

Role of managing innovation and projects in banking industry research proposal ex...

[Business](#), [Management](#)



INTRODUCTION

Growingly knowledge based economies have changed the dynamics of contemporary business world. Industrial landscapes are showing quick adaptability to the innovations that are capable of generating some core benefits for the business (Wilson and Doz, 2012).

In contrast to the traditional business world where banking industry remained to be business of borrowing and lending only, contemporary banking has expanded business vision far beyond than core services (Pennings & Harianto, 1992; Morone & Berg, 1993). For instance, Citibank NA renowned bank of US with worldwide presence offer great deal of services to its customer ranging complete solutions to the financial processes of respective businesses. For instance, online business product Citi Direct offers customers expanded range of services including working capital management with specific payment and receivable services etc (Farhoomand and Huang, 2008; Curado, 2008). Apart from single example of Citibank banks worldwide are increasing their business domain to increase customer based. Hence, in order to expand and sustain innovation management has taken fore front position in the banking business (Alam, 2003).

Based on the mentioned adaptability, the research herein intends to explore the characteristics of innovation management, specifically profitability impact generated from innovation management in banking businesses thereby presenting research proposal for the purpose. Along with this the research study will explore the influence of the project management on the effective and efficient innovation management.

AIM AND OBJECTIVES

The main aim of the research project is to explore the innovation management and project management with reference to the banking industry. The research objectives which will be accomplished by the research study are as follow:

KEY RESEARCH QUESTIONS

Research intends to explore the impact of the project management culture for innovation management in banking industry. The associated research questions which will be explored by the research study are as follow:

- What is the role of the innovation management in the banking industry?
- How project management culture influences the innovation management in the banking industry?
- What is the impact of the project management culture for innovation management on the performance of the banks?

LITERATURE REVIEW

In the contemporary business world, successful businesses are ones that are constantly adoptive to changing business environment. Moreover, businesses that are concerned for taking competitive advantage are those that are capable to innovate products and service prior to fact that it becomes inevitable. Innovation itself is a complete process that begins with ideas generation from available information, developing and then filtering concepts (Lievens, Moenaert, & Jegers, 1999). Upon filtering feasible concepts, ideas are sieved based on the feasibility and then finally added to innovation portfolio as presented the image below:

(Preez and Louw, 2008)

This single philosophy has also undergone development over various terms defined as generation of innovation evolutions (Preez and Louw, 2008).

Though innovation apparently simply refers to introducing something new yet it has critical impact on overall business conduct. Businesses are therefore required to develop clear innovation ambition as part of business and strategic goal. Nagji and Tuff (2012) suggest that business in order to excel in innovation portfolio management is required to strategically manage domains of core, adjacent, and transformational areas and taking well balanced initiatives for all three across the enterprise (Nagji and Tuff, 2012). (Nagji and Tuff, 2012)

The above matrix suggests business to explore innovation in company products (x-axis- how to win) while exploring company's target market (y-axis – where to play) (Nagji and Tuff, 2012). Businesses worldwide are growingly focusing attention for streamlining innovation process as important function of business. Survey related to global innovation collected data for 186 companies from 17 different sectors round the world from 19 countries reported invested US \$ 78 billion for the 2004 only (Wilson and Doz, 2012). All these innovations, irrespective of the level of core, adjacent, and transformational areas, are subject to the level and quality of R&D employed. Importance of R&D has increased with increased immensely with evolution of knowledge based economies (Zhao, 2001).

Banking industry worldwide has also evolved over year with offering innovative products and services. Growth in banking can be gauged from the growth in capital (strength of balance sheet of the banks therefore, given

below trend provide the growth of Tier 1 banks over five year period:

(McKinsey, 2012)

As already mentioned the growth in the performance has been for tier one banks while overall results based on the assessment revealed that performance gap between the best performing and worst performing banks has increased and is further expected to increase in future as reflected below:

(McKinsey, 2012)

Therefore, despite fact that such trends are reflective of large number of factors including lack of strength to sustain with financial crises etc efforts that certain banks adopt to improve performance as well as services to customers owing to the changes are also attributable to the credit of success (Furst, Lang, & Nolle, 1998).

For instance, over period of time, banking clients are also varying differential client services as presented in the image below:

(McKinsey, 2012)

Therefore, based on the statistics in the image above, banks that are more adaptable in providing services with digital interface are to take leading positions as reflected in image below:

(McKinsey, 2012)

Hence, single online innovation as referred in the discussion above noted considerable increase in the banking capacity serve more efficiently than investing energies in administrative issues. Another, recent innovation in banking has also been technology based enabling more accessibility of

account and other financial services for customer through mobile. This service is also expected to grow with fast pace as survey from Berg Insight reported that users of mobile banking and related services across the worldwide will grow from 55 million mobile banking users in 2009 to 894 million users in 2015; forming compound annual growth rate (CAGR) of 59.2% (Hamilton, 2012). However, the challenges associated with these services also grow such as risks associated with these services.

Apart from innovation management, the banks and financial institutions should strive to work on the implementation of the proper project management culture in order to make sure that innovation is managed in effective and efficient manner. The financial institutions which implement proper project management approach in order to come up with new innovations are able to come up with new and innovative products on timely manner and at the same time are able to manage the change resulted from the innovation (Gann & Salter, 1998; Sundbo, 1997).

METHODOLOGY

Research methodology is a scientific process that enable researcher to achieve the results for the topic understudy. Scientifically defined research methodology is critical for successful achieving the objective set for the research with defined scope and resources. Further, systematically well planned and set guideline postulates of the study are critical for the future researcher in drawing referral as well as for the scrutiny purpose.

The research methodology employed for the research understudy is based on the secondary research. The researcher will initially draw references from

the literature already developed in the domain for conceptual development purpose. Upon developing conceptual framework, the underlying research will develop case study based analysis for addressing the research questions. The researcher plans to explore the innovation management benefits that banking industry has reaped over years. The research study will explore the financial results of banking industry participants that invested in developing innovative products and their respective profitability. Hence, inference will be based on the comparison of financials of banking businesses as well as exploring linear relationship of innovation management and profitability (where innovation management will be conceived as products launched per year). Data collection will be based on the financials data available for the business as well as other respective research from the authentic sites.

TIMESCALE/RESEARCH PLANNING

The research entitled “ Role Of innovation Management in Banking Industry” has been assigned the research methodology to complete the research with resource constraint. Therefore, research with time resource available has been segmented as follows for sequentially completing all research postulates with defined time:

- 25% of the time will be allocated to literature review for developing comprehensive conceptual development.
- 15% time for data collection
- 25% time for the analysis of the data
- 15% of time has been allocated for the research compilation

- 15% time presentation
- 5% of the time has been assigned for the review for final presentation

DISCUSSION OF ETHICAL IMPLICATIONS

The researcher for the purpose of the report has attempted to meet ethical consideration to best level possible. First, since case study based study has to be developed; therefore, researcher to retain all ethical standards met will be utilizing the publicly available information. Further, since no such standards are defined in utilizing the publicly available information; therefore, inferring insight from the publicly available information is not expected to violate any issues. In addition, the researcher will also provide the references for the information employed for any referral.

Hence, all mentioned ethical considerations are addressed in order to maintain the quality of research as ethical prominent edition to academic literature.

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