

# ROLE OF INNOVATION IN ORGANIZATION MANAGEMENT SUCCESS

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**ABSTRACT :** *The sense of innovation is manifested creativity and has been practiced , in other words, the innovation means creative thinking, innovation, namely is providing new product, process or service to market , innovation is utilization of mental abilities to create a new idea or a concept. One of the great challenges and responsibilities of managers is to create a support system for fostering innovation. Briefly "The management principles for innovation are as follows: separating people from one another, assembling people together, monitoring and alerting and finally to reward those who play multiple roles. The innovation means manifested creativity and has been practiced. Innovation in Management changes their goal setting manner and their performance in order to improve their performance.*

*In this article while describing the concept of innovation it has been proceeding to its various dimensions in the theoretical point of view considering the highly competitive in global markets, rapid globalization and quick growth technology it can be said that the innovation considered as a unavoidable necessity for each organization*

*This paper studies the concepts and principles of innovation and creativity and provides the difference meaning of innovation and then the innovation issue and its relation with creativity will be explained and its role on success of business' management is discussed.*

**Key words:** Innovation, Creativity, Organization, Management, Improvement

## 1.INTRODUCTION

With increasing advances in knowledge and technology and the massive flow of information and technology, our society today requires learning skills that help to keep pace and go ahead along with the development of science and technology .The goal should be nurture people to be able to creative thought encounter a problem and could solve them. So that people are able to communicate well with each other and with make of use from the collective knowledge and generate new ideas solve the problems [10].

Nowadays our people need to be thought innovation training that walk towards a prosperous society people with creating new ideas. Increasing growth of information, cause everybody has the experience and knowledge of the business that other may have the opportunity to determine it. So to information processing contains knowledge and experience of the people in today's world is one of the secrets of success.

No one is capable of real information of everybody that is hid in his mind, this information when move on because of the strong incentives to leave it out of mind. At this stage, people are sensitive to each other's fate and try to grow together, and finally causes the flow of knowledge and experiences between them is now the same will be underlying innovation and creativity. One of the effective factors involved in innovation in a community is bias making among humans for creating a culture in which everyone is trying to grow other and help society advancement by influencing on each other.

Innovation is a key concept that is remembered as business gains today in 21th Organizations, large and small, did for reevaluation their products, services and operations have to create a culture of innovation. This reviewing organizational objectives will be done, because up berining of innovation within the organization, is the best guarantee that an organization is able to quickly go in peripheral markets, persist. Fostering nurture of culture of innovation is also the best guarantee (although that anything does not have guarantee) for long-term viability and sustainability of the knowledge economy is the current driver.

Given the highly competitive global markets, rapid globalization and technology can be said innovation considered as an unavoidable essential for every organization , Therefore, companies should not only be , seeking to explore new opportunities in order to achieve success in market and consistency in competitive privilege but also they focus on market and products development , since the dynamics and change are most important characteristics of today's modern enterprises , So the retune and survival of companies are realized when they improve and develop themselves .

Synchronously	With political, economic, social and environmental changes. which
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Its realization is difficult matter and it can be achieved only with new ideas and accepting and upbringing innovative and creativity talents. If there not be necessary innovation to contrast with environmental changes and also mentality with needed complexity to solve problems in companies the productivity of firms will be wasted and the organization is eliminated of the competition area. The innovation process is risky, but companies with identifying innovation stimulus respond to challenges, therefore managers need to assessment the constantly changing business environment to make in their decision making properly.

## 2.Innovation concept

The word innovation means invention, notation and modernity and in managerial and organizational term is the process that leads to something new. **Innovation** is the application of better solutions that meet new requirements, unarticulated needs, or existing market needs. This is accomplished through more effective products, processes, services, technologies, or ideas that are readily available to markets, governments and society. The term innovation can be defined as something original and, as consequence, new that "breaks into" the market or society. One usually associates to new phenomena that are important in some way. A definition of the term, in line with these aspects, would be the following: "An innovation is something

original, new, and important—in whatever field—that breaks in to (or obtains a foothold in) a market or society” [6]

While something novel is often described as an innovation, in economics, management science, and other fields of practice and analysis it is generally considered a *process* that brings together various novel ideas in a way that they have an impact on society.

Innovation differs from invention in that innovation refers to the use of a better and, as a result, novel idea or method, whereas invention refers more directly to the creation of the idea or method itself.

Innovation differs from improvement in that innovation refers to the notion of doing something different rather than doing the same thing better.

Rahi and colleagues state innovation as a main factor to the success for competitive advantage of companies and believe that innovation in organizational 'perception means new product and services providing in various working areas of organization. In other words innovation is result related to products, processes and services. Jimenez and his colleagues have also stated that the innovation is reception the ideas that can be as a system, policy, programs and tool for process of production and service. Live and Yu also expressed that the innovation is a new products or services, new technology process and new structure or executive plan.

Schumpeter defined the concept of innovation for first time, in 1934, He believed that there is link between economic development and innovation and introduced it as new combination of wealth productive resources. His work included of five specific cases i.e.: introduction of new products, new production methods, identify new markets, capture new sources of raw materials and facilities, and new ways of organizing business. From then on, in the past forty years, the concept of innovation has undergone enormous changes. In separate studies of researchers in the 1950s, this concept was considered as a separate and discrete development. Today, innovative concept has not been adapted from the results of individual studies were not specified, but rather is defined by the following:

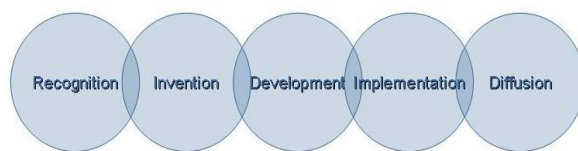
- 1) A process or to be more precise a process of problem solving,
- 2) An interactive process in business relationships with various actors,
- 3) A diverse learning process. This learning may be caused by different issues: learning by using, learning by doing or learning during cleavage,
- 4) It is a process that involves the exchange of explicit and implicit knowledge.
- 4) A process of mutual learning and exchange in which creates independent of actors, or an innovative system or form of innovation.

Innovation means is creativity manifest and reached to action process in other words, innovation is creativity though. Innovation is namely new product, process and services in to market. Innovation is use of mental abilities to create a new thought or concept. One of the most challenging and critical task of managers is to create a support system to foster innovation.

### 3. Innovation process

The process of innovation is often compared to the process of evolution as it is fundamentally a dynamic process of improvement and adaptation which strengthens organizations' ability to survive and thrive. Despite its complexity and unpredictability, a successful innovation process is usually seen as proactive rather than reactive, and can be said to include some or all of five key elements; [14]

1. **Recognition** of a specific problem, challenge, or opportunity to be seized, in relation to the provision of humanitarian aid.
2. **Invention** of a creative solution, or novel idea, which helps address a problem or seize an opportunity.
3. **Development** of an innovation by creating practical, actionable plans and guidelines.
4. **Implementation** of an innovation to produce real examples of changed practice, testing the innovation to see how it compares to existing solutions.
5. **Diffusion** of successful innovations - taking them to scale and leading to wider adoption outside the original setting.



The different grants types awarded by the HIF focus on different stages in this process. This five stage process is useful for tracing the progress of innovations, but it should not be taken to suggest that all innovations are linear processes. Rather than clearly defined stages, these are broad and overlapping phases through which many innovations pass. In reality, progress is iterative and frequently non-linear – some innovations might never get past the early phases, and others might be discarded and later revived only after a fortuitous event or different application. There is no set path for innovation, and most innovation processes feature moments of serendipity, randomness and good or bad fortune. The successful exploitation of new ideas is crucial to a business being able to improve its processes, bring new and improved products and services to market, increase its efficiency and, most importantly, **improve its profitability**. Marketplaces - whether local, regional, national or global - are becoming highly competitive. Competition has increased as a result of wider access to new technologies and the increased trading and knowledge-sharing opportunities offered by the Internet.

This guide explains how you can make innovation a key business process and outlines the different approaches you can take. It gives you advice on planning for innovation and creating the right business environment to develop your ideas. It also outlines the help and support available to innovative businesses.

#### **Why is Innovation Important?**

In the past, many organizations have been able to survive even with very limited amounts of innovation. They focus on providing quality products and simply update them to a level that maintains their competitiveness in the market. This

method still applies to some products with long life cycles and few opportunities for innovation [15].

Recently, however, some trends have emerged that drive the innovation process. Due to factors such as globalization and outsourcing, there is an increased push to improve efficiency and effectiveness of organizations. Organizations need more than good products to survive; they require innovative processes and management that can drive down costs and improve productivity.

Consumer expectations also drive the amount of innovation in the market. Customers are used to products that continually improve and make their life easier. Modern consumers are more informed and have more options in terms of what they buy and who they buy it from. Essentially, customers won't accept mediocrity because they know they can always go somewhere else.

Innovation is important as it is one of the primary ways to differentiate your product from the competition. If you can't compete on price, you'll need innovative products and ideas to make your business stand out from the crowd.

Innovation in your business can also be driven by the amount of innovation your competitors are doing. Being first to market with a new product can provide you with a significant advantage in terms of building a customer base. It is difficult to compete if your products are seen as obsolete or out of date. However, when investing in innovation, keep in mind that many businesses survive by copying and adapting the innovations of others, and can benefit from your hard work.

In a broader sense, innovation is important to the advancement of society around the world. New and innovative products can increase the standard of living and provide people with opportunities to improve their lives. Breakthroughs in medicine and technology have significantly improved living standards around the world. Innovation has also led to significant improvements in the way businesses operate and has closed the gaps between different markets.

#### 4. Application of Innovation in Enterprises

Innovation is a multidimensional adventure. Mara Volakis has studied organizational innovation based on, product, and process implementation innovations. Researchers found that the majority of researches in area of innovation focus on product and service innovation, in enterprises from an organizational perspective, the real success of innovation happening in the market. Create innovative marketing metrics is necessary to help in the transfer of ideas and good products to sell and earn a suitable income, For innovation in organizations, it is not enough just to have a creative and innovative managers and employees because of creative thought and innovation in a bureaucratic organization with, mechanical structure is not so effective even can be said it is ineffective. In addition to having a creative and innovative manager and employees in the organization, structure, strategy, environment, technology, size and lifecycle of organizations, ability control of human resources as well as culture and owners power of innovation should support of innovation [11].

So continue and sustain of life in the organizations are subject to the organization's innovation and in long-term follows success for the organization.

If organizations wish to be effective in later periods and to achieve goals, successfully must turn to the process of innovation in organizations.

Generally the application and usage of innovation can be classified as follows:

1. **Organizational process-** In this method innovation, creation ceases to do work optimally.

Innovation in manufacturing process causes that company to achieve competitive Advantages on competitors by production process rapidly and manufacturing increasing in flexibility capabilities from product to product.

2. **Product or service Innovation--** In this way also with innovation can determine new products or services that the organization is responsible for them or improve the organizational products and services. Innovation in services is one of the important issues in competition. Innovation in service delivery requires the development of expertise of employees in introducing and providing the appropriate technical product.

3. **Institutional Innovation** – This Innovation led to the creation of new markets and grants to company a technological superiority over competitors. And in the long run will lead to their sovereignty in the market. The enterprise should do a heavy and continuous investment on employees' skills and equipment to achieve such position.

4. **Innovation based on product performance development** –When it comes to innovation in product companies is trying to make application of this new product. The features like power, durability and flexibility, in application development of product is Effective.

5. **Innovation based on technology structure** - Restructuring Technology requires the import of raw material or equipments from other area of industry for manufacturing each new product that is fundamentally different with application development of new product or reformulation.

6. **Innovation regarding product name, its reputation for in and product labels**

Innovation in product labels, create a desire to buy a particular product. Researches show 24% of product sale will be spent on its advertisement.

7. **Innovation in the area of revising the formula** - revised formulation is similar to the change in product structure without Physical Change in product details. The physical characteristics Change of product includes of this classification. Innovation in fields of formulation renewal, inclusive further combine of current parts to deliver new products, but different technologies, but it is different from the appeal of making technology and a new combination will be obtained from available material.

8. **Innovation in Design** - many companies overlooks innovation through design. One of the important issues in designing is flexibility, which means that product is adjustable according to the market conditions and changes in consumer preferences.

9. **Packaging innovation** - packaging changes typically cause a change in the amount of purchasing or using of product in duration of time and opening new market on it, better packaging leads to storing quality improvement and help to product safety and ease of its transport that in somehow is effective in extent of customer attraction.

Innovation in packaging expenses is less as compared to other Innovation Researches cost but does not create long-term competitive advantage for the company.

### **6.Barriers to Innovation**

There are a number of factors that prevent innovation from occurring. Being able to recognize and work through these factors will help you to create an innovative culture in your organization and help you to make your business successful [12].

The most common barrier to innovation in organizations is a leader or manager that is not open to new ideas. This negatively impacts the team by discouraging creative thoughts. Employees won't be motivated to come up with new ideas if nobody is going to bother listening to them. There are also managers who listen to ideas but are reluctant to take them any further, resulting in lost opportunities.

Managers are also guilty of shooting down ideas before they are given a chance. If employees come up with new ideas, they should at least be given a chance to explain and justify them, rather than have a manager who immediately says 'no' based on past experiences or because an idea isn't directly in line with the business' regular operations. Just because something hasn't been done before doesn't necessarily make it a bad idea.

Time and resources are also significant barriers to innovation. Employees are often so busy with just doing their regular work that there is insufficient time and incentive to generate new ideas. When ideas are generated, they are not taken any further due to the potential risks associated with developing the idea.

Generally, innovation is also seen to be too expensive for small businesses to get involved in. However, there are cost effective ways to generate new ideas and managers need to look at the potential benefits that come as a result of investing in innovation.

Often, organizations lack direction in terms of innovation. Whilst people require freedom to be creative, some boundaries or guidelines can help focus their efforts and motivate them to achieve outcomes. Without structures in place, the wrong ideas are be prioritized and time and resources can be wasted.

Organizations with the inability to implement and commercialize new ideas are the biggest barrier to innovation. After spending the time, resources and effort to develop an idea, they fail at the final step and the product is never successful in the market. It takes careful management and planning, as well as commitment from an organization, to generate profitable returns from good, innovative ideas.

### **Impact of Knowledge Management on Innovation**

The increasing importance of knowledge as a driver of economic has ample impact on management innovation that is considered a key factor in national and regional competitiveness in the knowledge economy - globalization driving . Involvement and presence of knowledge and in the field innovation will be realized to some extent by reducing transaction costs between companies and other actors, but this presence will be more evident when the knowledge is involved in the area of research and information, and purchase decision making, innovation policies and

administrative tasks are also implicated. If we review the innovation with systematic approach, we reached to the conclusion that innovation and knowledge production are produced in result of a variety of activities that most of these activities are outside the formal process area of research [4]. So knowledge does not produce only in universities and research centers, but it will be formed in diverse areas of the economy that more important of all it can be indicated

To learning during production or doing work or learning at time of using production in the current economy, mainly growth should be done through productivity increase and increase of knowledge work and this efficiency increase is the most important thing that a manager can do. The most important of enterprises' assets is Knowledge Workers and their productivity in the 21<sup>th</sup> century's. Increasingly knowledge-based organizations (KIOs) either are providing services or producers enterprises with high technology must manage their innovation process, to increase the rate of return.

Papadyvk & Cho have studied the knowledge producing and innovation with specifically systems approach in 2006 and evaluated the role of the market, architectural and construction of knowledge and.... Also deals the options and aspects of innovation (process, product, radical, fundamental or developmental), did a comparison between the two processes simultaneously (Science and Innovation).

Management of innovation requires a fundamental change in the strategic understanding of organization in comparison with traditional and mechanical management then following management challenges need to be considered:

A) Managing the human and the individual merits in a strategic vision. Modern management should buckle by putting people to constant challenge at the helm of all operations, and (administrators) should understand that an organization is a collection of different people.

B) Teamwork and networking with internal and external partners. People have different tendencies, different habits and different professional background. Management should focus on building an integrated network of formal and informal relationships, both within and outside the company.

C) Establish consistent and interactive organizational structures. If an enterprise wants to respond to external changes, a flexible organizational structure seems to be necessary and appropriate.

D) To create balance between order and chaos: Effectiveness increasing against destructive innovation. One can also increase individual and group incentives by creating a strategic vision in terms of innovation.

Challenges of the knowledge economy - new stimulus can be categorized into the following groups:

A) Market New Features: The market is constantly changing. That is the market moves more towards global and competitors merge together. In addition, the technologies will be more complex day to day, commodities cycle (useful life of products) is being reducing and the position of knowledge, as a constitutional matter, become stronger every day. All market new features, needs to increase competition by companies

B) Innovation New Types: Innovation can take various forms. It can be indicated in the field of technological

innovation, innovation in business models and new ways of organizing works, innovation in design or marketing. Innovation also can be in area of finding new applications and new markets for available goods and services. C) Shareholders New Requirements of: Customers, Equity Owners, consider the value of an organization with the ability to deliver superior and lucrative products to target market at appropriate time increasingly

D) A New Approach in the field of Innovation: Innovation management, including all the key areas that must be controlled to produce appropriate goods and good services. The capacity of an organization to implement a management innovation depends on the success of that company in facing with two major challenges i.e.:

1. Grow profits, 2. Income productivity

E) New skills of speech technology innovation: the rapid development of new technologies has prompted the company to maintain its competitive position assess the most appropriate technology and operate them.

F) The need for new tools to manage innovation: the development of knowledge-based innovation management needs to capacity in which the technical tools of communication can be used. Technical tools indicate to the acquisition and use of new information and communications technologies. These tools at a competitive advantage, do not create a priority because they are readily available to general. To create a superiority of competitive situation, relying on communication tools is done. Communication tools, including manner of business conduct, both inside and outside the company's environment. .

#### **Innovation Management Techniques**

In view of the above considerations, there is a deep connection between innovation management and knowledge management. *Coombs et al*, in 1998"defined "Implementation of Knowledge Management for Innovation" as something that "directly involved in the development and application of knowledge." These authors observed, identify and determined these tools with observing some R & D departments of several companies. It is accordingly proposed that innovation management is reviewed holistic approach. *Freeman & whistles* in 1997, include all activities that were encouraging the commercialization of new technologies also integrated in the innovation process [9].

Innovation does not necessarily mean applying the latest technologies; but the company's focus are more on ways of thinking and finding creative solutions within the company to address the issue of technology. Hence the innovation management techniques can be seen as a set of tools, techniques and methodologies to help companies to be coordinated with the various conditions and eliminate the challenges associated with the market with strategic methods. Development and growth of these techniques are result in new ways of thinking. This growth is not necessarily due to technological reasons, but rather the company's capacity to use knowledge to promote trade in and use of knowledge to improve relations with external actors, it depends. This is true in relation to small and large companies, innovation for business survival in today's competitive and changing market, it is vital.

Innovation management techniques are widely associated with the market. In the research on those techniques that are consistent with the following parameters focus:

One. Techniques that are well-developed, standardized and systematic methods employed are appropriate. In other words, the profitability of these methods and techniques commonly known in the market.

2. Techniques that focus on knowledge as the most important factor in profitability, improve the competitive position of companies have targeted. Companies apply a variety of tools and techniques to manage their daily use. In this research techniques were studied as part of the process of knowledge innovation brought to account.

3. Techniques that are freely available on the market and have not been under any license or copyright.

#### **Impact of Individual creativity on an organization**

One of the most successful methods available to organizations in order to further innovation and creativity is their investment in employees in order to improve their ability to be more creative. The organization that solely moves on the basis of plans, drawings and the constant& Certain behaviors, Nowadays, work has been more based on knowledge and less Strict is a very vulnerable social system in this field employees can help with performance, promotion of the organization through their ability in the new ideas creation and use these ideas as building blocks to create new products, services, newer and better working processes. Many professionals and academics confirmed this view that individual inventions and innovations are very effective to achieve success of organization [1].

#### **.Creative team:**

Overall contribution to the organization and particularly employees' thought is essential to achieve the goals of the organization, if the employees with creative and thinking owner for organization Excellence assist the organization of thought and innovation participation will be resolved in faster → comfortable of organization's issues types. Thought and innovation participation cause for the synergistic and innovation thinking of each of employees in organization. The Development necessity of this thinking is culture making, reform of organizational and management culture in organization. Barriers such as lack of motivation and lack of trust, teamwork, lack of attention to employee feedback, critiques non-conservative work → autocratic management are considered as important obstacles of creative and thinking participation. Reengineering of organizational culture, Training and culture making, management systems re-engineering including the recommendation system, strengthening teamwork and appreciation of the creative employees, are of the most innovative participatory approaches to the development of culture in the organization [2].

#### **Creation Group**

The best solution to have is to have lots of ideas. After group idea processing i.e. To collect lot of idea from group of people in a short time. This method has been established based on individual creative thinking habits that makes a network of thinking and its other advantage is lack of quick decisions making about the ideas accuracy, and it emphasis more on quantity of ideas and In this method employees in

addition to raising their own ideas, assist others in improving their idea or combine ideas to achieve a better idea [7].

### **The necessary actions for work creativity and innovation group**

**Selection of creative people:** According to the features that creative people were introduced, they can be selected [2].

**Encouragement and Synergy of Creative Team:** The synergy helps to the built others' ideas and fertilizes them. If many of the ideas in the mind of another be transferred and planted in mind of others, it sprouts better than the mind that has been grown.

**Team Training:** Developing an innovative organization with a culture of creative group requires trained manpower and these training should be in the area of techniques and thinking skills such as analysis, imagination, evaluation, mentality performance circumstance.

**Information in the areas of innovation:** giving employees the opportunity to discuss the importance of new ideas to improve products, processes and reduce costs to speak. It should also be clear criteria for the selection of ideas and creative individuals and creative groups to properly honor comes Innovative and creative groups to be properly celebrated.

### **Principles of Management for innovation:**

Management principles for innovation involves three main principles as follows[3]

- 1 - Separating people from each other, with the Sorting individuals together
- 2 - Monitoring and reminding
- 3 - Rewarding those who play multiple roles.

### **Conditions to Create the Creativity and Innovation:**

#### **1 - Creative Space:**

Management must always be ready to hear new ideas from everyone in the organization. In fact organization should looks for these type thoughts. Talent management system Application is an effective tool in the organization. The Managers can properly predispose to develop skills by using this tool, you may encounter a lot of talented individuals who are involved in the organization but they cannot produce significant results. This issue occurs due to the lack of suitable talent management system [2].

**2. – Time Giving For Creativity:** Institutions for this purpose can provide certain conditions for employees.

**3. Recommendations System Establishment:** One of encouraging creativity methods is to establish a recommendation system , thus in this way a method will be available for providing recommendations.

**4. To create a Special Unit of Creativity:** Sometimes the certain groups of employees are hired for innovation and creativity and in some organizations, this group is called research and development unit. Such units spend their time or services to find new ideas for producing products, technologies, and some time do more research.

### **Barriers of group thinking and Creativity in organization**

**1 - Lack of motivation and lack of confidence:** This issue is most important factor in non-developing of non-participation culture. If there do not be an incentive to participate in a working group for providing different ideas and subsequent lack of confidence in the continuation is aggravating of this situation.

**2 – Not Accepting Criticism and intolerance of contradiction in the system:** if managers do not accept any critical mass, so any attempt to achieve the consensus agreement will be useless. Rejection or intolerance of tastes incredible and odds never lead a system to innovation and creative thinking group.

**3 -Conservative and Authoritarian Management:** If Top and even middle Managers be among pro-status quo and oppose any changes and developments, and on other hand is essentially despotic thinking rulers on organization does not. Intercepted of a creative thinking, group.

### **Innovations facilitate circumstance in organization:**

- 1). Suitable Structure and organization suitable with purposes (machinery and biological construction or organic is appropriate to innovation and creativity
- 2) Quick coordination with changing environmental conditions (enabling the flexibility and freedom of action for members of parallel connections. Conducted affairs at the concern level, commitment to task objectives. Flattening of the organizational pyramid, close job and career relationships and technical cooperation, and support employees , practical communication Overall command and responsibility for the information and not a referendum)
- 3) Support and encourage people with creative ideas, the ability to synchronize with the external changing environment, culture, creativity and innovation management, creating the core of research and innovation.
- 4) Set the specified purposes and to ensure they give members freedom.
- 5) Value for creative and diligent people (perfect for rewarding creativity).
- 6) Stimulating creativity in the creation of space and always ready to hear your ideas and suggestions
- 7) to give employees time for creativity.
- 8). Recommendation system in the run.
- 9). Units for creativity in your organization

Innovation is known to fuel organizational growth, to drive future success, and is the engine that allows businesses to sustain their viability in a global economy. Both managers and researchers regard innovation as a 'life-and-death matter for a firm', in which the constant need of fighting for survival and the threat of competition encourage firms to innovate. Business and management research clearly indicate that organizations with innovative capacity can respond to environmental change quicker and can perform better than non-innovative organizations. Innovation cannot be external to the organization. For companies to succeed by innovation, it's not enough to come up with great ideas that can change your market. The organization as a whole must be ready to absorb innovation [13]

### **Role of Innovation in Organization Management Success**

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organizations with innovative capacity can respond to environmental change quicker and can perform better than non-innovative organizations. Innovation cannot be external to the organization. For companies to succeed by innovation, it's not enough to come up with great ideas that can change your market. The organization as a whole must be ready to absorb innovation. Organizational success can only be achieved by adopting innovative measures in all the diverse facets of business. This can only be done with successful partnering between the various

Stakeholders and especially the management and the workforce. Indoor innovation as well as

Outdoor innovation should be practiced. Both management and the employees are like two strands of a DNA structure, and they have an equivalent role and responsibility in organizational success. These two strands have a very intimate relationship, they are closely entwined and there exists a solemn [3].

Bonding between the roles that they play. It is essential that initiative taken and efforts made by one is fully supported by the other. The companies that have done the best over the long haul are those who are the most creative and innovative. These organizations don't copy what others do; instead, they may use innovative ideas from others as a springboard to come up with a unique application, product, or service for themselves. They tend to distance themselves from the competition rather than compete with them. If they see another company copying what they do, they create something new and better. In other words, they are able to leverage their creativity and their innovative capabilities to attain long-term success.

Implementing Innovation in Organizations Innovation is known to fuel organizational growth, to drive future success, and is the engine that allows businesses to sustain their viability in a global economy. Both --and-- which the constant need of fighting for survival and the threat of competition encourage firms to innovate. Business and management research clearly indicates that organizations with innovative capacity can respond to environmental change quicker and can perform better than non-innovative organizations. Optimal organizational innovation requires translating a business strategy into an overall organizational strategy, with proper mechanisms to ensure successful innovation performance when introducing new commercialized products to the market. For implementing innovation in the organization, individuals in all levels should be encouraged by top managers to think independently and creatively, and share their personal knowledge with others. To innovate, companies need to ensure a culture that supports new ideas and encourages new efforts on optimal execution. Furthermore, the importance of innovation to organizational survival and longevity is evidenced by innovation, or a derivative of it, appearing as a core value or as a part of company vision and mission statements. However, innovation still tends to receive a whole heap of lip service. That is, there is a lot of talk about the importance of innovation but not a lot of serious action to ensure innovation is fully embraced within organizations [16].

## 9.CONCLUSION

In sum, innovation provides organizations a competitive edge, which makes embedding innovation so important. A few areas to consider are: ensure that a well-defined innovation process exists, create the conditions that support a climate for innovation, and build capability so that employees possess the skills and behaviors essential for innovation. Innovation is not a quick-fix solution to the problems of an organization. While it is true, that organizations need to innovate to remain current and profitable, building an innovation process requires time, commitment and incremental shifts in the culture. Leaders need to be genuine in their attempts at driving innovation at all levels and be conscious of how their own behaviors and actions shape and influence innovation.

Knowledge-based economy is the economy that is totally based on production, distribution and use of knowledge... In such economies, there are broad links among involved factors and the vast amount of knowledge is used in all economic activities we now pass from the knowledge-based economy to a knowledge economy - stimulating, it means that knowledge in our economy is considered more as the driving engine. Innovation management theory evolution can be described by appealing to the growing importance of the social element of innovation explanation (formerly) it was only on the basis of tangible capital. The initial ideas was that innovation forms by research oriented technology -theory) and irregular interactions between firms and employees (theory of technological networks). Now we find that knowledge has a more fundamental role in creating and encouraging innovation. The increasing importance of knowledge as a factor of production and the determinants of innovation can be explained by the permanent accumulation of technical knowledge over time or using communication technology make knowledge assessable quickly in all over the world, Innovation management techniques are very effective in increasing competition. These techniques can be considered as a set of tools, techniques and methodologies that support the innovation process in organizations and with a systematic approach help to them (companies) to take forward new challenges of the market. This study showed that the correct use of innovation management techniques increases the company's capabilities in introduction of appropriate technologies in the area of goods and processes and facilitate the necessary changes in the organization. But most of the organizations do not have an appropriate innovation culture to initiate changes and most employees and managers sometimes show strong resistance against this matter. Also most of small and medium enterprises are missing of qualified employees in the area of these techniques and lacking of knowledge within an enterprise regarding to the techniques and their use.

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