

An Impact of Innovative Organizational Cultural Practices on Fostering Organizational Effectiveness and Prosperity

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Abstract:

In volatile, uncertain, competitive and uncertain business environment without innovation organization cannot find its existence. Every organization wants to implement innovation but each and every organization cannot be successful in implementing innovative culture within organization .Several studies have shown that organization without its effective human resource participation in innovation process cannot become successful hence every organization should strongly focus on building strong innovative culture. The role of effective leadership plays a significant role while implementing innovation. Leader is considered facilitator for organization he should always support creativity of employee because innovation comes from them and successful implementation depends on them. Resistances to implement new changes have been witnessed by many organizations but resistance is successfully implemented by very organization and they nurtured innovative organizational culture. Every organization deeply understands change process and its impact on organizational growth .Understanding organizational culture helps to increase the organizational effectiveness and development. It helps to develop strong corporate identity. It is a system of shared meaning. It is the set of assumptions, beliefs, values and norms that are shared by an organization's members.

Keywords-: Proactivity, organizational culture, innovation, barriers to Innovation, innovation-oriented culture, efficiency and effectiveness.

Introduction:

For conventional organizations as well as innovative organizations, innovation becomes a key in a vibrant, changing environment. When a company fails to innovate and change as desired by external situations then its clients, human resources and the society at large can all endure. The capacity to deal with innovation and change is an indispensable part of a manager's competencies (R.D.Russel, organisational structure and its interface with external business environment, 1992(18))

Organization culture has an escalating importance because of its impact on employee

performance and satisfaction not surprisingly many organizations believe in redesigning the structure of their business the resolution on the other hand is considered as well premeditated and considered for organization. It can have striking benefits for the endeavor, counting augmented prosperity, superiors overall efficiency and better configuration of teamwork which matches with industry needs. (Riesman).

Literature Review

Various amounts of research studies have done on creativity and organizational culture and it has been significantly found that

innovation and supportive organizational culture will help organization to grow in competitive business era.(Riesman)The various research studies have shown that if any organization or people in organization do not adapt and adjust with innovative culture his or her existence in competitive environment at stake.(R.D.Russel, organisational structure and its interface with external business environment, 1992(18)) And in diverse changes from present scenario to future position with a lot of uncertainty key driver is innovation because is driven by the creative potential of people who have immense ability to see the unseen future through their strategic decision-making abilities. Organizations seriously need to understand what drives creativity and help facilitate it through its strategy, systems, leadership and culture.(R.D.Russel, organisational structure and its interface with external business environment, 1992(18)).Good innovation practices in organizations facilitate human resource at all levels to tap into their inherent hidden potential that is creativity and passion and submit an application in their work; making their work more meaningful and satisfying. Engaging people through crucial work is one of the best ways to promote wellbeing either Innovate or die. In certain critical situation where organization has to face severe consequences because the role of people in successful implementation of innovation is directly related with organizations efficiency and survival in cutthroat competition.(proactive component of organisational behavior, 2015) 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. (Logan, 2012)

organizational culture as a sort of inherited and inbuilt mechanism which is in the social awareness and which causes repeatability of

both individual and collective behaviors, images, emotions and attitudes.(Logan, 2012) Organizational culture is a system of values, norms and symbols typical for a company, which develop over a long time, and its result is the establishment of best practices for the entire social group and the specific hierarchy of values (R.D.Russel, An examination of the effect of organisational norms,structures and environmental uncertainty, 1992)

Importance of Study

The present study aims at engaging and inspiring people to tap into the power of the internal crowd and empower people to create, invent new products, processes and services.

- 1) Giving sense of feeling to employee towards their active engagement in change process. (Riesman)
- 2) Achieving business growth goals and civilizing underneath line results.
- 3) Increasing business value in volatile business environment by making the business attractive to shareholders through mergers and acquisitions (R.D.Russel, organisational structure and its interface with external business environment, 1992(18))
- 4) Making productivity and efficiency gains to increase profitability.
- 5) Competing successfully to respond to industry disrupters, increase market share and extend product lifecycles.
- 6) Responding quickly by developing the internal capability in both human and technology resources to change direction and do things differently.(R.D.Russel, organisational structure and its interface with external business environment, 1992(18))

Objectives for the Study

- 1) To study the role of Proactivity and Innovation in organizational development (T.Bateman, 1993)
- 2) To study the ways through which innovation can be successfully implemented in organization
- 3) To identify the perceptions of the employees with regards to OCTAPACE culture at organizational level. (Riesman)

- 4) To analyze the relationship among OCTAPACE dimensions.
- 5) To study various forms of innovation and its suitability.
- 6) To study how barriers of implementing innovation can be minimized (White paper revolution in workplace, 200)

What is Proactivity?

The world has three kinds of people, said George Bernard Shaw:

- 1] Who make things happen?
- 2] Those who watch what happens
- 3] Those who wonder what happened.

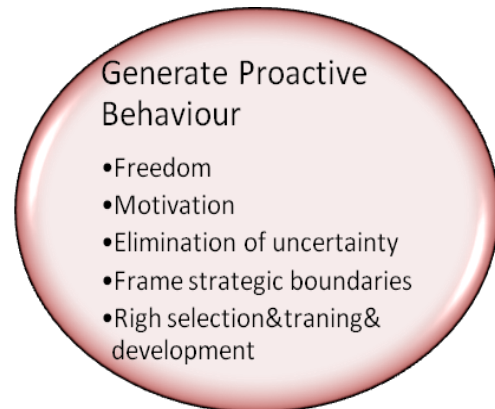


(Conditions for proactive behavior-Fig.1)

Managers ubiquitously are expected to "be proactive and companies are urged to create their futures proactively. (Kelly, 1983).It has been found under various studies that two people in the same position may tackle the job in very different ways. One takes charge and launches new initiatives, generates constructive change, and leads in a proactive fashion. In today's competitive business era Proactivity will help organization to find its survival. (Kelly, 1983)

Many organization who were proactive in the beginning but they failed in business because they were unable to be proactive with changing business conditions. Hence proactive approach is continuous it cannot be stopped till organization find its existence.(Kelly, 1983)

How to generate Proactive Behavior-



(Ways of generating proactive behavior-Fig.2)

➤ Creativity and Role of Leader-

- **Selection of Right approach individuals-**

The first superiority of direction is to capture on the right people at the accurate times, to the precise amount in creative work.(Ambile, 2008) That rendezvous starts when the administrator recasts the responsibility of employees always an organization cannot rely on top down approach it should go with work life balance and encourage participation of employees in decision making process (T.Bateman, 1993)

- **Tapping ideas from 360 degree corner.**

A big business success story shows that only CEO or Director of company cannot generate great ideas but the employees who are working in middle level and lower level have potential to generate great ideas. As everyone knows the story of an eye-opening analysis of innovations at Google: Its founders tracked the progress of ideas that they had backed versus ideas that had been executed in the ranks without support from above, and discovered a higher success rate in the latter category (T.Bateman, 1993)

- **Encourage and Facilitate participation.**

There must be active participation from every segment or every member of staff in

association. Without active engagement and involvement success cannot be achieved and for that the role of participative leadership plays a significant role.(Wride, 2012)

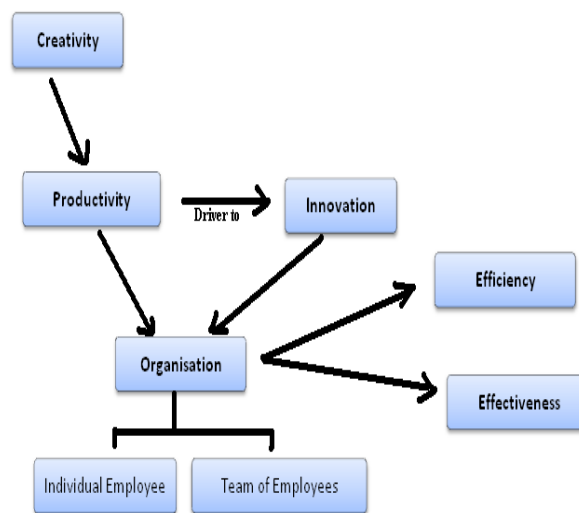
- **Diversity helps in keeping spirit of healthy organizational culture**-Most of the time various complexities give a way to having diverse perspective. To accomplish any undertaking successfully the proficiency from diverse sectors and various experts is desirable. One problem can have many dimension hence it requires a collective efforts from different segments of society. (Ambile, 2008)

• **What is Innovation?**

Innovation may submit to equally radical and incremental changes to products, processes or services.(White paper revolution in workplace, 200) The often implicit goal of innovation is to get to the bottom of a problem. Innovation is an essential subject while studying economics, any type of business, technology based business, sociology, and manufacturing. Since innovation is also considered a major driver of the economy, the factors that direct to innovation are also considered to be critical to policy makers. (Ambile, 2008)

In the organizational context, innovation may be linked to positive changes in efficiency, productivity, quality, competitiveness, and market contribution. At present research practices have great emphasis on great responsibility on leader to have healthy organizational culture for effective implementation of innovative practices which will result in increasing organizational productivity. Organizations can also improve profits and performance by providing work groups opportunities and resources to innovate, in accumulation to employee's nucleus job errands.

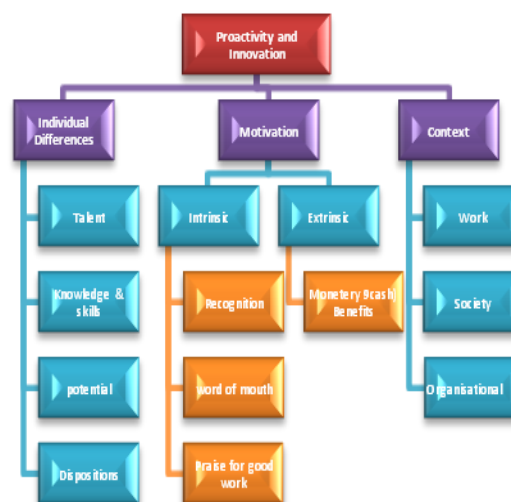
(proactive component of organisational behavior, 2015)(Wride, 2012)



(Linking Proactivity and Innovation.Fig.3)

• **Ways to improve Proactivity and Innovation of Employees:**

Individual differences (knowledge, skills, abilities, and dispositions), motivation, and context (work, social and organizational). (T.Bateman, 1993).The role of intrinsic and extrinsic motivation is very important because these two are considered for innovation. (T.M.Ambile, 1993)The context of organization is very important because various companies, their people and work system are innovation driven.(T.M.Ambile, 1993) Hence individual with motivation and in proper organizational context can work with great efficiency and organizational productivity increases.(T. M. Ambile, 1993)



(Elements of Proactivity and innovation Fig.4)

• **What is Organizational Culture?**

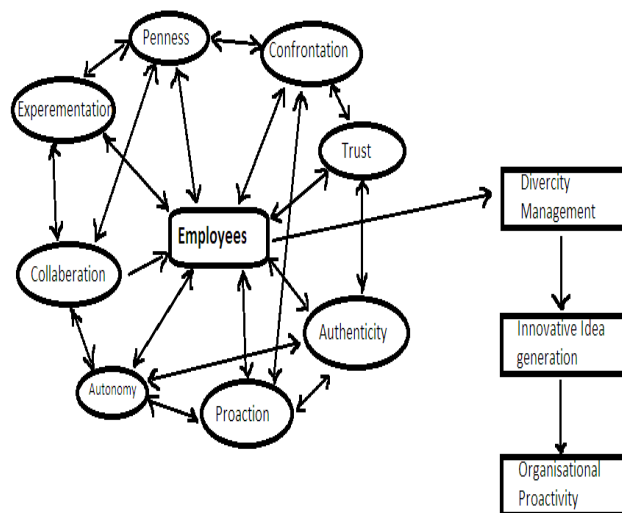
Organizational culture is defined in terms of shared values, beliefs, and rituals, symbols paradigm which is evolved over a period of time .Organizational culture is mainly derived from stories, structures, system, history, and slogan of organization. (Riesman)

Example-IIT-Roorkee has strong 150 year's organizational culture which is derived from its foundation and still it follows and has strong belief in its culture. Success and failure of any organization depends on its organizational culture.

✓ **The Role of OCTAPACE in Enhancing Employees Creativity in Organization: [10, 11&12]**

A culture with OCTAPACE values has the better likelihood of achieving high connection and contentment, team work, intensification and free flow of communication inside the organization. (Riesman)

- **Openness:** Freedom to communicate, share and interact without hesitation getting advice from customers and giving ideas and suggestions to group members.(Bateman, 1999)
- ✓ **Results:** It helps to improved execution of systems and innovation. & Free interaction among team mates and clarity in setting objectives.
- ✓ **Confrontation-** Face challenges and obstacles with open arms. Face the challenges without shying away in difficult situations.
- ✓ **Results:** Improved problem solving and lucidity& Team deliberations to resolve tribulations.
- ✓ **Trust-** It is the most important element of human and organization also. Everything depends on trust. It includes not sharing the secret information to outsiders.
- ✓ **Results:** Higher empathy, timely support, reduced stress & diminution and generalization of forms and procedures.



(OCTAPACE & organization .Fig.5)

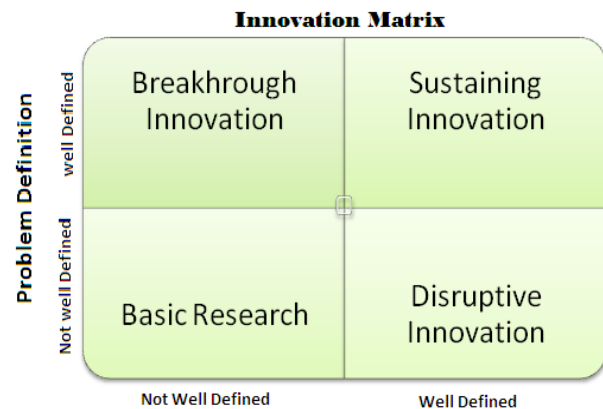
FRAMEWORK OF OCTAPACE & ITS IMPACT ON ORGANISATION

- ✓ **Authenticity-**It is the reflection between what one feels about certain situation and what the reality is. It always focuses on fact and knowledge basis.
- ✓ **Results:** Expression and freely sharing of feelings, emotions without restraint helps in improving interpersonal communication & condensed deformation in communication.
- **Proaction-**Taking initiative, preplanning and taking precautionary stroke.
- ✓ **Results:** Taking and planning actions at immediate concerns.
- ✓ **Autonomy-** it is a freedom driven activity where complete freedom with resources is given to take constructive action which is at the core of every organization.(Bateman, 1999)
- ✓ **Results:** Develops reciprocated associations and reduce interference from the seniors and individual can work without any disturbances
- **Collaboration-** it is association of each other. While performing any task the role of integrity play an important role because it is the result

of integration and support of each other

- ✓ **Results:** Timely work, improved communication, resource sharing
- **Experimentation-** Using and encouraging innovative approaches to solve problems.
- ✓ **Results:** Development of new product, methods, and procedures.
- **Various types of Innovation:**
- **Fundamental Research:** These kinds of research are usually carried at university and different laboratory levels. There is no specific outcome expected. The point is to discover more about how things work. Some experts feel that basic research is not innovation because it doesn't turn out into actual production of goods and services but some expert disagree with this and they say basic research is leading towards innovation and it is the most useful research(satell, 2012)
- **Sustaining Innovation:** Such type of innovation we found in company like Apple where there is a manifestly defined problem and a plausibly good understanding of how to decipher it.(satell, 2012)
- **Disruptive Innovation:** This type of innovation deals with bringing new form of innovation and disrupting present status quo of organization. Clayton Christensen introduced the concept of disruptive innovation in his classic book “The Innovator’s Dilemma. In such innovation old wine in new bottle, it means old products can be sold through various innovative strategies.(satell, 2012)
- **Breakthrough Innovation:** This type of innovation practice is like the way is unclear and we can't guarantee the innovation would be successful or not. Thomas Kuhn called this “revolutionary science” because it involves a paradigm shift. In this

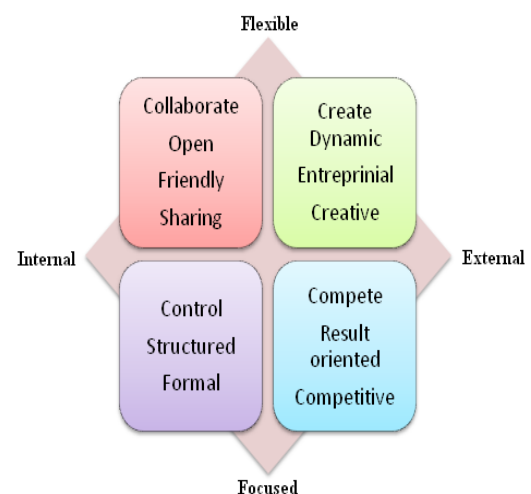
case, the problem is well defined, but the path to the solution is unclear, usually because those involved in the domain have hit a wall.(satell, 2012)



(Innovation MatrixFig.6 (satell, 2012))

- **Formal structure interface with Internal and External Business Environment -**

The internal and external business environment plays a significant role we have to adopt innovation according to changes which are happening in internal and external business environment. The success-survival-growth of business completely depends of innovation with scenario analysis (Kelly, 1983)(Riesman)



(Innovation Interface with Business Environment.Fig.7)

- **How Innovation can be successfully implemented in Organization:**

Role of organizational culture in overcoming challenges and Resistance to change

An article on How to kill creativity written by Ambile has identified a few proven strategies for organizations to help promote creativity and address systemic factors that are known to stifle the drive to be creative.(Ambile.T.M, 1998)

Of all the things that managers can do to stimulate creativity is to match people with jobs that challenge people to utilize their expertise and their skills in creative thinking, and ignite intrinsic motivation.(Riesman) However, setting the right level of challenge is crucial. Too little challenge can leave people feeling bored and disengaged; but too much challenge can leave people feel overwhelmed and anxious (Ambile.T.M, 1998)

- **Freedom** - The key to creativity is giving people autonomy. While it is important to set clear goals for people to achieve, it is also important to let them choose how they achieve it. People are likely to be more creative if we give them freedom to decide how they would like to approach their tasks.(Ambile, 2008)
- **Resources** - The two main resources that affect creativity are time and money. When it comes to a project, we must determine the funding, people and other resources that a team legitimately needs to complete the task.
- **Work-group Features**–Group must work for common objectives of their group. There must be mutual understanding between group members. There must be predefined rules and regulations for every group member. There should be effective communication among every group member.(Wride, 2012)
- **Supervisory Encouragement** - Most managers and supervisors can

encourage creativity by offering due recognition and credit to their team members. Managers can also support creativity by serving as a role model, persevering through tough problem, as well as encouraging trust, collaboration and communication within the team.(Bateman, 1999)

- **Organizational Support** - Encouragement from supervisors certainly fosters creativity, but creativity is truly enhanced when the entire organization supports it. Organizational leaders must put in place appropriate systems or procedures that value and recognize creative contributions.

- **Managerial Implication-**

Positive approach to innovation is greater if employees know that they have the support of superiors and independence in action while they develop innovative ideas, as well as that they can make use of financial resources to support the innovation processes. As the relevant literature shows, objectives may actually promote innovation at the same time leaders of the organization should give a clear signal that innovation is highly desirable, by setting ambitious goals indifferent areas and establishing motivated teams to find ways to implement the vision.

The support for innovation is the symbols and rituals, whose main objective is to identify innovative behavior and an incentive for this type of behavior. a dimension of the relationship, which refers to the models of interaction within the organization; innovative ideas are rarely the creation of a distinct intellect, therefore building a collaborative environment, accepting different ways of thinking, different viewpoints and diversity provide a good basis for the growth of innovation.

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