



A Study on Innovation for Organizational Excellence in Health Care Industry in a Private Multi-Speciality Organization

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ABSTRACT

In today's turbulent environment, all organizations are concerned with demands for change – both radical and incremental change. Moreover, globalization and market segmentation have reinforced in organizations the need to differentiate, exploit advantages derived from selective integration of core competencies, and leverage intangible assets. It calls for an organization that encourages experimentation, learns about new practices and technologies, constantly monitors the environment, evaluates its own performance, and is committed to continuously improving its performance. The organization's strategies, structure, reward system, and communication practices must be designed so as to encourage innovation and change. In fact, organizations that string together a series of temporary and adequate advantages will outperform organizations that stick with one advantage for a long period of time.

Keywords : Organizational innovation, Innovation strategy, Valuable ideas, Idea champions

INTRODUCTION

Innovation is typically understood as the successful introduction of something new and useful, for example, introducing new methods, techniques, practices, or new or altered products and services. Innovation has been described 'an idea, practice or an object that is perceived as new by an individual or other unit of adoption' by Rogers (cited in Steele and Murray 2004: 316). Innovation is a learning process in which valuable ideas are transformed into new forms of added value for the organization and its stakeholders. The innovation spiral comprises of individual and social learning at the workplace, knowledge creation, and innovation. Innovation strategy emphasizes the introduction of major new products and services. Organizational innovation is a new idea that leads to a tangible product, process, or procedure within the organization and should be able to benefit a part of or the entire organization. All innovations involve change, but not all changes necessarily involve new ideas or lead to significant improvements.

DIFFERENCE BETWEEN INVENTION AND INNOVATION

Often invention is confused with innovation. Invention is creation of new tools where as innovation includes invention and a lot more. Innovation includes invention of something new, developing a new use for existing use, developing a new process or a method to solve existing problem and economic value creation from creative ideas. From a business point of view the last point is most important i.e. creating economic value by new measures.

TYPES OF INNOVATION

There are several types of innovation.

• **Product Innovation:**

It involves introduction of a new good or service that is new or substantially improved. That might include improvements in functional characteristics, functional abilities or any other dimension.

• **Process Innovation:**

It involves the implementation of a new or significantly im-

proved product or delivery method.

• **Service Innovation:**

It is similar to product innovation except that the innovation relates to service rather than products.

• **Business Model Innovation:**

It involves changing the way business is done in terms of capturing values.

• **Marketing Innovation:**

It is the development of new marketing methods with improvement in product design or packaging, product promotion or package etc.

• **Organizational Innovation:**

It involves creation or alteration of business structures, practices and models and may therefore include a combination of few above.

• **Supply Chain Innovation:**

It is the innovation where innovation occurs in the sourcing of input products from suppliers and the delivery of output products to customers.

Further each of above innovation can be incremental or disruptive. Disruptive innovations are the ones which challenge and destroy the existing system. Disruptive innovations are less when compared to incremental innovation. Incremental innovation refers to slight improvement to existing products and services.

MODELS OF INNOVATION PROCESS

There are several researchers who have described the various stages of innovation. Zaltman et al. (1973) briefly described various stages in his model as shown in the table. There are two stages. They are initiation and implementation stages. Each stage has sub-stages.

TABLE 1: Stages of Innovation

Stage	Sub-stage
Initiation	Knowledge awareness: The organization becomes aware of the existence of an innovation which it has the opportunity to utilize.
	Formation of attitudes: Members of the organization form and exhibit their attitudes to proposed innovation.
	Decision: The potential innovation is evaluated and the decision to proceed with the idea or abandon it is made.
Implementation	Initial implementation: First attempts to utilize the innovation are made, often on some sort of trial basis.
	Continued/Sustained implementation: The innovation is reutilized and becomes part of organizational life.

INNOVATIVE URGE IN AN INDIVIDUAL

Very often, we wonder why people vary in their innovative spirit. Some individuals seem to be born innovators while some are quite comfortable with routine work. It is found that the innovative spirit of an individual is a function of the following six characteristics:

- **Perceived Role of Self vis-à-vis the Organization:**
The prime requirement for any organization is a committed employee who is willing to adopt the organizational culture, display esprit-de-corps and who is affected by and in turn affects the actions of the corporate.
- **The Organization in which he works:**
If the organization does not nurture the innovative instincts of its constituents, then the creative spirit of the individual will be suppressed.
- **The Technical, Intellectual and other competencies of the individual:**
Just as a canvas or some similar medium is required for a painting, a certain amount of skills and competencies are required to act as the foundation on which creative skills can be built upon. This is especially true of innovations involving complex processes. Nobody can, out of the blue, invent the theory of relativity. Constant and close contacts with the various aspects involved in the business are a must.
- **The Quantum of achievement motive he possesses:**
Innovations are a lot of hard work, failures and set-backs. Without adequate amount of self motivation and achievement-orientation it may not be possible for any individual to be creative.
- **The Team in which he works:**
A creative and spirited team may enthuse each of its component members to achieve a higher plane of creativity, by building on each other's strengths. On the other hand, a dis-sension prone or uninspired team may actually kill the creative energies of its members.
- **The Leadership Style of his team:**
For innovation to succeed, it is important to have a definite direction. The creative forces of the team need to be constantly channeled in the right direction to achieve maximum benefit to the organization. This can be achieved only by a visionary leader. Too much intervention may curtail the creative urges, while too little intervention may result in scattering the creative prowess.

SOURCES OF INNOVATION

Structural variables have been the most studied potential source of innovation. A comprehensive review of the structure-innovation relationship leads to the following conclusions. First, organic structures positively influence innovation. Because they are lower in vertical differentiation, formalization, and centralization, organic organizations facilitate the flexibility, adaptation, and cross-fertilization that make the

adoption of innovation easier. Second, long tenure in management is associated with innovation. Managerial tenure apparently provides legitimacy and knowledge of how to accomplish tasks and obtain desired outcomes. Third, innovation is nurtured when there are slack resources. Having an abundance of resources allows an organization to afford to purchase innovations, bear the cost of instituting innovations, and absorb failures. Finally, interunit communication is high in innovative organizations. These organizations are high users of committees, task forces, cross-functional teams, and other mechanisms that facilitate interaction across departmental lines.

CULTURE OF INNOVATION

A culture of innovation has less to do specifically with new products, new process or new ideas. A culture of innovation is more than new ideas. It needs to be repeatable, predictable and sustainable. In this world of innovation, culture comes down to shared attributes, values and beliefs. It determines how well we encourage creativity, risk taking, entrepreneurship and networks to share knowledge and ideas. In short cultures which encourage creativity tend to be more innovative.

FACTORS IN BUILDING AN INNOVATIVE CULTURE

The following five factors help in building an innovative culture.

- **Customer Centric Approach:**
Going beyond customer research innovative organizations invite and encourage their customer to become actively involved in product, design, marketing and other aspects of their go to market strategy.
- **Team work:**
Team work and collaboration makes up to effectively incorporate diverse view points and to have a cross functional structure.
- **Appropriate allocation of Resources:**
Appropriate allocation of time and money is of prime importance. Insufficient resources are barrier to innovation and devoting too much of resources may have negative effects.
- **Open Communication:**
Communication is the integral element of an innovative culture. Communication means sharing of not only ideas but also the lessons learned from failure and success.
- **Right ideas for Development:**
The lack of method to identify those ideas with greatest potential can hold an organization back from achieving innovation.

CREATING THE RIGHT CLIMATE FOR INNOVATION

The competencies that drive innovation do not develop overnight but rather are created by specific behavior. There are five core behaviors that make up an innovative climate. They are as follows:

- **Leading by examples:**
Senior management must play an active role in leading the pursuit of innovation. Without senior management's deep commitment and leadership role, innovation may be a distant dream.
- **Willingness to experiment:**
Tolerance for smart risk taking is required and also along with every opportunity there is a chance of failure. It is not enough to accept the possibility of failure, organizations must actually embrace it. This creates a big difference between organizations that are innovative and those that are not.
- **Sharing:**
A reluctance to discuss ideas or works in progress is anathema to an innovative culture. Most people would prefer to keep working on the project until it is perfect before revealing it but successful innovators recognize the value of developing pro-

totype and sharing those prototypes early and often.

- **Encouraging new things:**

Fresh perspectives lead to fresh solutions and innovative organizations recognize it truly.

- **Energize:**

Jumpstarting innovations means meaningful way to hire, train and motivate the workforce for example- too many organizations emphasize finding a candidate who fits into their culture to the detriment of someone who can bring new insights to the table.

CONCLUSION

Innovation is thus considered vital for its contribution to business performance. The salience of innovation is underlined by the fact that in an increasingly hostile market environment, it represents a means of survival, and not just growth. Sustainable innovation which leads to competitive advantage requires a systemic and effective management approach based on knowledge and learning. The ability to absorb and integrate newly acquired knowledge with the existing knowledge leads to the creation of new knowledge and is the key to improvement and innovation.

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