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INNOVATIVE PERCEIVED CONDUCT OF INDUSTRIAL FIRMS

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***Abstract:** Innovation can be considered as any change made in an organization in order to improve its economic situation, its market position, employees' working conditions or environmental protection is an integral part of the innovation process. In order to be competitive, IT organizations should be innovative. In this survey about 146 managers in industrial companies it was found that they do believe that developing new products and improving existing products are measures that can help achieve performance. The most important requirements for a successful company to successfully innovate are the ability to understand customer needs, anticipate market developments, attract and retain innovative people, develop new technologies and improving the quality of goods and services. We conclude that the market dimension is the most important perceived side by managers in industrial firms.*

***Key words:** Innovation, new product, organizational conduct.*

1. INTRODUCTION

INNOVATION represents the implementation of a new or significantly improved product (good or service), a process, a new marketing method or a new organizational method. Any change made in an organization in order to improve its economic situation, its market position, employees' working conditions or environmental protection is an integral part of the innovation process [1]. To be accepted by the employees, any change must be preceded by an awareness-raising, informative action, especially since a change, however insignificant it may be, is also an investment, meaning that money is currently being spent for a potential future gain. Funders generally have trouble agreeing with spending money for winnings that may never come. Therefore, before introducing innovation as a permanent policy, the first action should be modifying the existing organizational culture; this must be done so that all staff accepts the risk, not just its managers, and this must become the working norm of the company. A company that adopts this type of behavior is called an innovative firm [2], [3].

The way in which the company uses its resources in order to achieve its objectives

decided through policy at the agreed deadlines represents the innovation strategy. The strategy is also defined as the art of using all available means to achieve the proposed objectives. An innovation strategy must be a coherent overall thinking that, taking into account the particularities of each objective and the experience gained in implementing previous strategies, ensures a harmonization of the achievement of objectives and the timing of the agreed deadlines.

The process of innovation, representing a future investment in the long term, must be implemented as any other conscious activity that benefits the organization. Thus, there is a need for managers specialized in this field, known as innovation managers.

Innovation management is a complex task of leadership, which, through its strategic and operative elements leads to a systematic process of change. That is why there are three indispensable features of this process, namely: orienting managerial behavior towards the process of change, initiating innovation actions with a precise objective and correlating innovations in the organization's strategic system. The innovation managers, like any other manager, must adhere to the principles of general management, but, at the same time,

they need to coordinate, track and evaluate the performance of specific innovation activities, i.e. the innovation process. They must plan, schedule, allocate the resources needed to carry out the innovation activities, assume the risks inherent to any venture business, ensure the orientation of the collective activity that they are leading towards the development goals of the company for which they work; they have to make a decisive contribution to the company's strategy and to support the creative work of the whole company. In specialized literature, four types of innovation are theorized: product innovation, process innovation, marketing innovation and organizational innovation [4]. Product and process innovation are closely linked to the concept of product or process technology innovation. Process innovations can be geared towards reducing unit costs, increasing quality, production or delivering new or significantly improved products.

Marketing innovation and organizational innovation cover a wide range of innovations that can exceed the limits of the above definitions. Product innovation is the introduction of a good or service that is new or significantly improved, while respecting its characteristics or intent of use [5]. This includes significant changes in techniques, equipment and/or software.

The main sources of innovation are the market, technology development and entrepreneurial innovation [6], [7]. The market is a source of innovation when it comes in response to new customer needs and requirements or in response to new successful competition products.

Considering these conceptual delimitations, the research questions rising is about the way innovations is perceived by managers and what is their conduct toward implementing innovative process in their organizations.

2. METHODS

The study is a survey based on a questionnaire developed and validated. The research population is industrial managers of industrial organization listed in the Chamber of Commerce's records of Romania, Alba in 2015.

The questionnaires were assigned o the Top Companies in Romania, Alba County in 2015. 146 correspondences, industrial managers, were interviewed through the questionnaire are included in the research sample. The results presented are obtained from a case study of innovation behavior within industrial companies in Alba County. The questions are about managers' representations regarding the company's innovation behavior.

Industry remains an important part of Alba County's economy as a whole. The bulk of the volume of economic investment has turned to industry, which is also the main source of exports. Although the number of small enterprises predominates, most of the industrial production is carried out by large and medium-sized enterprises.

Currently, the wood processing industry, the food industry (meat processing, dairy, alcohol bottling), light industry and machine building industry are the main pillars of the Alba county industry. The wood processing industry also benefited from the largest investments in the industrial sector and provides over 40% of the county's exports. The food industry partly harnesses local raw material and benefits from an opening towards the national market. The textile and footwear industry has flourished as a result of the development of the "lohn" system since the late 1990s and the machinery industry has succeeded in modernizing thanks to the successful collaboration between local firms in this field and several prestigious German companies of prestige.

3. FINDINGS

It turns out that innovation on products and services is a strategic priority after productivity and profit.

Table 1

Strategic Priorities of industrial organizations regarding innovation

| STRATEGIC PRIORITIES | Yes | No |
|-------------------------------------|------------|-----------|
| Social responsibility | 70.9 % | 29.1 % |
| Innovation on products and services | 72.5 % | 27.5 % |
| Human/financial/material resources | 48,4 % | 51.6 % |
| Market position | 68,7 % | 31.3 % |
| Profit | 100 % | - |

Productivity 98.4 % 1.6 %

Table 2

| Association of business variables and strategic objectives of the company: Innovation of products or processes | | | | | | | | | |
|--|-----|-----------------------------------|----------|-------------|---------------|---------|----------|-------|-------|
| | | Domain of activity of the company | | | | | | | Total |
| | | Research | Industry | Agriculture | Constructions | Tourism | Services | Trade | |
| Innovation of products or processes | Yes | 0 | 132 | 4 | 30 | 0 | 12 | 3 | 181 |
| | | .0% | 72.5% | 21.1% | 78.9% | .0% | 11.4% | 3.9% | 40.4% |
| | No | 10 | 50 | 15 | 8 | 18 | 93 | 73 | 267 |
| | | 100.0% | 27.5% | 78.9% | 21.1% | 100.0% | 88.6% | 96.1% | 59.6% |
| Total | | 10 | 182 | 19 | 38 | 18 | 105 | 76 | 448 |

According to the research results mentioned above, the strategic priorities of the companies vary according to their field of activity, as shown in the table 2.

Improving existing products and developing new products fall under the category of product innovations that involve goods and services that are entirely new to the firm or new to its market or goods that have been significantly improved. These are the innovative activities that managers think would contribute the most to their performance (Fig. 1).

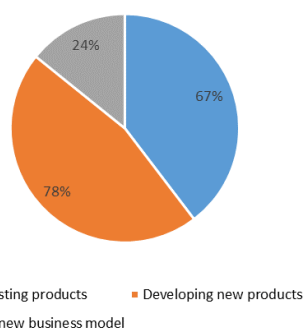


Fig. 1. Type of innovation. What type of innovation do you think would contribute the most to your company's performance?

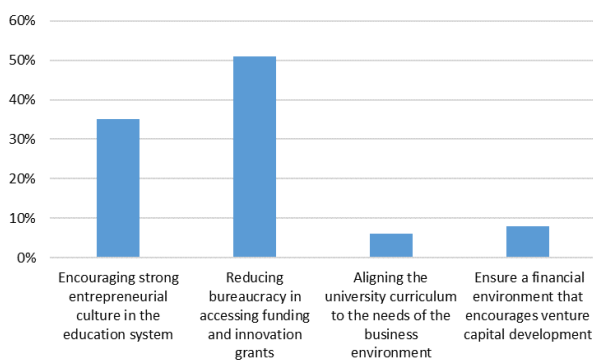


Fig. 2. Priority. What are the priorities that the government should focus on in order to effectively support industrial innovation?

The most important skill a company needs to have in order to innovate successfully is the capacity to understand customer needs and to anticipate market developments according to 60% of interviewed managers, given that customers and the overall market are the main source of innovation (Table 3).

The next important skill is attracting and retaining innovative people according to 44% of respondents. In order to carry out innovative activities, companies needed creative people with certain skills that need to be stimulated by various means (financial incentives, professional training, organizational culture of innovation, non-financial incentives). The starting point of innovation is creativity, the ability to identify new links between seemingly unrelated elements. The next feature necessary for innovation is the development of new technologies, closely related to the company's research development activity.

Table 3

What are the most important skills a company needs for a successful innovation?

| Skills | Percent |
|---|---------|
| The ability to understand customer needs and anticipate market developments | 60% |
| Attracting and retaining innovative people | 44% |
| Developing new technologies | 40% |
| Assessing and managing risks | 39% |
| Creating an environment and a culture that will lead to innovation | 37% |
| Investing in long-term innovation projects | 35% |
| Identifying and collaborating with the best business partners | 33% |
| Assigning a budget for innovation activities | 26% |

Innovation can be supported by the state by reducing bureaucracy in accessing funds and innovation grants, according to a significant percentage of managers, 51% (Fig. 2). Another

35% believe that Encouraging strong entrepreneurial culture in the education system is a priority that the government should focus on in order to support innovation.

4. CONCLUSION

In this study, only some aspects of innovation, as perceived by managers of industrial firms, have been captured. Obviously, there are many other openings regarding innovation that have not been debated in this endeavor.

Managers of industrial firms believe that developing new products and improving existing products are measures that can help achieve performance. In the eyes of these managers, the most important requirements for a successful company to successfully innovate are the ability to understand customer needs and anticipate market developments, attract and retain innovative people, and develop new technologies. The types of objectives that can be achieved through innovation are improving the quality of goods and services, expanding the range of goods and services and entering new markets or increasing the market share, objectives compatible with the types of innovation that can help achieve the company's performance.

It is reveal that managers in industrial firms do consider the market side and their customers as the most important factors when considering innovations.

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Comportamentul de inovare perceput al firmelor industriale

Rezumat: Inovația poate fi considerată ca fiind orice schimbare făcută într-o organizație pentru a-și îmbunătăți situația economică, poziția acesteia pe piață, condițiile de muncă ale angajaților sau protecția mediului care reprezintă o parte integrantă a procesului de inovare. Pentru a fi competitivi, organizațiile IT ar trebui să fie inovatoare. În acest studiu despre 146 de manageri în companii industriale s-a constatat că ei consideră că dezvoltarea de noi produse și îmbunătățirea produselor existente sunt măsuri care pot contribui la obținerea performanței. Cele mai importante cerințe pentru ca o companie de succes să poată inova cu succes sunt capacitatea de a înțelege nevoile clienților, anticiparea evoluțiilor pieței, atragerea și păstrarea persoanelor inovatoare, dezvoltarea de noi tehnologii și îmbunătățirea calității produselor și serviciilor. Concluzionăm că dimensiunea pieței este cea mai importantă parte percepută de managerii din firmele industriale.

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