

An innovative culture  
makes an  
organization more  
effective business  
essay



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Growth creates a need for structure and discipline, organisation changes which can strain the culture of creativity that is so vital to future success. To sustain competitive advantage, companies need to institutionalise the innovation process; they need to create an internal environment where creative thinking is central to their values, assumptions and actions.

Management changes and management generally is about implementation. When the managers of an enterprise feel pressured, the fear-driven response is generally to implement better and which generally results doing more of the same only quicker or cheaper. While this is great for doing more of the same, it is still the same and meanwhile everything else is changing - customer's needs, technology, society, macroeconomics and geopolitics are all changing.

Innovation is the engine of growth. It is also a mindset - meaning it is influenced by beliefs, values, and behaviour. Company culture therefore has a huge influence on innovation, being able to either facilitate it or restrain it. Realizing this, many companies have attempted to put systems and processes into place that encourage an innovative culture. However, while such measures are often viewed as the panacea, they are really just the beginning. To shape a truly innovative culture, the top people in a company need to develop a mindful approach where their every action and word reflects a real desire to encourage and develop new ideas.

There may be a lot of exercise but no nourishment. So innovation culture in an organisation begins.

## **EFFECT OF INNOVATIVE CULTURE IN AN ORGANIZATION**

One of the most vital capabilities of an organization is innovation and that in organization culture is really critical. The effect of innovation can effect in both positive and dark ways for an organization or say a company with higher number of consumer with different needs and demand. The challenges for innovative culture are both predictable and unpredictable. Predictable challenges can be overcome by forecasting abilities but unpredictable challenges can result in disastrous turnings.

For example if an company makes changes in its management hierarchy say it replaces its supervisor that can result in either widening communication gap or erasing that further can result in better production or a worker strike.

While one's innovative abilities are partially genetic, the expression of creative talent is dependent on several cultural aspects of the work environment which either suppress or stimulate innovative culture.

Before going any further, it is important to define innovation. Innovation is not about coming up with clever ideas. Creativity is about coming up with the idea. Innovation is about applying the idea to obtain value. To be clear, innovation is the act of changing the established way of doing things, the ability to turn knowledge into value and link emerging technologies with emerging markets. Innovation is about bringing creative new ideas to life.

Within an organization, it is important to understand where and how to apply innovation to create true value. The first question that should be addressed is "What do you want to gain from innovation?" Surprisingly, this

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identification of a clear goal is often ignored. But without a goal, it is impossible to quantify the value realized from innovation. Some goals for an innovation program include enhancing brand and image and increasing shareholder wealth, return on investment and market share.

## **Positive effects:-**

### **Promotes individual growth**

One of the most vital effects of innovative culture is that it promotes individual growth.

Employee's willingness to invest in creative energy at work is encouraged from the employer's desire to invest in the employee's growth. When employees believe that their own development and growth are valued by their employer, they are more likely to make innovative contributions. Also, employees who are knowledgeable about their company's processes, products and services are better equipped to discover innovative solutions and ideas.

### **Build Confidence:**

Experience, encouragement, and freedom bring confidence from the fear of making a mistake. Confident professionals are aware of their abilities, do not fear defeat, and are likely to experiment with innovative solutions.

Encouragement is a big part of instilling confidence in individuals, especially younger employees. Confidence plays vital role in developing an individual's skills and abilities.

## **Optimizes the Work Environment:**

Innovative culture in work place results in optimization of work force ability and quality production which finally leads to the betterment of the organization. Cross-functional teams should have the ability to immediately reserve private spaces where adequate seating, white boards or flip charts, and overhead projection screens are available. Work environment has high importance in the area of production and quality of product.

Adapting to rapidly changing environment: The organizational environment has been changing rapidly. It is a set of forces and conditions outside the organization's boundaries that have the potential to affect the way the organizations operates (George and Jones, 2006, p. 157). An organization interacts with its immediate task environment and is affected by the general environment. The task environment includes the suppliers, distributors, competitors and customers, while the general environment includes forces that are economic, technological, socio-cultural, demographic, political and legal and global. The external environment has been becoming more turbulent as most companies are now competing in the global market where changes are not only common but substantial. Some changes are catastrophic such as economic depression and introduction of new technology. During poor economic times, managers may need to come up with creative strategy to reduce costs such as reducing the number of employees on the one hand, and to increase the motivation of the remaining employees. Managers may also need to identify ways to acquire and utilize resources more efficiently.

## **Negative effect:-**

### **Unpredictable challenges**

Innovative culture cannot overcome the unpredictable challenges which can lead to the major breakdown in an organization. Even if the changes are made for the better and quicker production of the goods or services the needs and demands of the consumers can fluctuate at any point of the time, in which case company or the organization have to bear the losses and the damages done by the lost demand of the customer.

### **Communication gap**

One of the most vital affect faced by the organization generally after implementation of the innovative changes is widening in the communication gap between employees and the employer. If the communication gap increases between co-workers in an organization increases, it results in the conflicts and many kinds of argument within management and workers.

## **Adaptation of the innovative culture:-**

Innovative culture is hard to implement and even if implemented its really difficult to adopt by the employees or members of a business organization.

Making Innovation Work presents a formal innovation process proven to work at HP, Microsoft and Toyota, to help ordinary managers drive top and bottom line growth from innovation. The authors have drawn on their unsurpassed innovation consulting experience — as well as the most thorough review of innovation research ever performed. They'll show what works, what doesn't, and how to use management tools to dramatically increase the payoff

from innovation investments. Learn how to define the right strategy effective innovation. (Innovation management - pg. 223)

Innovation is an undisputed catalyst for company growth, yet many managers across industries fail to create a climate that encourages and rewards innovation. *Managing Creativity and Innovation* explores the manager's role in sparking organizational creativity and offers insight into what managers and leaders must do to increase successful innovation.

## **CONCLUSION:-**

Companies should set the groundwork for innovation, initiate any required operational changes to foster the right culture, and guide the organisation through the recurring periods of change. As companies try to change innovation from an art to a science, the objective is not simply to apply the organization to the task of innovation, but to change the very nature of how the organization innovates. For example, many IT innovations of the last forty years consisted of mechanizing existing processes. Rather than improving the process, the focus was on making the process faster. Today's innovation is about asking whether this is the right process and if necessary, being able to change it entirely. Innovation is increasingly seen as important to gaining and maintaining a business advantage. However, innovation is easy to say, but hard to do right. It requires a significant investment of time, money and resources as well as access to world-class research partners. Achieving this requires a diverse sponsorship base and outstanding staff. Think of it as evolution in action.