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Innovation is the Key Driver for Corporate Success

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Abstract: Innovation is the most influential force for change in the world. Innovation primarily shifts the pathway of development. Innovation provides competitive advantage for a firm to face the market challenges. Innovation enables individuals to be more successful, contribute towards profitability and make the company more stable in the long run. Innovation has broad measure for large and small business that increases diversification and difference in goods. Innovation gives positive influence on the employee retention, productivity and quality of the products. With innovation, the firm can acquire demarcation to provide the customer satisfaction. Innovation is not only about developing a latest product or service to put up for sale, but can also emphasize on current business practices to improve competence, skills, minimize waste and boost profits.

Key words: Innovation · Managerial innovation · Product innovation · Organizational innovation

INTRODUCTION

This research has carryout to check the factors which are connected through innovation at the activity level. Primarily it is important to find companies that have willfully adopted a competitive strategy that is not significantly on their innovation. Secondly to find out some companies which have different approaches to innovation. As Bezrgfeld & Weber [1] defines "In the firm innovation can bring important approaching for helping more broadly and prospective of countries for stay as a leaders in international innovation context". The main aim of innovation is to increase the "profitable use of innovative ideas as product, organizational techniques & processes" [2]. In the today market Innovation take many forms, from domestic innovation need relationship between branch within the association to innovation who give permission to company to share their knowledge, many factors and relation which successfully innovation. If the Companies, Department & individual have Good communication in between them so it seems to the factor as form of connection represent the many form of innovation. And this team work or alliances flash to the creativity of innovation. Innovation has broad measure for large and small business that "increasing of diversification & difference in goods, It gives positive influence on the turnover and increased the profitability, employment and productivity and also leads to quality progress" [3]. Aim of present study is to enhance the knowledge regarding various firms on difference innovation behavior and the relationship between innovation and corporate success. Present study is basically to investigate the role of innovation in corporate success of organizations and challenges and opportunities in the market, keys to product innovation that lead to wining market leader,

For business enterprises, it will be helpful to understand that how logical is managerial and organization innovation regarding the performance of business and provide rational considerations when change is implemented in organization.

Literature Review: Innovation stands competitive advantage for a firm to face the serious challenge. There is a wide study on the role of management capabilities for improving the innovation efforts [4]. There is upward agreement that innovation performance can lead organization to sustainability practice [5]. Innovation is primarily concerned with understanding how innovations come out, develop, grow and are displaced by other innovations [6]. According to Porter [7], the main driver for economic growth is innovation. According to Damanpour and Evan [8], organizational innovation and managerial innovation guide to improve firm level of

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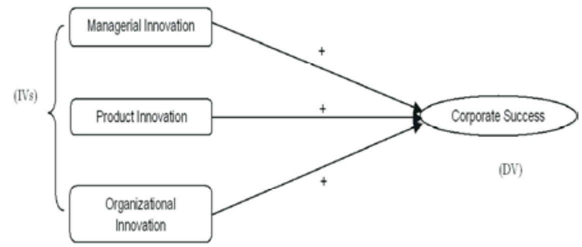
1performance specially when is applied to product innovation. Innovation has wise measure for large and small business. Innovation enables individuals to be more successful for the country, contributes to its profitability and makes the business more stable in the long run. It also improves diversification of product and ensures quality improvement and also has control over turnover and has positive influence on employees and also has positive sign in its profitability [3].

Managerial innovation and organizational innovation provides strong relationship with customers and employees [9]. Innovation improves market share, enhances operational competence, organizational reputation and cut cost [10]. There is general agreement that innovation practices can lead organization to be sustained [5]. Bhasrakan [11] states that incremental and radical are two different innovation type of nature. The newness of the innovation is less raising up than the truth to the thoughts, the actual application or use of a plan or method or objects are new to the operational unit that is following them [12].

The field of innovation is very wide-ranged. Authors have made distinctions between studies of the "diffusion" and "adoption" of innovations [13] as well as between studies of "innovating" and "innovativeness" [14]. Although a certain degree of overlap between those concepts may exist, this study focused on the adoption of innovations in organizations and examined organizational properties that enhance or hinder organizational innovativeness.

The embracing of innovations is conceived to include the generation, development and execution of new ideas or behaviors. An innovation can be a new product or service, a new production process technology, a new structure or administrative system, or a new plan or program relevant to organizational members. Thus, innovation is defined as adoption of an internally generated or purchased device, system, policy, program, process, product, or service that is new to the adopting organization [8, 15].This definition is sufficiently broad to include different types of innovations relevant to all parts of organizations and all facets of their operation.

According to [16], management innovation is technological innovation. Organizational and managerial innovation may not guide to value creation without technological innovation. Organizational innovation surrounds accountability, responsibility, information and command line. Millat [17] explains that a firm due to its unique characteristics has incapability to acquiring of knowledge about innovation process all elements.



A marketplace that is more and more spirited remain in an existence that have increased interest in understanding the aspect linked with innovation [18]. According to Brikshaw [19], management innovation is creative ability and implementation practice of management, structure, process or methods and technique that is new for the organization goals. Stephen [20] describes that financial firms take a reactive and informal approach to product innovation that is proactive and more formal approach seems to be related to new product success.

Theoretical Framework: The model of present study depicts that there are three predictors and one latent variable. Managerial innovation, product innovation and organizational innovation are independent variables and corporate success is dependent variable.

Based on past research and literature following hypotheses are generated.

H1: Managerial innovation is associated with corporate success positively.

H2: Product innovation is associated with corporate success positively.

H3: Organizational innovation is associated with corporate success positively.

MATERIALS AND METHODS

Present study is done through descriptive methodology. Descriptive research is basically to describe the data. Inferential statistic comprises those methods relating to the analysis of data, testing hypothesis and making inferences. Primary data was gathered through self administrated questioner. The target population is banks, telecommunication companies and different short and medium size businesses.

The target sample of present study was 180 respondents from banks, telecom companies and different short and medium size businesses. The response was 56 percent from the total 180 respondents in which 100 were staff members of personnel of banks, telecommunication companies and different short and medium size businesses. Respondents consist of 80 males and 20 females who responded in present study.

Table 1 depicts the inter item reliability which is obtained through Chonbach's alpha. Individual reliability for each variable i.e. managerial innovation, product innovation, organizational innovation, corporate success are.780,.846,.830 and.894 respectively but the overall reliability of variables is.91 which grades as excellent reliability of items.

The Pearson correlation is estimated to check the association between the variables managerial innovation, product innovation, organizational innovation and corporate success that how much variables are positively or negatively associated with each other.

Table 2 explains the results correlation matrix of managerial innovation, product innovation, organizational innovation and corporate success.

Pearson correlation of managerial innovation, product innovation and organizational innovation shows positive association and highly significance with corporate success at 0.79, 0.87 and 0.80 at 5 percent level of significance respectively. This depicts positive relationship between I.Vs and D.V. Impact of independent variables on dependent variable regression analysis was done in present study.

The regression equation for present study is:

$$Cs = \alpha + \beta 1\ (MI) + \beta 2\ (PI) + \beta 3\ (OI) + å$$

Corporate success = $\alpha + \beta 1$ (Managerial Innovation) + $\beta 2$ (Product Innovation) + $\beta 3$ (Organizational innovation)

Table 3 shows the Correlation coefficient R is.903 or 90.3% which means that correlation between I.Vs (managerial innovation, product innovation & organizational innovation) and D.V (corporate success) is positive. The coefficient of determination R^2 is.815 which show that 81.5% of variation in corporate success is explained by managerial innovation, product innovation & organizational innovation.

F-test value is 60.083 and significant value is significant at.000 which is less than $P < 0.05$. This shows our model of regression is significant. The correlation between DV & IV's is statistical significant and overall our regression model is fit and valid.

Table 1: Reliability Statistics

Variables	Cronbach's Alpha	No. of items
Managerial Innovation	.780	09
Product Innovation	.846	05
Organizational Innovation	.830	11
Corporate Success	.894	13
Total	.91	38

Table 2: Coefficients Correlation Matrix

	MI	PI	OI	CS
MI	1			
PI	0.79*	1		
OI	0.76*	0.78*	1	
CS	0.79*	0.87*	0.80*	1

*Correlation is significant at the 0.05 level (2-tailed).

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.903*	.815	.801	.2865

a.Predictors: (Constant), Managerial Innovation, Product Innovation, Organizational Innovation

Table 4: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	14.796	3	4.932	60.083	.000*
Residual	3.365	41	.082		
Total	18.161	44			

a. Predictors: (Constant), Managerial Innovation, Product Innovation, Organizational Innovation

b. Dependent Variable: Corporate Success

Table 5: Coefficients, standard error, t-value and p-values

Model	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
Constant	.249	.313		.797	.430
Managerial Innovation	.185	.134	.166	1.386	.173
Product Innovation	.482	.107	.565	4.518	.000
Organizational Innovation	.257	.128	.232	2.007	.051

In Table 5, the regression coefficient for managerial innovation, product innovation and organizational innovation are $\beta 1$=.166, $\beta 2$=.565 & $\beta 3$=.232 which implies that one percent increase in managerial innovation, product innovation and organizational innovation lead to increase of 16.6%, 56.5% and 23.2% in corporate success level if other variables are reserved restricted. The t values of managerial innovation, product innovation and organizational innovation are 1.386, 4.518 and 2.007 which are significant at.173,.000 and.051. Our first hypothesis is managerial innovation is positive effected on corporate success is rejected because significant level is greater than.05 level. Results of present study support all three hypotheses that managerial innovation, product innovation and organizational innovation are positively and significantly associated with each other.

DISCUSSION

This study explains the relationship between managerial innovation, organizational innovation, product innovation and Corporate Success. H1 that is managerial innovation has positive effect on the corporate success is insignificant, while H2 and H3 that is Product and Organizational innovation has positive effect on corporate success which are significant. The study shows that Product leads to corporate success. A booming innovation must contain four characteristics.

- Essential - it must provide benefits that will be perceived as significant by consumers.
- Exceptional - it must be unique since one that is not differentiated will without doubt be unsuccessful.
- Sustainable - these properties of essential and exceptional can be rapidly replicated by competitors and must, therefore, be sustainable.
- Commercial - the company must have the capacity to market a consistent and efficient version of innovation, at a value the purchaser can pay for and dispense it that it's effortlessly accessible.

Nowadays, Innovative organizations are called 'third generation competitors”. The first generation competitors rely on price advantages, the second one heavily depend on demarcation and the third on the benefits of a flow of innovative products along with cost and superior quality. Third generation competitors have concentrated on momentum by spending minimum time to provide their offerings to market. Only by constantly updating their products, accumulating latest ones and expending their ranges enable the companies maintain market control and the revenue performance dreamed by stakeholders. In a broader sense, innovation is significant to the development of humanity around the world. New and innovative goods can raise the standard of living and offer community with opportunities to get better their lives. Breakthroughs in medication and technology have radically enhanced living standards around the world. Innovation has also guided to significant improvements in the technique in which businesses maneuver.

From the study, it is found that innovation and corporate success are essential for business. Innovation can be applied by organization to achieve competitive advantage. When there is better understanding of their mechanisms under innovation, more effective and efficient action can be taken by to increase the competitive edge. This study analyzes the current issues of global market regarding the importance of innovation. This empirical study describes that corporate success is enhanced only if the company is optimistic towards innovation. Organizational innovation also strengthens the relationship of corporate success with organization. This study empirically proves the relationship of independent variables (product innovation and organizational innovation) and dependent variable (corporate success). The strong positive relationship shows that if company is more focused on product and organizational innovation then it can easily get competitive advantage and improve its market share.

The study entails several limitations firstly it entail cross sectional study a longitudinal study should be carried out for further analysis. This survey used Managers and Operational managers as respondents which may cause bias. Time is one of the constraints, within specific period it is required to complete and submit the research to our concern teacher. Further results should be carryout to evaluate the results by increasing the sample size.

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