

ROLE OF INNOVATION AND SIGNIFICANCE IN GROWTH AND DEVELOPMENT

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ABSTRACT

When it comes to an organization's bottom line, innovation plays an essential part in the development and coordination of the market. Innovation can be used to various aspects of human life, including product development, management, and labor practices, among other things. Change and improvement are frequently referred to as innovation in the various definitions. Unlike creation, innovation is a process that begins with an idea and progresses to a new function, making it distinct from the former. The key distinction is between innovation and creativity. This paper discusses the significance of innovation and the critical role it plays in the expansion, survival, and success of businesses.

KEYWORDS: Innovation; Growth and healing, Creativity.

INTRODUCTION

For a country's economy to thrive and expand, it must have a high level of innovation. Increasing a company's competitive edge and driving economic growth necessitate introducing new items to the market, restructuring production methods, or changing organizational procedures. The question then becomes how to best organize resources to create, disseminate, and sustain innovation, as well as how to leverage investments in science and technology, research and development, and related capabilities with the ultimate goal of reaping rewards in terms of wealth creation and increased standards of living.

Changes in the total value of all products and services generated by a country's economy (GDP) are widely used to quantify economic growth (GDP). This statistic, of course, is adjusted for population size, which provides a rudimentary assessment of the well-being of the average person. When compared to other major industrialized countries, GDP per capita in the United States is the highest. These disparities in levels and trends are attributed to the rise in productivity brought about by technological advancements.

LITERATURE REVIEW

JULIA KYLLIÄINEN (2019) According to McKinsey, 84% of executives believe that innovation is critical to their long-term success. Companies place a lot of importance on innovation, despite the fact that it may sound like a buzzword to others. In addition to helping businesses stay relevant in a highly competitive market, innovation also has a significant impact on overall economic growth. New inventions are vital to solving pressing issues, and developing countries in particular require them now more than ever before.... It has been a while since we've written about the importance of innovation for businesses and society at large, so we've decided to dig a little deeper this time around.

ASLESEN H. W. R. MARTIN AND S. SARDO (2019) Physical and virtual environments play an important role in knowledge creation and exchange which can't be overlooked. The existing study provides fascinating findings in terms of the links between regional, institutional, and organizational features, innovation, and the ability of enterprises to connect with global knowledge resources. Our awareness of the importance of informal and low-cost processes, both regional and global, has been widened by this focus. There has been an overwhelming focus on the physical space in this literature to disregard the virtual space.

DEFINITIONS OF INNOVATION INCLUDE:

Schumpeter's concept of innovation includes some technological advances, such as the creation of new products or services or the use of new methods or inputs. First and foremost, it's about being inventive, rather than being a follower of someone else's ideas.

- Slater defined innovation as "change and process improvement for a product or system in a way that this change will be novel for the company.
- To put it another way: Creativity develops something, and innovation will lead to using it.
- Advadya introduce innovation as creation, developing and successful introduction of products, processes or new services.
- Successful application of newly acquired information is a necessary component of product innovation. As a result, there are two conditions that must be met: freshness and utility. Industrial design, management, R&D, production and economic activities associated to the marketing or improved product are all part of product innovation.
- Foxal defines production as "the capacity and willingness to purchase new products and services". Foxal definition focus on customer-innovation that is how much a new product or service which introduced to the market is accepted. So it is defined from the perspective of psychology.
- Endosamor defines innovation as a form of a innovative product or new process in the market.
- Department of tourism industrial DIST in Australia defines innovation:"innovation in the enterprise level is the application of an Idea for a new firm whether it may be used for producing products, processes services or organizational management or marketing.
- Porter argues that companies need to innovate to achieve competitive advantage and innovation is in the form of new technologies or new solutions of doing jobs.
- Dumenpor and Koopalakrishman define innovation as a tool, system , program or created or purchased service of an organization which is new for organization.
- In order to be considered innovative, a company must have a cooperative culture in which new ideas can be readily accepted and implemented, as defined by Holt and Hurly. Simply having access to new ideas is not enough; rather, a company's willingness to accept and implement new concepts is what determines its level of innovation.

"Organizational public ability to launch new items to market or establish new markets through innovative procedures and behavior" is how Wang and Ahmed (2004) define organizational innovation.

A word used by Rogers in 1998 to describe the series of significant changes in business operations that lead to an increase in the performance of a corporation, innovation.

New or improved goods or services, investment in new machinery, new markets, and investment in education are all examples of changes that may be made as a result of these changes.

Defining the late 1960s and beyond can be summed up as follows: The first time the product or procedure is put to use successfully. Figure 1-2 depicts the innovation process as a whole.

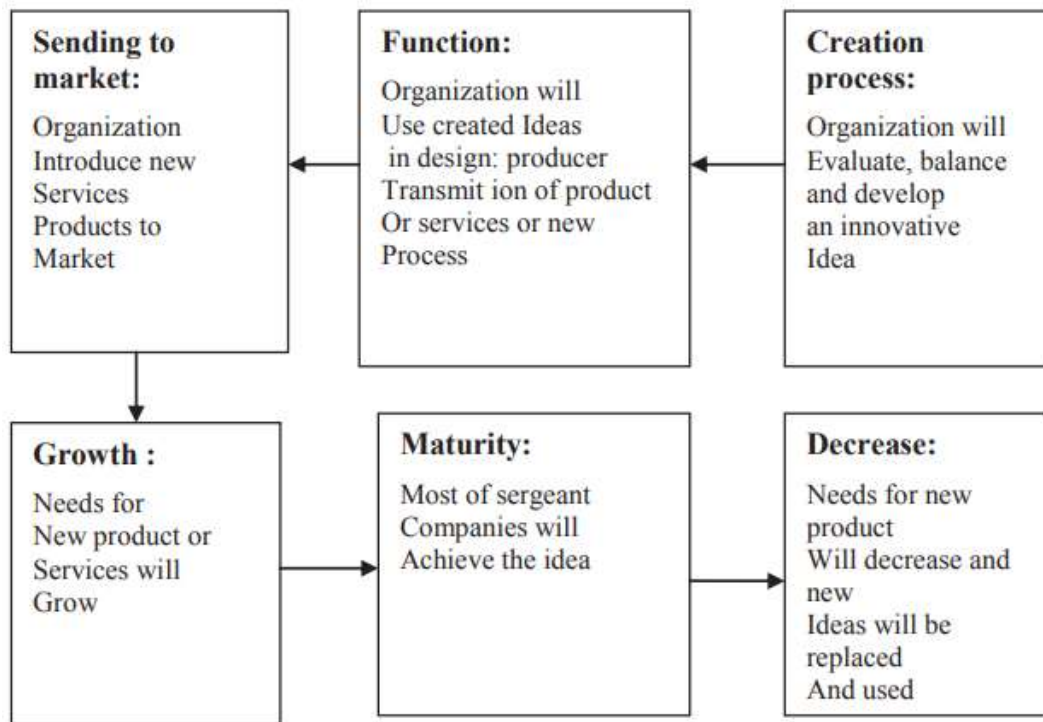


Figure 1-2: Innovation process

Innovation process can also be examined from system point of view.

One of the management experts shows systematic approach to innovation as 2-2 figure

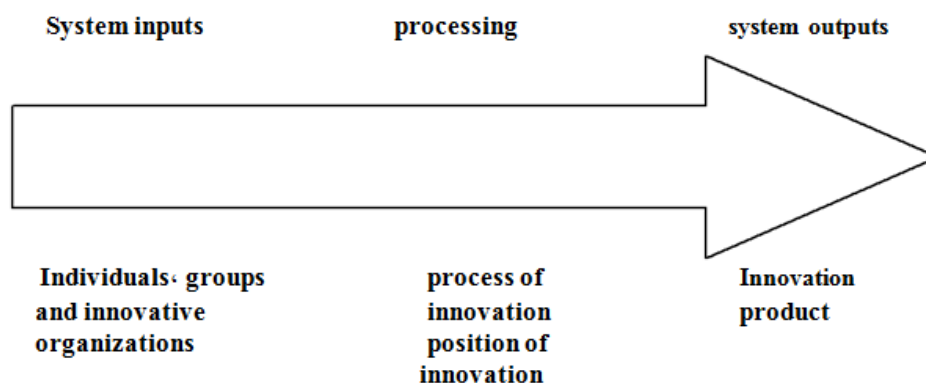


Figure 2-2: Systematic approach to innovation

Now we investigate scientists’ different approaches. It should be noted that in addition of general definition of innovation ‘ it has been classified as different types.

ROLE OF INNOVATION IN THE ORGANIZATION

The ability of a company to gain an advantage over its competitors is directly related to its level of innovation. In the long term, the organization that innovates in its procedures will be able to survive. Resources and skills, employee motivation, and correct training all contribute to the development of high-quality products. In today's market, one of the most important parts of an organization's growth and development strategy is its ability to innovate. Innovativeness is viewed as a critical success factor for an organization's long-term survival and growth. For this reason, it is considered an essential component of the company's ability to remain competitive. The financial performance of a company is enhanced when new ideas are put into practice.

To thrive in today's volatile, uncertain, and risky world, a firm must consistently invest in R&D and innovation operations. It is the goal of the creative company to combine its existing resources and competencies and employ them in the most effective manner feasible. The notion of management that is always aware of changes, responds to them, and accepts a high level of risk, and uses that as an option in the operations is

referred to as innovation. Organizations that are innovative have the ability and financial resources to put new ideas into practice.

For long-term economic success, innovation refers to commercial implementation of best ideas, work practices and even operation models for the firm. It's a procedure, just like any other process that must be followed in order to get the job done right. As a result, managers at all levels play an increasingly important role in ensuring that all of the organization's innovative efforts are in harmony with other parts of the business operations. However, it is difficult to measure the impact of innovation because of the long period of time it takes to turn knowledge into economic value, the high costs, and the uncertainty that characterizes each stage of the innovation process.

Innovation is the driving force behind competitiveness, growth, profitability, and the establishment of long-term organizational values. Product or technology development may be an appropriate category, but this is a basic challenge for the entire company. It is an ongoing procedure. People may leave their stamp on the company, take basic steps based on an in-depth grasp of market prospects and customer demands, transcend the functional position, and interact in order to be near the strategic problems and opportunities, all with a lasting impact.

There are a number of essential sources of innovation that have been discovered. By valuing these resources, the business is better equipped to move beyond conventional thinking and discover innovative ways to turn favorable chances into reality more quickly and efficiently. When things don't fit into the general consensus, it can lead to a sense of helplessness, which can lead to a lack of motivation to find a better solution. Other potential causes include: outdated facilities or activities that need to be updated, process and structural changes, shifts in customer expectations and perceptions, and discrepancies.

Innovating helps the corporation change the market, redefining client needs, communication methods, and business regulations. For the finest innovative ideas to have a chance of succeeding in today's competitive and commercial marketplace, they need not only strategic but tactical re-engineering as well.

To put it another way, innovation is a collection of actions conducted by a company that results in new goods or processes. The existence of innovation is a major factor in the growth of an organization. Commercialization of fresh ideas and their transformation into a specific product, method, or service is what we mean when we talk about innovation. The effective exploration of new ideas is what is meant by the term "innovation." There are a variety of new products and services, new manufacturing methods, and new operating models that are included in this category.

Over time, the concept of innovation has developed into a distinct organizational role. In order for an organization to be successful, it must have a long-term competitive advantage and a sustained advantage over its rivals through innovation. There are a lot of intra-organizational characteristics that must be considered in order to assure the success of both innovation and organizational effectiveness, and this is a difficult task. An important aspect of this is the requirement for organizations to consider innovation as a management process.

INNOVATION HELPS COMPANIES GROW

There are a number of ways that you can go about increasing your business's performance and profitability, as discussed above.

You may opt to continue on your current course, albeit at a slower pace, while you continue to improve your current goods and business models. It is also possible to build your firm by combining or purchasing other businesses, which is speedier but also more expensive. Rethinking your product or business strategy from scratch can lead to rapid growth and help you to quickly scale your business. You can also go this route if you prefer.

When asked to name their top three business priorities, 79 percent of respondents from The Boston Consulting Group said that innovation was one of them—the highest rate since the study began nearly a decade ago. As a further point of reference, BCG points out that the yearly "top 50 most innovative firms" all have a common focus on science, technology and innovation. Because of the favorable influence of innovation, these companies are able to keep up with their rivals.

CONCLUSION

I believe that innovation is a critical and challenging issue for organizations today. Organizational success hinges on the ability to generate new ideas.

Every firm should have an innovation process from conception to play, and when a product enters the growth stage, the company must play a change in product to supply the market, because other companies have reached the technology for production.

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