

Innovation and challenge of adopted rules

¹Shahin Mohammad pour

¹ Azerbaijan National Academy of Sciences

Email: mohammadpour_sh@yahoo.com

Abstract – Study on the progress of global economy shows that rapid evolutions have been happened through the recent decades and all those changes have been driven mainly by the emerge and spread of new and advanced technologies in the process of production. It is clear that the global business has been intended to adopt with those products equipped with advanced technologies and also because of the considerable added value presented by such products so suitable marginal profit can be provided. Indeed, those states that more appropriately would be able to apply approach of manufacturing the products and services accompanied with advanced technologies, absolutely will experience massive growth through all parts of their economy. Moreover, a severe attention to the principal of innovation would decrease economic costs and that would effectively leads to the economic development. Therefore, it can be maintained that significantly the most economical factor for the growth in the developed countries has been the approach to a severely development in application of innovative elements within the states productive procedures. So, it necessitates taking especial attention to the innovation aiming to increase ability of competition, creation of new procedures in production, invention of the modern methods for applying factors of production, decrease in the current technological gap, and eventually up-gradation in level of productivity within whole factors of production.

Keywords – Innovation; organizational crisis; economical factor; global business; technological gap.

1. Introduction

In view of the economists innovation has been always taken in account as an important component in path of development of human being life and welfare. Regarding limitation in the sources, innovation is the most appropriate and effective method for optimum use of the facilities and achievement to more suitable economic growth.

J. Schumpeter writes about innovation as the driving force for economical development. In his viewpoint, launching a new product equals to introduction of a new method in the relevant process of production, openness of a new market, derivation of new sources and establishment of new arrangements in the related industry, etc... that is operated by entrepreneurs. Success in innovation results from a comprehensive understanding needs and favorites the customers, partners, employees and other people that are related to the industry. The main principals of innovation include attraction trust of others, direct interaction with the customers, investigation of the international evolutions and obtaining the solutions that solves the human's real problems. The most significant incentive for continuance of movement to innovation include following competitive advantages. Merely based on dependence on the improvement of current products and services, any country can remain in situation a profitable economy because the new competitors are emerged. Also, companies must introduce new methods and create completely different products rather than conducting old approaches. Although effectiveness of activities is necessary, that is not enough; effectiveness in activities does not guaranty taking over other competitors.

2. Motivation for Cooperation Innovation

Nowadays, imposing basal changes on the rules of the game is a main provision for being in suitable condition of competition. There are incentives that manage companies to innovation and creation of new ideas. Some of them include:

2.1. Poverty and devaluation of sources

Possession of sources and other advantages were scored as an effective factor for success of companies and firms during the past contemporary times. Regardless of some difficulties that some of the large companies were encountered with, they enjoyed many interesting advantages including comfortable accessibility to the financial sources and market, commercial prestige, public and governmental support. Based on the above-mentioned benefits, they were able to embrace necessary conditions to win the competition. On the other hand, despite flexibility small and moderate companies were confronted with many limitations in path of accessibility to the financial labor, and technological sources. Those conditions would limit accessibility of them to the sources and would prevent them to reach possibility for competition. Innovation in business and also in technological advancement causes to a decrease in importance of the sources especially the primary sources for the access to the competitive advantages. Companies and organizations can overcome lack of assets by adaptation with principals of innovation. That means companies must search those abilities necessary not only for stability but also for utilization of competitive advantages.

2.2. Action for future

Regarding existence of explicit and implicit variables the foreseeing practically is not possible. Although it is

suitable to estimate oncoming future, however due to the ungovernable speed in the changes that surly is not possible. Almost all attempts for the future foreseeing are invaluable, because even a tiny change in the major variables would lead to change in the path of future patterns. Foreseeing based on the past and present is a linear view to the future. Lack of trust about changes in the future has enforced some companies try to plan their future business pattern. Such companies believe that “the company that determines standard for the industry always governs on the market dominates that”. Based on the same believe Microsoft motto states “we determine the standard”. Such companies not only present their products and services but also are producers of new philosophies in the management. For example, Toyota is not merely producer of vehicles but this company has presented the philosophy of “pure production”. Mysterious nature in accuracy of attempt to the foreseeing and severity of a series of companies to create the applicable pattern for future of the business depends on the unique principal of innovation. For those companies that do not act for future failure is inevitable. In turn, for those companies that acts for future success would be potential

2.3. Convergence, similarity, and life briefness of strategies

A vast range of companies imitate others to win and they select from the conventional strategies. Some experts believe that majority of companies simulate each other rather than create new strategies. Aiming to be different from others, similarity and convergence of the strategies enforce the pioneer companies to create new procedures, methods, products and services. This aim requires them to be innovative. On the other hand, increasing potency to imitation plus to rapid changes have led to briefness of the strategies.

2.4. Endeavor for freshness

Innovation and continuous reviews enforces companies to be reestablished and this provides them freshness. Freshness and reproduction are resulted from recognition and application of the new methods and thoughts that would act to prevent companies to become old. Respecting the mentioned matters, nowadays companies have to do different activities to come over other companies. So, innovations means doing new works or conducting current works adopted with new methods. Of course it must be mentioned that strategic innovation is a concerned topic that covers something more than invention of new methods or production of new products. Within the modern systems those companies are more benefited that be managed based on creation of radical and principal ideas and also seek new opportunities. If correctly directed the radical ideas can even be lead to a revolution within an industry. In other view, after recognition and challenge of the believes and hypotheses adopted with the business the pioneers of the markets introduce new believes by presentation of revolutionary ideas and change the future paths according with their benefits and make beneficial opportunities for themselves. With purpose of being in the best conditions

a company must be innovative in the products, procedures, structure, sources, commercial models and business rules. However, potency for innovation according with presentation of the radical ideas has been accepted within the advanced countries.

So, due to significance of the strategic innovations in the competitive contexts, it appears that companies must “increase their innovative ability” to create the ideas that lead to the adopted rules, rather than to present the “technological innovations”.

2.5. Decreasing organizational crisis

Third-order headings, as in this paragraph, are discouraged. However, if you must use them, use 10-point Times New Roman, boldface, initially capitalized, flushes left, and proceeded by one blank line, followed by a colon and your text on the same line.

Crisis and also inconsistencies between prospects and outcomes of the organizations can play role as a spring for innovation. Concept of crisis implies unbalancing event that takes places in relationship of organization with the environment. Some thinkers believe that crisis is a big issue in an organization which has vast news coverage, and influences the normal activities of the organization, and can have political, legal, financial and governmental effects on the organization. Organizational crises have various forms. Some of them start gradually, and get reinforced as time passes, and continue up to a threshold level, and then divulge. These crises are called gradual crises, and have the following properties:

- They form in aggregations, gradually.
- Are very predictable.
- Are not clear and vivid.
- Their starting point is from a threshold level.
- The possibility of their occurrence gets more as time passes.
- They occur due to the inconformity of the organization with some aspects of the environment.

The important point about the crises is that they never happen suddenly, and most of the time they have alerting signs that show potential problems. These temporal crises are sudden for the managers who do not pay attention to the alerting signs. In the other words, in addition to being innovative, conscious organizations try to find new solutions and products for the future, so that they minimize the role of crises in the organization. The innovation approach must be taken into consideration when the organization has a satisfying performance. Therefore the organizations can predict the crises more, and take serious actions for avoiding them and reducing the damages caused by them. The more precise the innovation approaches, the better chances for solving the crises successfully. It's obvious that development of different industries, provide new facilities for the future's image, and today, the creative organizations can imagine the potential crises, and depict them. Crisis can be considered as the humans' life process, which contains the birth, growth, maturity, wane, and death. In other words, crises are also born, grow up, get stronger, and

mature, and after a while get weaker, and finally die. Therefore with innovation actions can be taken to stop the growth of the crises as they're born. In other words, different organizations and institutions can quickly adopt themselves to the situations with innovation in products, methods, processes, and creating new rules, and so on, and avoid the spread of gradual crises, and reduce the negative aspects of them through taking proper organizational actions (before the crisis), and even turn their threats to chances for competition.

In relation with development of innovation activities, some scopes need more attention, as follows:

- Having continuous interaction with international research and other knowledge-based institutions
The framework for gaining knowledge had gone beyond the nation's borders, and the internal policies must encourage for gaining knowledge and technology overseas.
- Increasing the innovation and research and development capacity in organizations
In most of innovative systems of developed countries, the in-organization research and development units play the main role as the motivators of innovation process, and have interaction with universities, institutions, and consumers of research.
- Increasing the role of foreign investment in innovation system international companies have play an important role in forming the structure of markets, and the speed and direction of technological changes. Their presence in the host country provides a chance for investment on learning, transition of skills and knowledge. Direct foreign investment not only presents new technologies in form of new management products, processes, and techniques, but also stimulates competition. The international companies are one of the key role players of national innovation systems all over the world.
- Supporting the development of small and medium companies can reinforce the supplying networks.
- Providing the supportive infrastructures of the industries, technologies, and supporting them financially
Organizations or institutions cannot be innovative by themselves, because in addition to the interaction with clients, and providers, continuous and proper support of the related professional institutions is also required. However, lack of financial resources, lack of expertise and experience in developing and managing scientific parks are some of the obstacles in this process which need to be removed.
- Creating Active businesses, and organizations that support the consumers

The role of organizations and associations in order to develop innovative activities of supporting business (technical, financial, and commercial support) is necessary, and these organizations must not have marginal roles. In other words, innovative activities must

be stimulated according to the "demand of the society", not due to the governmental requests and proposals.

3. References

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