it is about;

#### **A. CLASSICAL APPROACHES TO ORGANIZATION:**

The reason they do not work in a turbulent environment is simple. There is an optional organisation which is immune to the environmental factor having the classical approach toward an organisational project as the cornerstone. They must be effective and efficient in the principle holding an organisation structure.

Furthermore, the division of labour, importance of supervision and the need for unified authority and control, very formal behavior, horizontal and vertical specialization of labour. If the following characteristics are added to an internal division separate, isolated unit, they will result to a slow classical organisation and inflexible in decision making (Mintzberg, 2003; Salerno, 1999).

These organisations assist in maximising efficiency through resource use, economic scale, mass production, of standard products they are all found in a stable environment with minimum competitiveness.

However, in a number of economic sectors, strategy to obtain sustainable competitive edge is mainly based on variety of products, embedded concept as regards service, process and product innovation. Under the new competitive setting, standardised tasks won't be adequate. It can not meet the demand for higher agility and flexible decision-making. It does not favour development in terms of knowledge, personal learning, significant in innovation. (Zarifian, 2001; Salerno, 1999; Takahashi & Takahashi, 2006; Jensen et al., 2007: 680 - 693).

## **B. AN INNOVATION BEEN DIRECTED TO ORGANISATIONAL**

### **PROJECT (requirement for flexible and and agility):**

Organisations whose company's structure favours the growth in terms of product, process or service via knowledge through formal research and development, knowledge based on experience, practice, and interpersonal relationship, usually between clients, and suppliers (Jensen et al., 2007: 683): In an innovative organisation, a very flexible and agile structure is been required, the structures must support interaction and communication between employees, functional areas are not rigid and defined, and also have functional integration instead. Therefore, this solid structure often permits the development of knowledge based on practical experience and interaction, consequently leveraging the organization's innovative capacity. This organizational configuration would also be the most readily able to handle events, as defined by Zarifian, (Zarifian, 2001): that is, to deal with unforeseen actions and chance occurrences, which are

characteristic of innovative environments. An innovation organisation can be defined as a flexible organizations setting and its able to respond to the changes in the environment, has a greater rate of interaction and also communication among the employees, agility to make greater decisions, and has a better flexible roles been defined. he states “adhocracy” is strongly connected to providing innovation. It is not inspired by classical principles, and is particularly distant from the concepts of unified command, high behavioral formalization, and planning and control systems.

Companies that develop knowledge based on practical experience and interaction within their employees would have the following attributes as it is stated by Jensen about an organisation configuration (Jensen et al, 2007: 690):

- A. Existence of interdisciplinary workgroups
- B. Role integration around specialties and processes, rather than departments
- C. Flexible boundaries between departments;
- D. Cooperation with clients.

#### **2.12.2. THE INNOVATION VALUE CHAIN FRAMEWORK**

From the literature that classical method of an organisation is probably likely to affect the innovation in companies, there is practically no agreement or general conclusion on the model to follow towards achieving innovative success. This is because, different companies or organisations have different priorities, method, concentration, target market, and operation. When a company or organisation attempts to restructure its structure to have innovative advantage, the company often use a standard organisation solutions, assuming they are all facing the same challenge in

innovation. Although by the standardise solution, the innovation is mostly endangered rather than been encourage (Hensen and Birkinshaw,200: 45).

### 2.13. INNOVATION STRATEGY

An organization structure is a means to help management achieve its objectives. Since objectives are derived from organizations overall strategy, it is only logical that strategy and structure should be closely linked. More specifically, structure should follow strategy. If during innovation the management makes a significant change in its organization's strategy, the structure will need to be modified to accomodate and support this change. Most current strategy-structure frameworks focus on three strategy dimensions (Ask.com, 2013: 1-2):

- A. Innovation Strategy.
- B. Cost minimization Strategy.
- C. Imitation (and the structural design that works best with each)

#### A. **Innovation strategy:**

Does not mean a strategy merely for simple or cosmetic changes from previous offerings but rather one for meaningful and unique innovations. Obviously, not all firms pursue innovation. In old/modern business world, various companies and industries have achieved successes via competitive strategy. In both perfect and imperfect competitive market structures, the kind of innovation differ depending on the actual structure in practise. The implementation of the service innovation and market innovation will be most suitable for the managers Of industries in perfect competitive market in order to gain competitive advantage. On the contrary, managers of industries

in imperfect market will likely look in the directions of the other types of innovation. Imperfect competition “refers to where a market is not in a state of perfect competition”. **Types of imperfect competition** include ‘monopoly’, where one company has a large control over the market, ‘monopolistic competition’, where the products being produced are similar but not identical, and ‘*oligopoly*’, where the market is dominated by a small number of firms. Although, it would also be an added advantage if all the managers in this industry implement service and Marketing innovation.

Furthermore, competing firms within a single industry can be categorized into one of four basic types on the basis of their general strategic orientation; defenders, prospectors, analyzers and reactors. As previously briefed, Michael Porter, an authority on competitive strategy, contends that a corporation is most concerned with the intensity of competition within its industry (Thomas, 2012:110); The level of this intensity is determined by basic competitive forces; threat Of new entrants, rivalry among existing firms, threat of substitute products or services, bargaining power of buyers, bargaining power of suppliers, and relative power of other stakeholders. Note, a high force can be regarded as a threat because it is likely to reduce profits. A low force, in contrast, can be viewed as an opportunity because it may allow the company to earn greater profits. In the short run, these forces act as constraints on a company’s activities. In the long run, however, it may be possible for a company, through its choice of strategy, to change the strength of one or more of the forces to the company’s advantage. For example, Dell’s early use of the Internet to market its computers was an effective way to negate the bargaining power of distributors in the PC industry.

#### **B. Cost minimization strategy:**

An organization pursuing a cost minimization strategy tightly controls cost, refrains from incurring unnecessary innovation or market expenses, and cuts price in selling a



basic product. This would describe the strategy followed by wal-mart, In the desire to increase the sales of a product (Stephen, 2000: 247).

When pricing a new product, a company or business unit can follow one of two strategies. For new-product pioneers,

**1. Skim pricing:**

Offers the opportunity to “skim the cream” from the top of the demand curve with a high price while the product is novel and competitors are few.

**2. Penetration pricing:**

In contrast, attempts to hasten market development and offers the pioneer the opportunity to use the experience curve to gain market share with a low price and then dominate the industry (Thomas, 2012: 279).

**C. Imitation strategy** Organizations following this strategy try to capitalize on the best of both of the previous strategies. They seek to minimize risk and maximize opportunity for profit. Their strategy is to move into new products or new markets only after viability have been proven by innovators. They take the successful ideas of innovators and copy them (Stephen, 2000: 247).

**2.14. EXAMPLES OF SOME INNOVATIVE SUCCESSES OF COMPANIES.**

Examples of innovative success of some companies are listed below (Samuel, 2000:519-522):

A. Amazon is known as one of the world’s most innovative companies because of its ability to diversify and grow the company in creative ways. Founded in 1994 as an online bookseller, Amazon soon expanded its product lines well beyond books. Today, customers can order electronics, office supplies, toys, and a host of other merchandise from the Amazon Web site - even groceries and

automotive supplies. The company has also broadened and diversified its products and services. Its offerings include; The Kindle 2 e-reader, an MP3 store, extensive cloud computing services, data storage and computing services, and more

- B. Arthur Levinson, chairman and chief executive officer of Genentech, one of the world's leading biotechnology companies.
- C. Guttard chocolate company is a role model of creativity. He discussed that managers should be the role model of creativity in order to magnify the impact of the rewards given to employees for creative ideas. The guttard chocolate company had been in operation for 130years.
- D. Creativity was the driving force behind Bill gross' effort to establish idealab. Bill knew of the internet and how to start companies. He simply puts this two concepts together to form idealab a company that establishes start-up internet company. Most of them are based around pasadena. There are 19 companies established by ideallab and business performed.

1. **Answers.com:**

It will answer any question in 24hours.

2. **MCitysearch:**

Provides internet search to local communities.

3. **Entertainnet:**

Delivers news and other information about the entertainment industry within an organic screensaver.

4. **Intranetics:**

Intranet system for easy installation for small to medium companies

5. **Peoplelinks:**

Site loaded with communication tools

6. **Smartgames:**

A site that is actually a library of nonviolent, intellectual challenging games for

Brainy application. But according to forbes most recent list of the most

innovative companies for 2013. They includes (Forbs, 2013):

1. Salesforce.com (USA)
2. Alexion Pharmaceuticals (USA)
3. VMware (USA)
4. Regeneron pharmaceuticals (USA)
5. ARM Holdings (UK)
6. Baidu (China)
7. Amazon.com (USA)
8. Intuitive Surgical (USA)
9. Rakuten (Japan)
10. Natura Cosmeticos (Brasil)
11. Henan Shuanghui Investment and Development (China)
12. Coloplast (Denmark)
13. Cerner (USA)
14. Unicharm (Japan)
15. Estee lauder Cos ( USA)

16. Jeronimo Martins (Portugal)
17. FMC Technologies (USA)
18. Tencent Holdings (China)
19. Starbucks (USA)
20. Pernod Ricard (France)

## CHAPTER 3

### 3. METHODOLOGY

This chapter, is focused on the the presentation of my research work. This will be done via the most suitable and comprehensive method thus outline; In the course of elaboration on this research methodology, I will be presenting my research strategy, approach, and method of reasoning. Hence, the aim of the chapter is to develop a clear knowledge of the collection of data used.

#### 3.1. RESEARCH STRATEGY

To get a clearer picture of the logic, sequence of thinking. I will make use of a strategy with a meaning illustrated diagrammatically with a triangular illustration, in order of descending hierachy in (Fig 3) below.

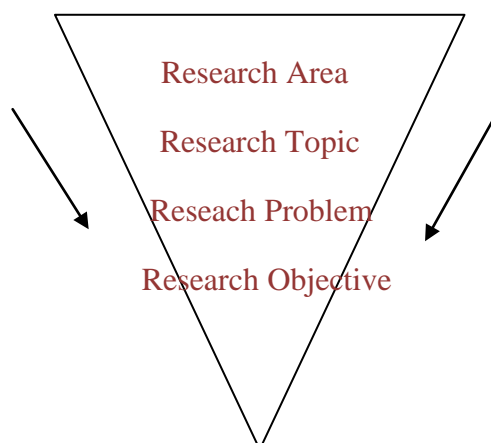


Fig 3: Deductive Method of Reasoning diagrammatic explanation.

A Diagrammatic representation prepared using Microsoft Word.

The research area this thesis is focused on is the conditions in organisation that favours innovation. The research topic as previously stated remains 'Forming a favourable environment for managing innovation in organisation'. While the research problem important is to describe changes in structure that results in the process of innovation, the reaction and adaptation of this changes. Therefore, my research should answer the problem when describing organisational behavior of a company in the innovation process and need for forming a favourable environment for innovation. The focus of my thesis work. If the research is further penetrated, we arrive with research objective. The objective of the research can be seen as the thesis goal and this can be the conditions or factors which can favour innovation. Now it will be possible to see clearly, how the research area is related to the objectives of research and their relation to my thesis and the topic in precise.

### 3.1.1 METHOD OF REASONING

In a research process three methods of reasoning can be used (Burney, 2008; Babbie, 2001).

#### **A. Deductive reasoning (conclusion guaranteed):**

This is when a researcher works from the more general information to the more specific. Sometimes this is called the "top-down" approach because when the researcher starts at the top with a very broad spectrum of information and they work their way down to a specific conclusion. For instance, a researcher might begin with a theory about his or her topic of interest. From there, he or she then would narrow that down into more specific hypotheses that can be tested. The hypotheses are then narrowed down even further when observations are been collected to test the hypotheses. This

ultimately leads the researcher to be able to test the hypotheses with specific data, leading to a confirmation (or not) of the original theory and arriving at a conclusion.

**A. Inductive reasoning (conclusion merely likely):**

This works the opposite way, moving from specific observations into broader generalizations and theories. This is sometimes called a “bottom up” approach. The researcher begins with specific observations and measures, begins to then detect patterns and regularities, formulate some tentative hypotheses to explore, and finally ends up developing some general conclusions or theories. By nature, inductive reasoning is more open-ended and exploratory, especially during the early stages. Deductive reasoning is more narrow and is generally used to test or confirm hypotheses. Most social research, however, involves both inductive and deductive reasoning throughout the research process. The scientific norm of logical reasoning provides a two-way bridge between theory and research. In practice, this typically involves alternating between deduction and induction.

**B. Abductive reasoning (Taking your best shot)**

The abductive reasoning moves from the most similar ideas to the best possible illustration and principle (Thagard and Shelley, 2008). “Abduction is infers to best of explanation – with its inception from a compromised facts the further inference to reach the certain explanation for those facts. Inference can be defined as arriving or concluding on already know facts (bLogos, 2008: 95).” In this case, For my research work i would like to use both the abduction and deduction which can be used derive method because it is the most suitable for me and can be applied during this research.

### 3.1.2. OVERVIEW

This thesis work is started with the theoretical part and consist two which consists two sublevels, subsequently one is next to another. In One are just general definition of the term innovation in general and also explanation of various methods and definitions. The descriptive illustration of vital issues are found in the second subpart or sublevel. That were been found in the time of the literature analysis. I did not start the thesis work with a preconceived theory in my mind. Furthermore, the general explanation concerning the innovation process and the factors that favours innovative environment which was picked from various research fields. To create a certain level of understanding in these area, the following materials can be helpful e.g. scientific articles, seminars presentations, power point presentations, books, journals and practical cases. All sort of sources can be utilised by a researcher to develop this understanding. As it was earlier stated, the research Issue/question is to describe the behaviour of companies or rather organisations during the innovation process and to comprehend the significance of a favourable environment for organisations conducive for the innovation process. From most of the literatures I came across on innovation, I was able to come-up with four conditions or factors necessary for such innovative environment.

- A. The importance of teamwork and the involvement of every employee
- B. The importance of management participation
- C. The importance of effective communication and information flow
- D. The importance of an innovative culture

The listed characteristics assisted me in the creation of an integrated research model. Furthermore, the module been arrange as literature review, data collections,



interpretation of data, reporting of data, discussion of results and conclusion. Having known the research problem as the organisations behaviour, structure and environmental factors during innovation process. I will therefore, like to setup a general hypothesis to determine the conditions or factors affectin innovative environment. For my empirical part, I have conducted an interview for Ten Marketing companies in the UK and 10 marketing companies in Turkey. The main criteria for making my choice of company was; ability to be a registered marketing company, size of company and accessibilty.

The main purpose of interviewing is basically to get a broader view, knowledge and ideas about innovation in general. Furthermore, good understanding of how the theoretical models correlate with the practical models and to modify the previous conditions earlier outlined from my past literatures. And also to test my research Hypothesis that does the importance of Teamwork and employee involvement, importance of management participation, effective communication and information flow, and innovative culture truely affects the environment where innovation thrives? Literally from my questionnaire, it would be easily seen that the questions were basically to bulidup on already mentioned conditions. It also carried open ended questions and also left room for further constructive contributions. After this investigation it was therefore possible to see the degree of significance and relevance of the mentioned conditions to foster an innovative environment and other new conditions. The purpose at the end, perhaps is to justify the general hypothesis and findings from the empirical part.

### 3.2. METHODS OF DATA COLLECTION

#### 3.2.1. APPROACH

Subsequently at this stage, I will be clarifying which is the most suitable approach for this research work qualitative or quantitative. In this research, I will be using qualitative approach. Below is a table with detailed differentiation between Qualitative and Quantitative Approach in (Table 3):

Qualitative Methods	Quantitative Methods
Methods include focus groups, in-depth interviews, and reviews of documents for types of themes	Surveys, structured interviews & observations, and reviews of records or documents for numeric information
Primarily inductive process used to formulate theory or hypotheses	Primarily deductive process used to test pre-specified concepts, constructs, and hypotheses that make up a theory
More subjective: describes a problem or condition from the point of view of those experiencing it	More objective: provides observed effects (interpreted by researchers) of a program on a problem or condition
Text-based	Number-based
More in-depth information on a few	Less in-depth but more breadth of

cases	information across a large number of cases
Unstructured or semi-structured response options	Fixed response options
No statistical tests	Statistical tests are used for analysis
Can be valid and reliable: largely depends on skill and rigor of the researcher	Can be valid and reliable: largely depends on the measurement device or instrument used
Time expenditure lighter on the planning end and heavier during the analysis phase	Time expenditure heavier on the planning phase and lighter on the analysis phase
Less generalizable	More generalizable

Table 3: Differentiation Between Qualitative and Quantitative Approach

(www. orau. gov,2014).

In this case, from the detailed illustration and differentiation as mentioned in the table above, clearly it can be observed that the qualitative approach is the most perfect approach for this study.

### 3.2.2. CHOICE OF OBJECTS OF STUDY

In an overview I want to clarify my decisions as regards my companies and my choices in selection. The following three main criteria that influenced the decision were basically:

#### A. Access to the company:

##### 1. Turkish company:

Accessing the Turkish companies was not a very easy thing to come by which would best fit to the part of research limitation. Through the help of my able supervisor and a close native Turkish friends the corresponding questionnaires questions and interviews were carried out and channeled to respective targets.

##### 2. English Companies:

This was very much easily carried-out by me without much ado. Most of the companies were responsive to reasonable extent sufficient enough to extract necessary information. Also because of my time frame, I decided to access more via telephone and personal contacts for a few.

#### B. Size of the company:

Due to time factor, I have been confronted severally with the issue of time limitations and that is the reason company size is very vital. Due to a limited time span I early realised that the bigger the company the deeper the research. The situation was quite crucial. Therefore, since I was basically making phone contacts dealing with so called 'Large companies' as specified by the interviewee was nothing to be worried about. There was apparently very minimal protocol and formalities before speaking to interviewees. Although I had the choices of working with a middle or small size companies.

### **C. Registerd marketing companies:**

As it had been discussed earlier that all the companies should be registered and recognised by the government and must be evident track record that can be easily accessed on the internet. Thus, I based my findings and research around Ten marketing companies I possibly found all the mentioned criterias.

### **3.2.3. Differences between Turkish and English companies**

The major differencies in the marketing companies includes:

1. Region of operation
2. Target customers
3. Employee

### **UNITED KINGDOM**

1. Adam and Eve DDB.
2. Brass Leeds.
3. Double Impact Marketing.
4. Amaze.
5. This is BD Network.
6. Ab Abot Mead Vickers.
7. Barrington Johnson Lorains(BJL).
8. Beattie Mc Guinness Bungay.
9. BETC London.
10. Billington Cartmell

## **TURKEY.**

1. Alametifarika Reklam Tasarim Yapin Yasin A.S.
2. Alice/BBDO Reklamcilik ve Iletisim Hiz Tic A.S
3. Big Birlesik Iletisim Grubu Hizmetleri A.S.
4. Concept Iletisim ve Reklam Hiz Metleri Sanayi ve Ticare ltd.
5. DDB & Co Reklam Hizmetleritic ve san Ac.
6. Genna Pazarlama Iletisimi Hizmet leri A.S
7. Grey Worldwide Istanbul Reklamcilik ltd
8. Guzel Sanatlar Reklamcilik A.S.
9. Havas worldwide Istanbul Iletisim Hizmetleri A.S
10. Lowe Tanitim Hizmetleri A.S

An overview of this companies are herewith attached in the appendixes part.

### **3.2.4. DATA COLLECTION**

There are so many ways we can collect data to use in the empirical part. this includes via the use of Questionnaires, conducting interviews either in person or on phone, observation, studying case studies, Reading diaries, reviewing critical incidents, portfolios can be a few of them. In the earliest inception of this research, i already highlighted two major methods (About.com, 2014):

1. Interviews.
2. Questionnaires.

Interviews require more personal form of a research than the use of questionnaires. Furthermore, the ease and quickness to completion we get when using the interview is definately an advantage for us. which in my work case was very good and efficient. In

my thesis work, empirical part and theoretical parts belong to the qualitative method. In my case am referring to the qualitative research interview. Interviews are particularly useful for getting the story behind a participant's experiences. In this case, it is very efficient because my questionnaire was not hundred percent perceptible and so during the interview question I structured it in a way to make it very simple and understandable. which will therefore paint a clearer picture of the situation situation. As regards the kind of the interview, I employ the "openended" interview, telephone interview, closed, or fixed-response to interview. For the openended interview, it means that there are the same open-ended questions, which I will ask all interviewees. This approach facilitates faster interviews, which can be more easily analyzed and compared.

Consequently, I did three interviews in each different companies and at three different levels inside the company. The result was taken in a wordpad and transfered to Microsoft Excel format for further sorting and analysis. This can also be found in the appendixes part attached.

#### **3.2.4.1. THE STRUCTURE OF EMPIRICAL PART**

The first outcomes of the interview is the empirical part, to be exact the interviewees opinion concerning the conditions that can help the companies to create a good environment for innovativeness.. In the next part, I also decided to follow the same structure as the second theoretical part. i.e Conditions for a favourable environment in organisation. All twenty four companies opinions will be presented subsequently in detail here

### 3.2.4. INTERPRETATION OF THE DATA USING GROUNDED THEORY.

The theory i will use here is the grounded theory, It is actually based on the qualitative approach. It is significant to attain a level of understanding about the defination of the theory. Its important to briefly expantiate on the meaning of this theory. Strauss and Corbin (Jing and Sarah, 2010: 4): They pointed out that ground theory is a systematic methodology in the social sciences involving the discovery of theory through the analysis of data.

Grounded theory method is a research method which operates almost in a reverse fashion from traditional social science research. Rather than beginning with a hypothesis, the first step is data collection, through a variety of methods. From the data collected, the key points are marked with a series of ‘codes’ which are extracted from the text. The codes are grouped into similar ‘concepts’ in order to make them more workable. From these concepts, ‘categories’ are formed, which are the basis for the creation of a ‘theory’. It basically involves a three step process:

**Open coding:** is the concept of the first abstraction. In which incident and ideas are disintegrated and represented by a name. In which two groups emerge in the process:

1. Innovation in organisation
2. Conditions favourable for innovation in organisation.

**Axial coding:** It is the relation of categories to subcategories along the lines of their properties and dimensions. Therefore, the first group mention in the open coding is innovation in organisation. It can still be divided into three subpoints again namely:



1. Nature of innovation
2. Types of innovation
3. Phases of innovation

The second group in open coding is the condition for favourable environment in organisation. This condition includes: Importance of teamwork and involvement of every employee, importance of effective communication and information flow, importance of management participation, importance of innovative culture.

**Selecting Coding:** It is the process of intergrating and refining theory. The method is usually used when we need to write a storyline, make use of diagrams or sort memos. Memos and diagrams are for analytical process keeping in research while storyline helps in conceptualization. Both varies in their form. The main stage in grounded theory is theoretically memoing. It will be employed in the discussion part of my work. Later in the discussion of result, this condition will be discussed further.

Ground theory is appropriate and suitable for the qualitative analysis and gives genuine answers to certain questions than others. It is not applicable for testing statistical hypothesis. This method only examines new datas by present data interpretation and also conceptual categories emerged. The purpose of grounded theory is not to validate reality, but how to actively and truly construct reality via comprehension of relationship existing with social actors.

Subsequently, the principle supporting grounded theory is inductive reasoning, but not deductive. But I used abductive approach to some extent when I move from theoretical level – empirical level – theoretical level. i.e both abduction and deduction I am having assumption on the theory even before seeing the empirical parts. Then, later i

go to the theoretical part for modification or conclusion. Although consequently the theoretical part/level might likely not be as detailed as before after my empirical findings due to modifications.

### **3.3. CREDIBILITY OF THE RESEARCH**

The most important criteria that supported my company selection choice was based on that I was oppourtuned to work as an intern in the Marketing department of an organisation in London. Therefore, I had personal contacts and experience with Marketing organisations. Therefore, I realised that most the Marketing firms, all had to compete with each other in the Marketing firm. So their rate and ability to innovate or innovativeness makes such company standout amongst other. My expectations was all actualised when i realised this huge competitiveness and gave option to choose and walk into various Marketing companies as an intern and employee seeking job. I must clarify that after i have gone through several literatures and came up with the four conditions. I still believed that their may likely be other conditions asideds the four i outlined. My intension is to modify this conditions for forming a favourable environment for managing innovation in organisation. However, on the completion of all my interviews, reviewing and studying various journals and publications I hereby like to include the following four conditions:

- A. Teamwork and involvement of every employee.
- B. Management participation
- C. Effective communication and information flow
- D. Innovative culture

Regarding the interviews, I had a reasonable time and chance to contact this companies via phone. In cases, where we could not get the intended target we called

back and send questionnaire to the companies email if any. We ensured we spoke to at least three people in every company. Though, it was noticed that interviewees working at the lower level of the organisations had fewer contributions compared to those at the top management positions. For this reasons not all questions was been answer generally.

## **CHAPTER 4.**

### **4.0 . REPORTING AND ANALYSIS OF THE EMPIRICAL DATA**

In this chapter, I will be reporting the empirical datas gathered during my interviews. Firstly, I will Start by representing all the conditions needed for favourable environment in a nutshell in all companies. The four major conditions have been listed in the last paragraph and previous chapters. I will briefly introduce this conditions and later come back to deal with them in a broader perspective.

#### **4.1. CONDITIONS FOR A FAVOURABLE ENVIRONMENT IN ORGANISATIONS**

I felt the need to state the reason behind my deciding to examine this market subsequently. My reasons is quite simple and glaring, the companies are mostly unique and unsimilar in terms of their working area, locality, environmental factors such as: beliefs and tradition, and their structure. All the aforementioned factors affects the answers I will get from the interviewees. As a result, they are definately going to be the bedrock of the structure, the way I present and my analysis of data eventually gathered. Separating it is necessary for clarity of this research work. It is structured in the following way:

- A. Employees of the Turkish Marketing Companies.
- B. Employees of the English Marketing Companies.

Before I dig deep into more detailed discussion of the interview results. In an organisation when a work team functions and performs up to the expectation of the entire management. The manager may therefore decide to reward the hardwork in other

to motivate the participants via merits or rewards (Chairmaine, 2014), (Jhone, 2014), (Annie, 2014), (Lucas, 2014), (Kayhan, 2014), (Yasin, 2014). From my own point of view these can be related to one of the condition found from the literature importance of teamwork and the involvement of all their employee. Also, in my own opinion to create a favourable environment, it is also the obligation of the top management. This ground had been reinforced by Cannie Roberts, the HR staff, in her interview. Here where she has therefore pointed out two different directions, in Marketing firms that is necessary to create a favourable environment. Firstly, through the provision of social security for all the employees i.e establishing certain policies to grant free medical or health care insurance to the best workers annually. Secondly, that all the employees, who are all involved in the innovation process in the company, can benefit from through in everything organisational ethics or culture by giving them travel reimbursement (Cannie, 2014). The mentioned condition of Cannie, Human Resource staff of “Double Impact Marketing” is related to the importance of the management participation as much as i know. There must be cordiality existing between employees and management it often improves the companies chances to be innovative and towards attaining success in it. That were all highlighted by the following people in my interview manager of the Brass Leeds, manager of This is Bd Network, staff of Barrington Jhonson lorains (BJL), the representative of Big Birlesik Iletisim Grubu Hizmetleri A.S, Grey Worldwide Istanbul Reklamcilik ltd.

Based on the to the differenciation made in the various conditions, this could be matched with the importance of effective communication and information flow. Of all the conditions importance of an innovative culture is a bit complex one. I was only able

to collate the ideas of only Donald Mark manager of Barrington Johnson Lorains(BJL) and Jade Rowland branch manager of Amaze analyse the condition of innovative culture, on the ground that all employees often supports the innovations. Furthermore, a reasonable sense of interest in innovativeness should be express by the employees for for improvement and growth as well.

Sean Nick, the London branch manager of Billington Cartmell also mentioned one out of the three other important factors or conditions for creating a favourable organisational environment for innovation which developed in my work. He has stated in his interview importance of the employees vocational training (Sean, 2014). He burtress that that all this factors are applicable all through the working process from initiation to the end. Organisations can achieve this condition by introducing different types of training, programmes, seminar, short courses, conferences and acquiring more education in general. This would help the company to achieve successes in different projects and innovative successes even minimised lost aswell (Sean, 2014). Secondly, Jeff Peterson, the manager of Abot added another condition necessary for a favourable environment when he talked about “Role integration around specialities and process rather than department”. He supported his views with practical instances in their organisation.

Lastly, the interview session I had with one of these same office staff was also very helpful. Kendrix Mary also emphasised on the need to allow “work time flexibility and avoid a too professional environment” she talked about trying to ensure that the employees do not feel too workedup and formal while at work. Employees must feel lively and free while at work, as it encourages them to put in their best to whatever they are doing and also be able to think straight during work.

Thus, after I conducted and examined sixty interviews from various organisations individuals from twenty different organisations. Now, it is time to make a conclusions first and foremost, based on my available resources and with regards to my listed conditions necessary for innovative. To still continue from my initial four results from the literatures and the theoretical part:

Note, not all the answers I got could be compressed to the four conditions I mentioned in the previous chapters, which means roughly fifty seven of sixty answers were been summaried and included. Therefore the last three answers were unique and it could not add it to the already established conditions. Shan Nick branch manager at Billington Cartmell has answer actually reestablished the condition of vocational training; Jeff Peterson, the manager of Abot added gave the answer about employees “Role integration around specialities and process rather than department and Kendrix Mary’s answer was directed towards work time flexibility and avoid a too professional environment. A comprehension of the answers would be discussed in the discussion section. Also for a better understanding of the conditions that just emerged, the theoretical aspect will discuss more about this.

#### **4.1.1. THE IMPORTANCE OF TEAMWORK AND THE INVOLVEMENT OF EVERY EMPLOYEE**

This section will start with a company, which is a marketing company “Adam and Eve” and its employees the Manager of the company Chairmaine William, Marketing Agent Arthur Martins and the the secreatary Laurence Herald. In general, they all here understood the neccessity of teamwork and the involvement of every employee during and before the innovation process. In Adam and Eve the situation is the following. Before a company can drive towards improving or implementing innovation strategy. It

is always the duty of the Marketing manager to make this decision and plan the strategy. After this, the project is been passed to the board of directors. They therefore delegate and finalise the decisions. The next stage is the process of formation of the project group, to work on the innovation. And all steps are subsequent to another (Chairmaine, 2014), (Arthur, 2014), and (Laurence, 2014):

- A. Job delegation and description of project team members.
- B. Estimation and budget for the project
- C. Defining the project technicality, the structure of project and the mode of execution.
- D. The compilation of reports and stated dealines

The companies, which I would analyse next they will include the “Adam and Eve, Double Impact Marketing, This is BD Network, BETC London, and Turkish Guzel Sanatlar Reklamcilik A.S, Havas worldwide Istanbul Iletisim Hizmetleri, and lastly Lowe Tanitim Hizmetleri A.S and their employees, The relations between the employees was been explained adequately in the previous parts. There is credibility in their statement and priority. The manager must be well informed and have properly outlined in ink the functions and requirement of a client manager. Likewise, the the client manager must also makes sufficient plans for the job delegation and description for the workers. If a project is at the end successfully, the ownere of the company will reward and all participant via various means (Chairmaine, 2014), (Jhone, 2014), (Annie, 2014), (Lucas, 2014), (Kayhan, 2014), (Yasin, 2014).

Chairmaine William and the manager of Adam and Eve, stated in the subsequent part of the interview, the relevance of the ideas as it tightens the relationship of all people involved in the project in one accord. Although, there may occur situations when



forces or oppositions rises against the idea. Eventually the idea thrives and excels over all to success(Chairmaine, 2014).

The Jhone Alade a representative of Double impact Marketing said the real important factor solidly attached to the teamwork success can be the need, significance of giving a detailed explanation to the employees about the idea behind a project in a company. This is just to make them more motivated and encourage them basically from positive results recorded from innovation and also renders a good insight to them (Jhone, 2014).

Through his own view, this strengthened the concept of this condition I believe, because without showing the employees a past results or successes they might not be motivated or inspired enough to hit the success notch during this process.

The last interviewees view here will be that of (Yasin, 2014) and (Lucas, 2014): As have already written in the previous chapters and sections. Its important to adequate communication and interpersonal relationship to exist between the teams. This will actually strengthen the method, project and work environment conducive for innovation. The unity of all the participant makes them all have a single language and target. As such they are able to achieve innovation by analysing together, cooperating and joint effort as a team.

In summary of this section, I need to shift little focus to Teamwork which even encompasses all the past views from different persons in conducted interviews, i.e from the creation of ideas by the Team, to decision making by the management, again to the project team members performing the following activities such as creation building, Duties, Calculation Designing, Reporting, Deadlines.

Team creation is the first step. All organisations put a lot of effort into the team creation process as it is a very delicate stage. Then secondly, team building is also so significant. The team has to be strong to be able to produce very dynamic ideas, it will now be the obligation of the management to play the filter role and analyse the ideas by separating the good and realistic ones from the unrealistic ideas. This therefore, sets the ball rolling and the team to execute these ideas and strategise with the management on how and the approach to earning their goals.

#### 4.1.2. THE IMPORTANCE OF MANAGEMENT PARTICIPATION

It will be important to start my own views from the Human Resource staff of the “Double Impact Marketing” Carrie Roberts to the manager Donald Mark of Barrington Johnson Lorains (BJL), to Gregory Sanders a staff of BETC London, to a representative Feride Sunay Durmaz of Alice/BBDO Reklamcilik ve Iletisim Hiz Tic A.S. In a summary of the key points of all these interviewees' ideas. In their own view, they said in some cases the management are often so interested in the innovation project and involved to the extent that they participate physically. The disadvantage of this is that it slows down the process or a general estimation of the project we must have a good perception of the ideas. In several instances in a company, there are multiple projects been started and pursued. As such, it could be difficult for the directors, CEO, or management to participate equally or physically at all projects. This is where the just decision making role comes in by the management (Carrie, 2014), (Donald, 2014).

A staff called Gregory Sander from BETC in his interview said it is very necessary for that employees feel important in doing so and makes them even more

motivated towards their jobs. It is also a good strategy when the director or employer shows the employee the chances and opportunity that follows a successful innovative process (Gregory, 2014). In addition, in addition to the point he made, he also emphasised the a conducive environment to employees in terms of infrastructures, materials, basic requirement in total. It is only when they have all the needs at hands reach that they can conveniently think of being innovative and conveniently manage themselves and properly delegate the task been assigned to them. Also work independently (Gregory, 2104).

I will elaborate more on the condition at the end chapter. Alice/BBDO Reklamcilik ve Iletisim Hiz Tic A.S, here she looked through a different dimension by saying innovation in most cases begins with the company owner and it mostly an independent start by he/she. In a situation where the innovation is been introduced by the owner, CEO or director. He has to call the immediate or top management together to breakdown the ideas in complex organisation settings. If the organisation structure is not too large or small, he calls a meeting with the staff and choose the project team members to support him in executing the project. In cases when the owner sees the employees ideas as real he can support it with all needed resources to execute the job. But also, if the owner does not seem to comprehend the ideas of an innovative project he/she can actually postpone it and study it further. (Faride, 2014).

In summary, the mentioned condition is very vital and may likely be referred to as the most significant because it actually involves the management involvement. Although, the disadvantage is when the manager is incompetent this will definitely kill the process of innovation and cause consequences in the organisation at large in a longer run.

#### 4.1.3. THE IMPORTANCE OF EFFECTIVE COMMUNICATION AND INFORMATION FLOW

The manager of “Brass Leeds” David Lavelle said effective communication flow in a company or group working on innovation is a criteria towards success, at the initiation phase of the innovation particularly (David, 2014). In addition, an employee from Brass Leeds also confirms the necessity attached to the condition in her interview. Along, this same condition, I also was able to extract another idea mentioned by the Marketing staff Sheriff Hammed that during idea generation, employees are urged to endeavour to work independently. By doing so, the employees are been able to critically examine the advantages and disadvantages of the idea. Also the best way it will be implemented into the organisational system successfully (Sheriff, 2014).

In a practical instance, If the idea arises from the owner of the company we can assume its very practical. But, in a situation of group raising the idea. Therefore, it will have quite a number of inventors and we would assume it as the same case as an individual invention. Also, in a case when the idea is been created by the management or externally. Then they can need to enlighten the employees with the significant changes been made or the proposed innovation project strategy. It has been mention by manager This is Bd Network Paul Smith, that there should exist a good cordial relation.

An Effective communication and information flow must be seen between the managers, CEOs, owners and their employees or workers. But it should also be vice – versa, this will call for weekly meetings and dialogue in the company (Jhone, 2014). This was mentioned by a staff of Barrington Jhonson lorains (BJL). He further said that the meeting are been conducted in weekly basis and spread to encompass all levels of

the organisation. For instance, a meeting is held with team, later another one comes up between the team leaders and departmental leaders, then finally the top management might meet with the departmental heads. This setting may differ in various organisation according to their structure and size.

An interesting point of view of from Big Birlesik Iletisim Grubu Hizmetleri A.S, company's representative, Nuri Bas says the less people talk at work the more functional they are at work (Nuri, 2014). There must be focus and concentration by the workers, they are all expected to carryout the function effectively, and efficiently at all times without necessary interference.

Lastly from a Turkish company, the staff Ahmet Alper Uner of "Grey Worldwide Istanbul Reklamcilik ltd" he said their is alot of advantage in a company where the environment encourages innovations. Most importantly when the team is made up of workers from various departments and their is free flow of information. They all speak the same professional language, have the same goal and objective, display professionalism at their designated roles. When this is all in place, the employees can distribute information effectively around the organisation without no restriction or barriers (Alper, 2014).

In a summary, based on the ideas that showed up here, I would say the ideas must first and foremost be formulated neatly and prepared. Then it can be clearly explained and sent around the team and organisation at large. It must also be understood that effective communication and flow helps to beat time factor, an idea which is to be presented by an individual who lack good communication skill or ability ends up destroying the ideas. The ideas can be very fragile and in a situation when they are not properly channeled or paased down. Its purpose is therefore altered or changes.

#### 4.1.4. THE IMPORTANCE OF AN INNOVATIVE CULTURE

This I would say is the most complex condition, almost all my interviewees had to think of a way to respond to this point. In my understanding, they all understood this differently. so I had to pick a little clue or the important ideas the everyone talked about. At the end i realised they all mentioned a little about the previous conditions in the innovative culture idea.

Therefore, based on the answers i had collated from the interviews, it was smart and easier for me to writeout some criteria or attributes of innovative culture. Also see (Appendix 4) for more details:

- A. Good relationship must be exist and proper hierachy in team and innovative organisation (Donald, 2014).
- B. All ideas and projects have to be clearly outlined, explained and proposed adequately for execution by teams or the employees before its been introduced into the organisation. (Donald 2014).
- C. The management's atitude, policy. Do they reward innovation? Do they measure each person's contribution to innovation (Bunusi, 2014).
- D. Compensation plans and other surpport plans for employee and family, Travel reinbursement, encourage not very professional and formal work pattern or environment (Annie, 2014), (Cannie, 2014).
- E. Loan grant, promotion and wage increment (Mellisa. 2014).

- F. Incentives, reward, and work time flexibility (Jhone. 2014).
  
- G. Managerial attitude and organisational structure and Management's unbiased attitude (Steven, 2014), (Bilal, 2014).
  
- H. Solidarity amongst team members and Unity, indiscriminate managerial attitude towards employees (Selma, 2014), (Hassan, 2014).

In my conclusion, as regards this chapter. I can say clearly that all conditions are related and joined to another condition. From the first to the second and the third conditions. They are all been still related and found in the fourth condition. So the elements are all interwoven and works with each other.

## **CHAPTER 5**

### **5.0. DISCUSSION OF THE RESULTS**

The purpose of this chapter is basically for the discussion of my results been collated from my literature or theory and interviews. I will start by presenting the conditions that emerged newly and relate it with the ones already in existence i.e (teamwork, management participation, effective communication and information flow and innovative culture) would all be diagrammatically presented.

#### **5.1. CONDITIONS FOR A FAVOURABLE ENVIRONMENT IN ORGANISATIONS**

Four conditions have been mentioned in recurrence from the earlier theoretical part of this research. This conditions favours a peaceful and conducive environment for innovation to occur. In the course of my research and interviews, I beared in my mind that there is a very high probability that other conditions might aswell still occur. So, all through my literature review and analysis. There was no any new condition that emerged asides the already known four previously. But on getting to the stage of interviews, I came across a new idea which I would like to make it a new condition as it carries alot of significance and meaning. This was stated by Sean Nick, the Manager of Billington Cartmell, In his interview he talked about the significance attached to employee's vocational training.

Vocational training plays a very good role when we want to innovate as regards the kind of environment. This process is needed from the start to the final stage of innovation. It is also an act or factor the company needs to keep working on for a



successful innovation. It can be realised in an organisation via various programmes and schemes. To mention a few, seminars, conferences, attending short courses, professional exams. If a company has a high and good basis for growing. All their targets can be achieved therefore via minimal wastage of resources and less risk with a highly professional approach (Sean, 2014).

I was therefore been propelled to reflect more about other conditions and also look more deeply into innovation as a whole in an organisation. The earlier mentioned condition generally encompasses all other stages not just a single stage of the process i.e it affects all process of innovation positively (see also Chapter 2.7). When a company talks about the importance of vocational training to its employees or staff, such company talks about the development of the staff also and progress. Either a person works in a team or independently, I believe we must all work on ourselves and in terms of upgrading. A company that fails to grow or encourage the workers to develop themselves professionally will definitely have problems in achieving successful innovation. In this case, it is like trying to “teach an old dog new tricks”. The company needs to devote time to monitoring the progress of its workers. In my honest idea, if an organisation should encourage vocational training, the workers will be able to come up with fresh ideas and contribute positively to the companies progress.

In addition, another condition that emerged and stands a chance of holding the position as sixth condition during my interview will be “Role integration around specialties and process rather than department” as proposed by Jeff Peterson the manager of Ab Abot Mead Vickers. In his interview session he emphasised the importance of employee’s role intergration around specialties and process instead of department. In his statement he said:

An organization consisting of various functional specialties mostly in structured and vertical departments. Total Quality Management's focus is on the horizontal processes interconnecting these functions which can occur in an Intergrated System. The essence of role intergration around specialties and process rather than department is to ensure a diversity, efficiency, efficacy and qualitative output. These is a vital factor significant to norture a favourable environment where innovation can trend in an organisation (Jeff, 2014):

In addition, he continued further that Total quality management is simply a management sytem in summary and innovation – it is focused in an organisation to develop a favourable environment that allows employess to regularly improve. It makes use of data, strategy and effective communication in introducing a qualitative culture and behaviours within the organisation.

The idea and view of Mr jeff as regards to TQM had also been discussed in the theoretical part of this work (see 2.10.4). The relationship between TQM via role integration have been seen, and also the need for employees to be versatile is an important attribute in “Role integration around specialties and process rather than department”. It allows a perfect workflow within the organisation and also makes new ideas to be easily comprehended and effective job discharge in such an organisational setting. Thus, primarily the conditions which surfaced newly as supplements were **employees's vocational training** and **employee's role integration around specialties and process rather than department**. They are significant in organisation and have a strong tie or connection with the earlier mentioned conditions, likewise they are all inter-related or inter-woven to one another. It is important that I relate newly emerged issueswith the previous conditions.

**A. Teamwork:**

In a company where we have highly skilled professional, and understands the approach to get things right done theoretically and via their personal experiences. Their will be a better flow of work, effectively, efficiently and accurately. There is also going to be a boost in the productivity.

It is possible a team is professionals studded, a well skilled professional are also need to train and make other skilled workers and professionals. This therefore requires seminars and special training (Sean, 2014). In the process of the additional improvement of the professional skills, When an employees is trying build their skills professionally, they tend to get some skills in certain areas. It push the person to the idea. As we have seen, all innovation starts from a good Idea (Chairmaine, 2014). Company owners must make it clear to their employees allow a suitable environment conducive for ideas to emerge. Thus, the managers must be able to deal with all types and conditions that may mostly likely arise at any point in time in the organisation professionally.

**B. Management Participation:**

This can be viewed from two various angles. Firstly, it is very vital that they are well educated and also been able to support the employees in need of guidance and instructions. There are also various managerial skill acquisition trainings, courses, and seminars for managers.

Secondly, in the entire organisation. The managers can actually be in a good position to liase and ensure that the employees participate in career and skill acquisition programmes for their development and the company at large.

This can be reflected from the employees level of expertise and the decision-making skills. The management must be very conversant with what every employees job entails so as to be able to direct and show true leadership skill.

In recent times, the business world actually have laid down obligations, some organisations have made it very mandatory for their employees to all attend their conferences, seminars, lectures been organised. This is because it often helps to successful innovation in the company.

**C. Effective communication and information flow:**

In the phases of the initiation of the innovation, this condition fills a vital role. We must understand that each misused or misinterpreted communication can be made at the detriment of this innovation. Therefore, the channel or network of information must be reliable and effective, the professional team must be responsible for this effect for the success of innovation.

**D. Innovative Culture:**

In all factual sense, it is very hard to remove professionalism from innovative culture or separate them. An innovative culture requires highly experienced skilled workers. It often requires indepth thought and reasoning, this tells us that in a company which is studded with professional working around their innovativeness. There usually tend to be more progress and achievement than the vice versa. It is easier to work with a professional or skilled worker than someone who is just still learning. Although, knowledge can be shared aswell from the old workers to the new workers. Knowledge sharing must be encouraged so also asistance. This is a criteria for achieving innovativeness and

also will support, favour the creation of a good environment for innovation in the organisation (Steven, 2014), (Bilal, 2014), (Selma, 2014), (Hassan, 2014), (Donald, 2014).

So, having talked about the four conditions. I do not want to mix it up with the new emerged conditions which i name: *vocational training and role intergration around specialities and process rather department were mentioned in all the four conditions.* Therefore, according to a book i read written by schuster in 2008, where he said to achieve future success in businesses we need a high performance workforcss, manufacturing of new products, increased customer service, boost export and sales, outsourcing and supply. However, to further clarify I like this conditions not to be seen as the same as the other ones earlier mentioned. Thus, I will put all the condition in a summary and list as shown below. They are as follows:

- A. The importance of teamwork and the involvement of every employee
- B. The importance of management participation
- C. The importance of effective communication and information flow
- D. The importance of an innovative culture
- E. The importance of the employees “vocational training”
- F. The importace of employee’s role integration around specialties and process rather than department.

I know more conditions are most likely to be developed or occur, which can emerge. Other factors came out minorly, such as worktime flexibility, avoiding too formal work environment, effective HR, management having an unbiased attitude and

ethics to mention a few. It must be known that most of these points can be been compressed and related in all the conditions therefore. On getting to this phase of my research work, i can now confirm and write that there are about six conditions that can help in creating a favourable environment for innovation to occur in the organisation.

#### **5.1.1. THE IMPORTANCE OF TEAMWORK AND THE INVOLVEMENT OF EVERY EMPLOYEE.**

From the explanation starting from the (4.1.1) “Fourth paragraph”, In other to open up the discussion about this condition. I will neccessarily have to modify the outline. As such, an explanation of the original idea or condition will not be repeated rather i will go deeper into the the modified version of the outline. This simply entails, I will spend more time discussing the newly emerged conditions.

Furthermore, i will like to pointout clearly that it is important that everyone in the organisation should be innovative i.e comeout with a new idea. Consequently, there is an additional feature:

##### **1. Everybody must be able to be innovative and also come up with a new ideas**

This is needed to be preeched by the management of organisations. The employees must understand that their contribution is vital to the growth of the company and their personal self development. It is believed that as much as you think and create well constructive ideas, so also will your values and worth increase in such an organisation. Though it can be also related and stand for the involmnet of every employee. I will also like to say hiering a profeesional to join teams or lead teams will benefit alot. As he or she forsees and assist the regular employees and consequently they jointly comeup with new ideas and wax stronger in terms of efficiency, innovativeness and teamwork.

Views and ideas are been contrasted, compared and carefully selected among the various options. We are then sure that innovation is going to occur at the long run after critical decisions have been examined and taken. The last but not the least feature to add to the original outline is therefore, that the issue of management participation and the team. They must support the team at all necessary times and also pass constructive criticism at the best times it is been needed in the organisation. The grounds or managerial behavior is meant to push the teams towards innovativenessa and success.

### **5.1.2. THE IMPORTANCE OF MANAGEMENT PARTICIPATION**

For this condition am going to illustrate using a figure. This will detail the theoretical and the practical explanations (Figure 5). From the diagram it shows the management giving instructions/input to the teams. They are the ones trying to carryout the innovation. Here are some examples of likely inputs:

- A. Decision making
- B. Motivation
- C. Explanation
- D. Leading and monitoring the teams

To attain a stage where all this mention inputs will be properly used. It is important that their is effective communication and a good flow of information in the organisation. It is also the duty of the management to set this in place aswell. The teams or employee already knows which directions they need to follow and also as earlier mention it is also important that their is a very conducive environment in place which it is aswell the duty of the management to provide. An environment which is not conducive for the work is not acceptable for innovation. On the contrary, as much as the mangement contribution is important, we should also be aware that it can also slow, or

destroy innovation or harm innovation partially in some extent. It is not always possible that management contribution will be positive. I will like to state some two likely possibility it can act:

A. Participative position:

Here they can be playing the participative position by guiding team, monitoring, supporting, and giving explanations.

B. Active team member:

Secondly, they play active team member management position. Here is simply means they do not guide the team but actively and fully participate physically in the projects, works and entire process. I will make an explanation in the best way i can make it simple enough using two colours.

1. The colour blue (Top arrow): It represents the management been sufficient enough to give all support to the team to their best capacity. That the management can give the team the needed guidance and they are also been well effective in their decision – making. The team can get good guidance and the process of decision-making is also an effective one.
2. The colour yellow (Middle white) Here it means, even if it is not the best available support. it can still be allowed and accepted. As long as the team is still on the right track and their is progression.
3. The colour blue (Bottom arrow): it connotes that the teams progression is poor, in otherwords, the management participation affects the team negatively (-ve) by



slowing them down i.e they have a negative participative position. Note, when the blue arrows show it means the management have participative position and they all come with either a negative or positive implications. This will be shown in the figure below.

Therefore, the most suitable approach is that a decision needs to be made. We either decide to go for the one that carries the least risk i.e active team member and on the other hand they might decide to just give the needed support. When been assigned to teams, the management then decide which approach to utilise. In (Fig 5a) below is the management participation been illustrated in theoretical and practical form.

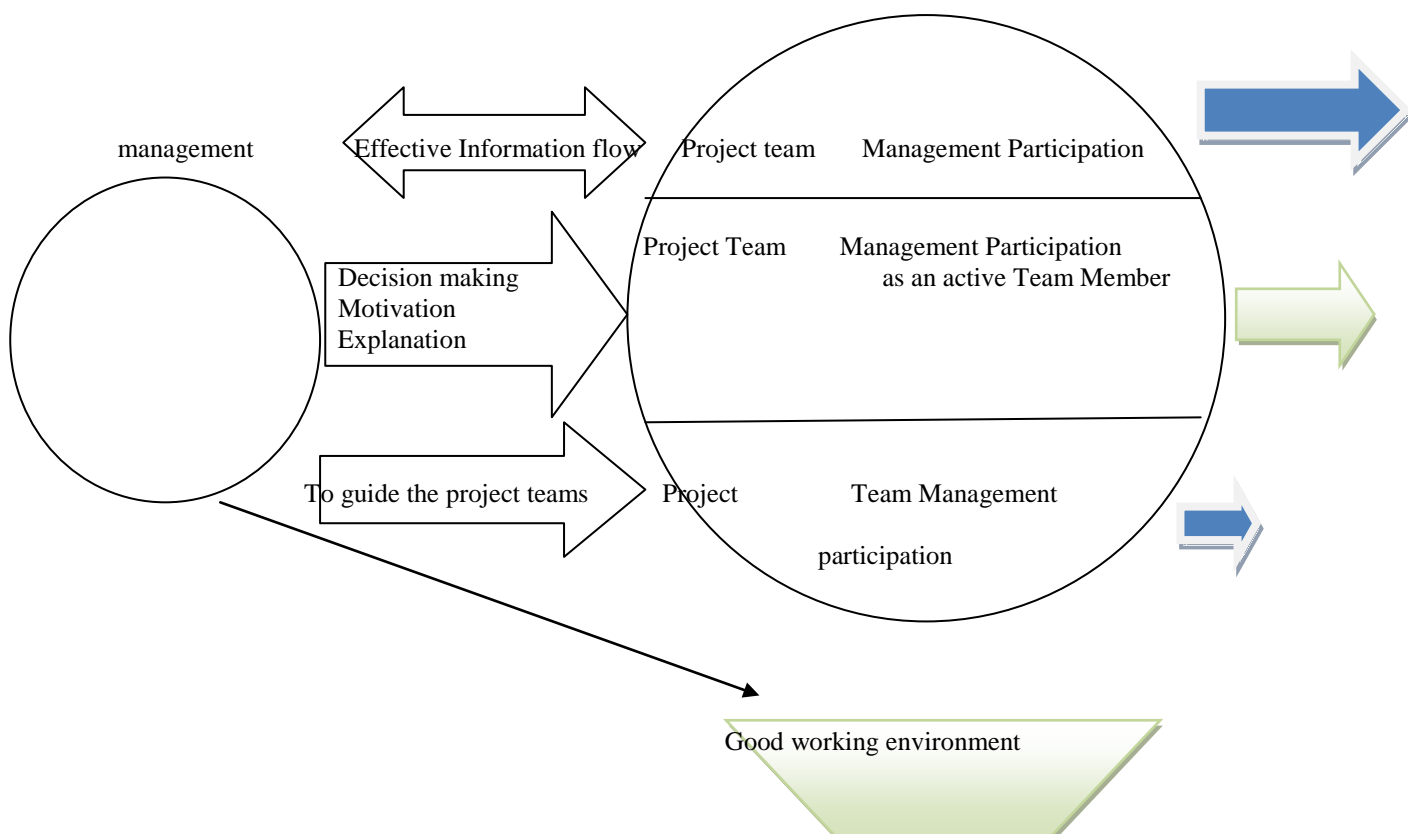


Fig 5a: Management Participation

A Diagrammatic Representation Prepared Using Microsoft Word

### 5.1.3. THE IMPORTANCE OF EFFECTIVE COMMUNICATION AND INFORMATION FLOW

To further describe the result I got from this condition more detailed. I came up to analyse two new less complex but elaborate figures. The first one is the (Fig 5b), and It explains the process regarding communication.

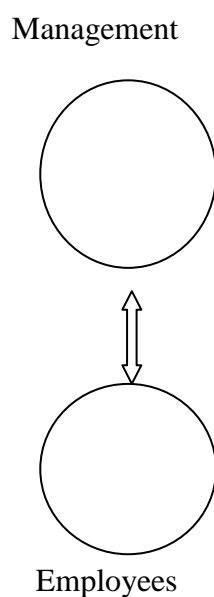


Fig 5b: Two way process regarding communication

A Diagrammatic Representation Prepared Using Microsoft Word.

Here in this figure above, we found it explaining the mode of communication in an organisation. When information flows, it goes from the employee to the management. Although, this is also possible it move in either way i.e from the management to the employee. The essence of this diagrammatic piece is to further stress the need to have a complete channel of information flow all over the organisation. This

had also been discussed in the theoretical section. We must understand that without this, the information is likely to fail or even innovation will most likely not be able to occur.

To generate or come up with an idea in an organisation, it can be compared to an onion, it is in various layers and segments. One follows the other subsequently. The first layer or segment must be well satisfied to have an access to the next. Without doing the first we can not move to the next therefore. I outline it as follows:

- A. Ideas formulation.
- B. The information about the advantages and disadvantages.
- C. Creating a strategy to use for the implementation.

When all the individuals in the team are through and completed their duties, then the results are been communicated to them effectively.

They are mostly similar, but have differences in their layers. The first is the idea formulation, information about the advantages and disadvantages and creating strategy to use for the implementation. The team will have to do all this so as to get an accessibility to the next. When the team stage is been successfully completed, the members then have to send their result to higher level which is the management. To achieve this, we can see that there must first exist a good communication network in the organisation. Innovative ideas are been communicated all through the organisation from the lower level to the higher level of management.

Then again, the process begins again and goes through all the stages and move on till it get to the managerial level. Therefore, I would call the figure a basic summary of communication channels. It also touches the significance of having an effective

communication comprehensively in the organisation as a drive towards successful innovation.

In the process of communication with one another, three different processes are essential. To provide the steps organisation should hold meetings regularly at various levels. The essence of the meetings is to allow proper channel and sharing of ideas via communication and this will boost the chances of having a successful innovation in the companies.

The three different layers been compared with onion's is been illustrated in the (Fig 5c) below showing the various level of communication of idea in a company:

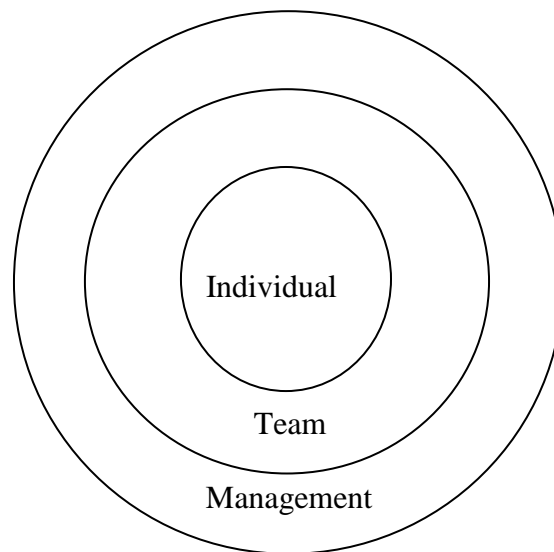


Fig 5c: Communication of ideas in a company.

A Diagrammatic Representation Prepared Using Microsoft Word.

#### 5.1.4. THE IMPORTANCE OF AN INNOVATIVE CULTURE

All previously mentioned conditions are the elements of an innovative culture. In addition to the conditions are some other attribute for an innovative culture:

- A. Accurate hierarchy of relations to avoid misunderstanding of tasks and views (Donald, 2014).
- B. Motivation the employees through incentive reward ( Sevda, 2014).
- C. This could be the management attitude, policy. Do they reward innovation?
- D. Do they measure each person's contribution to innovation (Alice, 2014).
- E. Job security and comfortability (Cannie, 2014).
- F. Unity, indiscriminate managerial attitude towards employees (Hassan, 2014).
- G. Amicable team.
- H. Freedom to experiment.
- I. No punishments for failures.

I have tried to establish a strong relationship between Teamwork, management participation and effective communication and information flow. They are all dependent on one another. Therefore it will be hard to separate one from another. They all work together to sustain the innovative culture. It is also important to write that not just the three of them are attributes of the innovative culture or criteria. All the outlined characteristics are also significant to create an environment conducive for innovation and success. It should be understood that they also appear via various forms in organisations. It is difficult to make a generalised or standard assumption on this attribute because they are unique in form and special. But, the strength of the attribute is determined by the following factors of an organisations:

- A. Company size.
- B. Company structure.
- C. Company hierarchy either high or low.
- D. Company's norms and the values etc.

This can be so long and endless, it can still be modified by adding other ones to it. It is very clear that all companies have their own limitations and challenges. So if an attribute might affect a company's innovative culture more than another one would do.

In general, I think it will be very advantageous if a company develops as many attributes as it can. This is going to increase the chances in terms of competitiveness, and idea generation for future innovation.

#### **5.1.5. THE IMPORTANCE OF THE EMPLOYEES VOCATIONAL TRAINING.**

This is a newly emerged condition, to explain this condition of vocational training. Attention must be drawn to the development of an employee within the organization.

It is vital the company recruit those with sound knowledge before assigning jobs. Moreover, the company should ensure all employees have adequate training on programmes they will be working around. It enhances the workforce productivity and helps the organisation to gain a competitive position. In the theoretical part, competitive strategies were discussed. To understand the application and significance of this strategy an individual must have relevant potentials. To achieve this in organisations, management have to encourage their employees to do the following:

- A. Trainings
- B. Seminars
- C. Additional education
- D. Courses
- E. Conferences etc.

As I will simply put it, employees development is like a “staircase”, which can be used to illustrate levels of development or advancement of employees. In the rate of advancement, attending some or all the outlined programmes definitely takes the individual to a higher level. Employees most times need to learn something new in what they have been doing. It is good to always seek for knowledge differently from the past ideas. As it had been earlier mention it is need at all times in the organisation. It is a continous process.

Later, the companies benefits from this when the employees starts applying the gained knowledge to the various jobs of an employee, I would like to say that it is a continuous and steady. In conclusion, on the longrun those workers that participate in seminars and the like tend to be more useful and valuable to organisations because they nurture ideas learnt from updated sources and reliable. And they carry other employees which might not be as skilled as they do.

#### **5.1.6. THE IMPORTACE OF EMPLOYEE’S ROLE INTEGRATION AROUND SPECIALTIES AND PROCESS RATHER THAN DEPARTMENT.**

This second newly emerged condition can also be related to the vocational training. For the employees to be versatile around process and specialties in the organisation. They must be well qualified and be specialist in various or diverse areas.

This will really boost their valuability and contribution to the organisation. To support this, I will like to discuss two advantages of this condition:

A. It allows easy workflow or employee replacement and substitution:

In case of emergency conditions or unforeseen circumstances, there might be a need to replace an employee or alter a work team during innovation. These can be as a result of health reasons, accidents, or other social and cultural factors that warrants changes.

B. Increases work out standard and quality:

This affects the total quality and result derived at all levels of the organisation.

When there are specialist in various roles and integratable employees. These will give the management an oppourtunity to have various alternative to select the best suitor for a designated role or duty. This can also be related directly to Total quality. Management which have been earlier dicussed in the theoretical part aswell. A strong work team and credibility of employee force is attained when this is been ensured. Consequently, an innovative environment their will be a nice bedrock for an organisation to nurture and innovate successful through their employees participation

## 5.2. LIMITATION OF RESEARCH

This work has quit a few limitation. The major limitation is basically the language barrier I personally face in contacting the Turkish companies via phone. This consequently lead to the minimal number of companies I worked on and also scope and depth of the questionnaire.



## CHAPTER 6

### 6. CONCLUSION

In my research I mainly focused on organisational environment necessary to form a conducive environment for innovation process from the first to the last stage. My scope was within the conditions I extracted from past works and I came up with four conditions that can be closely associated with one another. In the course of this work, I have come across a lot of conditions also important for a favourable environment to build innovation. But I was able to compare and contrast these conditions and came up with the most significant and also new conditions. These conditions are all validated by the means of critically examining their links with one another. I kept on connecting one condition with another both the four old conditions from literature and the two new from my research interviews with employees from the various Marketing firms.

Upon my research in this area, I would put it straight that this field still needs to be further researched, for whoever finds innovation in management discipline interesting. Also, I would outrightly say that this particular topic remains very open for more exploitation and researches. In my view and experience so far, I believe the researcher's result is therefore based on the individual's scope of thinking. To be sure now, it would be reasonable if at this junction, I conclude that the conditions for an organisation to have an environment most suitable for innovation can be endless. On a different approach to this work, additional conditions will likely occur and simplify the route to innovativeness. Or give a better hint on helpful tips towards innovative success. And of course this will make it much easier for companies to come up with innovations or set a better logic for attaining successful innovation in companies. Talking about future works, it is of my opinion if further works are done in a more specific

direction and been focused on certain factors as watchword. In my research, I made mine more general in scope as regards companies location. Also I looked at couple of likeable conditions which broadened my scope and consequently required most possibly summary of all my gathered facts. In otherwords, I research on factual or perceptible condition that can help to develop an environment which will be in favour of innovation. But it will also be helpful if researches focus on just a “Actual conditions” which can affect development of the environment for innovation.

Startingup with the four conditions been extracted from past works in this field; the first condition, the importance of teamwork and the involvement of every employee highlights a need for joint efforts towards innovativeness and new idea generation in an organisation. To achieve a successful team, the need for a professional is oftentimes needed that can support by giving more expertise clues or idea to the team as validated by Rees in 2007 and management. The involvement and consentment via maintaining a good relationship with the team members as seen presented by peebles in 2002, and supported via conducted interviews (Chairmaine, 2014), (Arthur, 2014), and (Laurence, 2014), (Jhone, 2014), (Annie, 2014), (Lucas, 2014), (Kayhan, 2014) and (Yasin, 2014).

The second condition is the importance of management participation. This participation by the management is usually needed, although it might slow the pace of the process of innovation or even cause disruption in the group work. Because on regular basis a company might be working on multiple project at the same time and obviously the manager will not be able to monitor all the projects at once. For project estimation we need to know the meaning and the project details. Assuch, the management only function in makin decisions when he/she already have a detailed

conception of received significant information. In addition, the management should be able to feed the employees with intended changes, good workplace, as stated and supported in the interviews with (Cannie, 2014), (Donald, 2014), (Faride, 2014) and (Gregory, 2014).

Thirdly, is the importance of effective communication and information flow this point is joined with a sub-condition on the contrary that says it is important that ideas are developed independently by employees single-handedly. At an initial stage, all the employees must stand alone with their own ideas being nurtured. Then thereafter, they can hence share it throughout the organisation via communication. Also, when sharing information it should not be unilateral in form and interrelated. In other words effective communication and information flow is not only supposed to happen between the management and employees. It should also exist between the employees and managements but also vice-versa i.e. also between employees and management. Everybody is meant to do their businesses fast, effectively and correctly. Furthermore, it is significant to create an environment for getting sufficient innovation information. This was all mentioned in the interviews conducted with (David, 2014), (Sheriff, 2014), (Jhone, 2014), (Nuri, 2014), and (Alper, 2014).

Fourthly, the importance of an innovative culture. This condition was most complex and needed a better understanding. Although I was still able to gather some factors as follow from my interviews to support this point. There must have been an established ground of adequate and detailed understanding of means, process, the management's attitude, policy and execution of all ideas to be introduced or projects. They actually ask questions like: Do the management reward innovation? Do they measure each person's contribution to innovation, compensation plans and other

support plans for employee and family, Travel reimbursement, encourage not very professional and formal work pattern or environment, Loan grant, promotion and wage increment, Incentives, reward, and work time flexibility, Managerial attitude and organisational structure, Management's unbiased attitude, Solidarity amongst team members and Unity, Indiscriminate managerial attitude towards employees (Annie, 2014), (Cannie, 2014), (Bunusi, 2014), (Mellisa, 2014), (Jhone, 2014), (Steven, 2014), (Bilal, 2014), (Selma, 2014), (Hassan, 2014), (Donald, 2014).

Importance of the employees vocational training is the fifth condition. In order to understand application and significance of this strategy an individual must have relevant skills. Every employee should endeavour to participate in trainings, seminars, further education, courses, and also conferences etc. As I will simply put it, employees development is like a “staircase”, which can be used to illustrate levels of development or advancement of employees. Through doing all this, the employees are able to get more knowledge and acquire skills in their field and generally. This helps them to be self developed and more productive. This trainings and all is meant to shoot them to a more advance level and next stage. We must also know is it is a continuous process which must be done from time to time.

Lastly, the importance of employee's role integration around specialties and process rather than department for employees to be versatile around process and specialties in the organisation. They must be well qualified and be specialist in various or diverse areas. This will really boost their valuability and contribution to the organisation. To support this from the interviews conducted, the interviewees

mentioned two advantages of this condition; It allows easy workflow or employee replacement/substitution and Increases work out standard and quality.

In conclusion, after an elaborate work and research on this field. I was able to narrow down my result to pick and add the most significant conditions to the initial existing four from literatures. The conditions which are important to create an environment where innovation will work out were therefore modified from the previous four to six by adding two new ones. Although, the two new emerging conditions are also open and need further research and exploitation. From my research and result, I have a better comprehension and perception of the genesis of innovation, the factors likely to work against or favour it, and how they influence the organisation and the employees. Apparently, we on our own part as employees, future managers, managers and entrepreneurs should be more focused on how we can formulate strategies to drive through obstacles towards success. For Example, from the very recent trending tweets, facebook uploads on Amyotrophic Lateral Sclerosis (ALS) ice/water bucket challenge one of the most innovative and successful business man and the CEO of Microsoft Bill Gate demonstrated an ever brilliant potential for innovation via the way he responded to a twenty four hours limit challenge from the facebook founder Mark Zuckerberg who himself only made do with a simple container of ice. Mr Gate instead of following the normal easy way, he rigged up his own water - dumping contraption (he made a pull - string) setting a new standard for the challenge. "Gate – innovative and inventive employer" . Finally, I will like to conclude also that there is no direct outline or procedure towards achieving innovative success in an organisation, rather there are conditions or factors necessary to facilitate the environment and eventually motivate the employees to participate in innovation process.

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**APPENDIX 1**  
**INTERVIEW QUESTIONS FOR ENGLISH COMPANIES**

1. What is your position in the Company?
2. Have you heard of Innovation and do you understand the meaning?  
  
( a.) Yes ( b.) No ( c.) Not Sure
3. How can you rate the size of your Company?  
  
( a.) Small ( b.) Average ( c.) Large
4. Do you think that your Company is innovative? Rate the level  
  
( a.) Low ( b.) Average ( c.) High
5. In which dimension does your Company innovate?  
  
( a.) Service ( b.) Process ( d.) Product
6. Which **conditions** can help the company to form a favorable environment where innovations can occur?
7. Importance of **Teamwork and the involvement of every employee** in your Company during the innovation process.  
  
( a.) High ( b.) Average ( c.) Low
8. Importance of **Management participation** in your company during the innovation process, especially during the initiation phase!  
  
( a.) High ( b.) Average ( c.) Low
9. Importance of **Effective communication and information flow** in your company during the innovation process, especially during the initiation phase!  
  
( a.) High ( b.) Average ( c.) Low
10. Do you understand the term **Innovative culture**?
11. Which components of the **innovative culture** in your company are possible to mention as an example for the description of a favourable environment.
12. Which other factor would you like to add to the already mention factors affecting innovation in organisation.

**APPENDIX II****INTERVIEW QUESTIONS FOR TURKISH COMPANIES  
TÜRK ŞİRKETLERİ İÇİN GÖRÜŞME SORULARI**

1. Şirket konumunuz nedir?
2. Yenilik duydu ve anlamını anlıyor musun?  
(A.) Evet (b.) Hayır (c.) Eğer Şirketin boyutunu oranı nasıl
3. Nasıl Şirketi boyutunu oylayabilir?  
(A.) Küçük (d.) Ortalama (c.) Büyük
4. Eğer Şirket yenilikçi olduğunu düşünüyor musunuz? Seviyesini  
(a). Düşük puanla (b.) Ortalama (c.) Yüksek
5. hangi boyut olarak sizin Şirket yenilik nedir?  
(A.) Servis (b.) süreç (d). Ürün
7. Takım Çalışması Önemi ve inovasyon sürecinde sizin şirket içinde her çalışanın katılımı. (A). Yüksek (b.) Ortalama (c.) Düşük
8. Özellikle başlatma aşamasında inovasyon işlemi sırasında şirket Yönetim katılımın önemi,! (A). Yüksek (b.) Ortalama (c.) Düşük
9. Özellikle başlatma aşamasında inovasyon sürecinde firmanızın Etkili iletişim ve bilgi akışının, Önemi! (A). Yüksek (b.) Ortalama (c.) Düşük
10. Eğer terim Yenilikçi kültürünü anlıyor musunuz?
11. Şirketinizde yenilikçi kültürünün bileşenleri mümkün olan uygun ortam açıklaması için bir örnek olarak söz.
12. Başka hangi faktör organizasyon yeniliği etkileyen zaten bahsetti faktörlere eklemek istiyorum

### **APPENDIX III**

#### **LIST OF COMPANIES INTERVIEW**

All interviews were conducted between the period of 11/2013 to 05/2014

#### **UNITED KINGDOM**

1. Adam and Eve DDB. Chairmaine William, Arthur Martins, Laurence Herald.
2. Brass Leeds, David lavelle, Sheriff Hammed, Kendra Mcarthur.
3. Double Impact marketing. : Alice Bunusi, Jhone Alade, Cannie Roberts
4. Amaze.: Jade Rowland, Shannel Hillary, Steven Bullock
5. This is BD Network.: Paul Smith, Mariana Hyde, Annie Mccauley
6. Ab Abot Mead Vickers: Jeff Peterson, Kendrix mary, Abdulhamit kahn
7. Barrington Johnson Lorains(BJL): Donald mark, Jhone Paulson, Natasha Smith
8. Beattie Mc Guinness Bungay: Collin Fowler, Steven Robson, Natasha Benefield
9. BETC London.: Lucas Mathias, Gregory Sanders, Mark Hugges
10. Billington Cartmell: Shan Nick, Mellisa Rhodes, Andre Fiola

#### **TURKEY.**

1. Alametifarika Reklam Tasarim Yapin Yasin A.S.: Yasemin Sumer, Hassan Idris,  
Dilek Tozoglu
2. Alice/BBDO Reklamcilik ve Iletisim Hiz Tic A.S: Feride Sunay Durmaz,  
Selma baci, Ugur yapici.
3. Big Birlesik Iletisim Grubu Hizmetleri A.S.: Mehmet Mohamed, Hakki Onur,  
Nuri Bas
4. Concept Iletisim ve Reklam Hiz Metleri Sanayi ve Ticare Ltd.: Nazmiye Sabun,  
Ebru Dindar, Ismail Lebi

5. DDB & Co Reklam Hizmetleri tic ve san Ac.: Karpat polat, Sevda Elif, Kadir L
6. Genna Pazarlama İletisimi Hizmetleri A.S: Selim Tuncer, Ahmet Alper Uner
7. Grey Worldwide İstanbul Reklamcılık İtd: Ahmet Alper Uner, Filiz Oguz,  
Nilda Semiz
8. Guzel Sanatlar Reklamcılık A.S.: Kayhan Sardan, Eda Ucel, Sefer Bozkurt
9. Havas worldwide İstanbul İletisim Hizmetleri A.S: Erol Batislam, Ozge  
Guvencilir, Yasin Sevimli
10. Lowe Tanitim Hizmetleri A.S: Ela Gokakan, Murrat Kitapci, Bilal Sensoy



Origin	C-Name	C-Position	Innovation meaning	C-Size	C-Innovation	C-dimension
English	Adam and Eve	Office Manager Chairmaine William	yes	large	high	service, process
English	Adam and Eve	Marketing Agent Arthur Martins	yes	large	high	service, process
English	Adam and Eve	Secretary Laurence Herald	yes	large	high	service, process
English	Brass Leeds	manager David lavelle	yes	large	high	service, process
English	Brass Leeds	Marketing staff Sheriff Hammed	yes	large	high	service, process
English	Brass Leeds	Reception Kendra Mcarthur	yes	large	high	service, process
English	Double Impact Marketing	Manager Alice Bunusi	yes	large	high	service, process
English	Double Impact Marketing	Representative Jhone Alade	yes	large	high	service, process
English	Double Impact Marketing	HR Staff Cannie Roberts	yes	large	high	service, process
English	Amaze	Manager Jade Rowland	yes	large	high	service, process
English	Amaze	Receptionist Shannel Hillary	yes	large	high	service, process
English	Amaze	Staff Steven Bullock	yes	large	high	service, process
English	This is BD Network	Manager Paul Smith	yes	large	high	service, process
English	This is BD Network	Staff Mariana Hyde	yes	large	high	service, process
English	This is BD Network	Receptionist (Annie Mccauley)	yes	large	high	service, process
English	Ab Abot Mead Vickers	office Manager Jeff Peterson	yes	large	high	service, process
English	Ab Abot Mead Vickers	Staff Kendrix mary	yes	large	high	service, process
English	Ab Abot Mead Vickers	Staff Abdulhamit kahn	yes	large	high	service, process
English	Barrington Johnson Lorains(BJL)	manager Donald mark	yes	large	high	process
English	Barrington Johnson Lorains(BJL)	Staff Jhone Paulson	yes	large	high	process
English	Barrington Johnson Lorains(BJL)	secretary Natasha Smith	yes	large	high	process
English	Beattie Mc Guinness Bungay	manager Collin Fowler	yes	large	high	service, process
English	Beattie Mc Guinness Bungay	Staff Steven Robson	yes	large	high	service, process
English	Beattie Mc Guinness Bungay	secretary Natasha Benefield	yes	large	high	service, process
English	BETC London	manager Lucas Mathias	yes	large	high	service, process
English	BETC London	Staff Gregory Sanders	yes	large	high	service, process

English	BETC London	Staff Mark Hugges	yes	large	high	service, process
English	Billington Cartmell	Manager Shan Nick	yes	large	high	service, process
English	Billington Cartmell	secretary Mellisa Rhodes	yes	large	high	service, process
English	Billington Cartmell	Staff Andre Fiola	yes	large	high	service, process
Turkish	Alametifarika Reklam Tasarim Yayin A.Ş	Representative Yasemin Sumer	yes	average	average	process
Turkish	Alametifarika Reklam Tasarim Yayin A.Ş	Office staff Hassan Idris	yes	average	average	process
Turkish	Alametifarika Reklam Tasarim Yayin A.Ş	Secretary Dilek Tozoglu	yes	average	average	process
Turkish	Alice/BBDO Reklamcilik ve Iletisim Hiz Tic A.S	Representative Feride Sunay Durmaz	yes	average	average	process
Turkish	Alice/BBDO Reklamcilik ve Iletisim Hiz Tic A.S	Rep 2 Selma baci	yes	average	average	process
Turkish	Alice/BBDO Reklamcilik ve Iletisim Hiz Tic A.S	Secretary Ugur yapici	yes	average	average	process
Turkish	Big Birlesik Iletisim Grubu Hizmetleri A.S	Representative Mehmet Mohamed	yes	average	average	process
Turkish	Big Birlesik Iletisim Grubu Hizmetleri A.S	Rep 2 Nuri Bas	yes	average	average	process
Turkish	Big Birlesik Iletisim Grubu Hizmetleri A.S	Rep 3 Hakki Onur	yes	average	average	process
Turkish	Concept Iletisim ve Reklam Hizmetleri Sanayi ve Ticaret LTD	Rep resentative Nazmiye Sabun	yes	average	average	process
Turkish	Concept Iletisim ve Reklam Hizmetleri Sanayi ve Ticaret LTD	Secretary Ebru Dindar	yes	average	average	process
Turkish	Concept Iletisim ve Reklam Hizmetleri Sanayi ve Ticaret LTD	Staff Ismail Lebi	yes	average	average	process
Turkish	DDB & Co Reklam Hizmetleritic ve san Ac	Rep Karpal polat	yes	average	average	process
Turkish	DDB & Co Reklam Hizmetleritic ve san Ac	Staff Sevda Elif	yes	average	average	process
Turkish	DDB & Co Reklam Hizmetleritic ve san Ac	Staff Kadir	yes	average	average	process
Turkish	Genna Pazarlama Iletisimi Hizmet leri A.S	Staff Selim Tuncer	yes	average	average	process
Turkish	Grey Worldwide Istanbul Reklamcilik LTD	Staff Ahmet Alper Uner	yes	average	average	process
Turkish	Grey Worldwide Istanbul Reklamcilik LTD	Secretary Filiz Oguz	yes	average	average	process
Turkish	Grey Worldwide Istanbul Reklamcilik LTD	Staff Nilda Semiz	yes	average	average	process
Turkish	Guzel Sanatlar Reklamcilik A.S	Rep Kayhan Sardan	yes	average	average	service, process
Turkish	Guzel Sanatlar Reklamcilik A.S	Staff Eda Ucel	yes	average	average	service, process
Turkish	Guzel Sanatlar Reklamcilik A.S	Staff Sefer Bozkurt	yes	average	average	service, process

Turkish	Havas worldwide A.S	Istanbul Iletisim Hizmetleri	Staff Erol Batislam	yes	average	average	service, process
Turkish	Havas worldwide A.S	Istanbul Iletisim Hizmetleri	secretary Ozge Guvenilir	yes	average	average	service, process
Turkish	Havas worldwide A.S	Istanbul Iletisim Hizmetleri	Staff Yasin Sevimli	yes	average	average	service, process
Turkish	Lowe Tanitim Hizmetleri A.S		Representative Ela Gokakan	yes	average	average	process
Turkish	Lowe Tanitim Hizmetleri A.S		Staff Murrat Kitapci	yes	average	average	process
Turkish	Lowe Tanitim Hizmetleri A.S		Staff Bilal Sensoy	yes	average	average	process

Conditions	Imp Teamwork	Imp management	Imp communication & Info flow
Team work, effective communication	high	high	high
corporation	high	high	high
team work	high	high	high
Effective information flow, interpersonal relationship	high	high	high
Adequate flow of information at all levels in the organisation	high	high	high
Effective information flow	high	high	high
Effective information flow	high	high	high
Rewards and Teamwork	high	high	high
Information flow, culture and Organisational ethic, social security	high	high	high
Information flow, culture towards innovation	high	high	high
Information flow and quality mangement	high	high	high
Effective communication	high	high	high
Effective informaton flow, interpersonal relation and rewarding participants.	high	high	high
Effective communication from top to low management, rewards.	high	high	high
Rewards and Corporation	high	high	high
Role integration around specialities and process rather than department	high	high	high
work time flexibility, avoid too professional environment	high	high	high
Proper job delegation	high	high	high
company innovative culture and ethics	high	high	high
Good interpersonal relationship from top to low management.	high	high	high
Efficiency of the HRM	high	high	high
professional mangerial atitude, effective information flow	high	high	high
Managerial atitude and organisational structure	high	high	high
Managerial atitude	high	high	high
Reward and corperation,	high	high	high
Teamwork, managerial involment	high	high	high
Teamwork, and involment of everyone	high	high	high
Effective information flow, vocational training e.g seminar e.t.c	high	high	high
Teamwork, effective information flow	high	high	high
Maintain good interpersonal relationship	high	high	high
corporation and unity between the management	high	high	high
Unity, indiscriminate managerial atitude towards employees	high	high	high

	high	high	high
Management support and participation	high	high	high
Solidarity amongst team members	high	high	high
	high	high	high
Effective communication and interpersonal relationship	high	high	high
Management corporation, involvement, free and fair democracy	high	high	high
	high	high	high
	high	high	high
Management operation open organisational politics	high	high	high
	high	high	high
Management Behaviour (not been biased)	high	high	high
Management attitude toward innovation and employees	high	high	high
Good communication	high	high	high
	high	high	high
Good interpersonal relationship, organisational culture, Proper Job delegation, effective information flow	high	high	high
	high	high	high
Effective job delegation	high	high	high
Teamwork, Effective communication	high	high	high
Teamwork, effective information flow	high	high	high
Teamwork	high	high	high
Information sharing effectively	high	high	high
Effective communication	high	high	high
Teamwork	high	high	high
Corporation and teamwork	high	high	high
Teamwork and Corporation	high	high	high
Management's unbiased attitude	high	high	high

Innovative culture	Example of component of Innovative culture	Other factors
It's the advancement in processes of discovery, experimentation and developing portfolios of option.	Introduction of new process	
it is a culture that fosters an open exchange of ideas among employees, management, customers and other stakeholders.	Top managements always champions the organisations process of gathering, and funding the ideas that will make biggest impact on the bottom line	
interpersonal relationship between employee and employer	employees work independently	
valuable employee contribution		
This could be the management attitude, policy. Do they reward innovation? Do they measure each person's contribution to innovation.		
yes	incentives, reward, work time flexibility	
yes	Travel reimbursment, encourage not very professional and formal work pattern or environment	Job security and comfortability
yes	Rewarding effective participants in innovation	
yes	Rewarding effective participants in innovation	
yes	incentives and promotion	Ethics of the organisation
yes	Reward mostly via wage increase or promotion	Mutual agreement between employee and employer when ideas are individual or group initiated
yes	Reward	
yes	Compensation plans and other surpport plans for employee and family	
yes	Holiday reimbursment and family support policy	
yes	Holiday reimbursment	
yes	Holiday travels reimbursment	
Accurate hierarchy of relations to avoid misunderstanding of tasks and views	Before generating new projects or new ideas, there must be an accurate understanding of everything planned and what can be carried out	
yes	various employee surpport programmes	There should be weekly meetings
yes	support through loan to employees	
yes	Worktime flexibility, Holiday reimbursment plans	
yes	Worktime flexibility	
yes	work hours flexibility	
yes	Travel reimbursment, work time flexibility	

yes	Travel reimbursement, work time flexibility	
yes	Travel reimbursement, work time flexibility	
yes	Management support, grant	
yes	loan grant, promotion and wage increment	
yes	Promotion	
yes	Holiday plans and visits reimbursement	
yes	Holiday plans reimbursement	
yes	Holiday leaves	
yes	Compensation for innovativeness	
yes	Rewarding innovativeness	
yes		
yes	Rewarding participants in innovation	
yes	Rewarding employees by means of incentive	Employees should all face their Business and talkless
yes	Monetary Reward	
yes	vacation reimbursement	
yes	Excellent interpersonal relationship from top to low management.	
yes		
yes	Motivating employees via various means	
yes	Motivation through incentive reward	
yes	Reward	
yes		
yes	when there is no foreigner or expatriate	Maybe Effective management
yes	Travel reimbursement and holidays	
yes	Monetary Reward	

yes	Improve interpersonal relationship with management usually leads to increase wage
yes	Rewards
yes	Reward
yes	Reward, promotion
yes	Incentive, vacation reimbursement
yes	Incentive, vacation reimbursement
yes	Travel and holiday reimbursement
yes	Holiday plans and vacation
yes	Holiday trips reimbursement