

Innovation, Business Models and Entrepreneurship
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Lecture – 06
Challenges of Innovation

Welcome back friends, we were discussing about various aspects of innovation and we discussed in our last session about different schools of innovation. We focused on the issue that what can be taught and what cannot be taught. And we discussed that analytical part can be very well taught in a classroom environment; however, we have limitations for emotional part; emotional way of thinking, but analytical way of thinking can be very well taught in a classroom environment.

Now when we can teach something in a formal classroom environment, the next question was what are the different ways in which we can practice innovation? And we discussed three very important ways; one is design thinking, the other is systems thinking and then be lateral thinking. And we discussed in detail the broader characteristics of three different schools of innovation that how design thinking is more human centric approach of innovation.

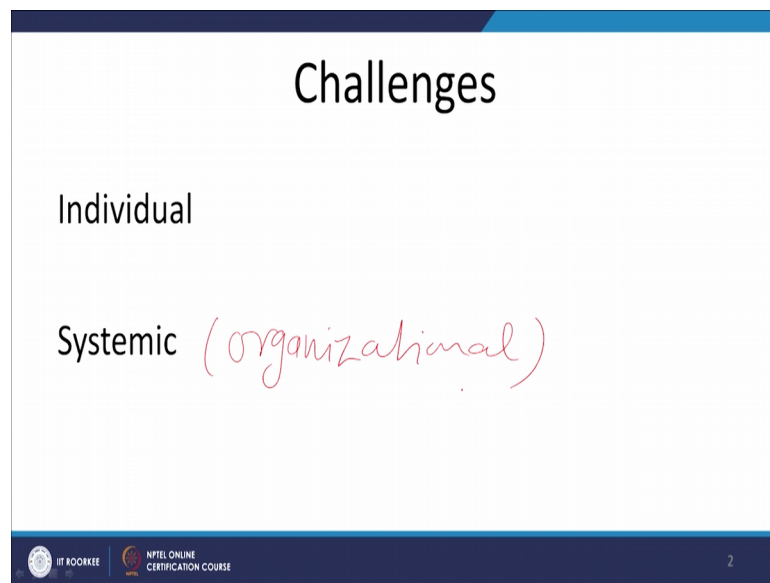
And how systems thinking is looking for point of leverage and the concept of silver bullet so, that if your silver bullet hits that point of leverage; you get the maximum advantage. And then the lateral thinking; so, some known idea is there and this known idea gives birth to a new idea, which is mostly you find at the implementation stage that how this idea can be implemented in a normal way in some other context.

Now when we understand these three different types of a schools of innovation, I request that please think more and more such examples which you can linked with different schools of innovation. And please write those examples on our active forums so, that people can share the understanding of various examples with the help of forum discussions and I will also intervene as then when required so, that we can have a clarity about whether this example classifies into design thinking, whether this example classifies into lateral thinking, whether this example classifies into systems thinking.

Moving further in our discussion in this session we are going to discuss about the challenges of innovation. We already had one session where we discussed two very important things; one is resistance to change and another was prediction disability.

Now, in this particular session which is based on challenges to innovation, we are going to discuss challenges at the individual level and at the systemic level or at the organizational level.

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So, this is at two different levels one is individual level and the second is at the organizational level.

And in this particular case, it will be interesting that we will also discuss that how our schools of innovation, how the concept of elephant rider analogy will help us to overcome these challenges because if we want to have a smooth innovation process and effective innovation process, you need to overcome these challenges. If these challenges will remain there, it will be difficult for us to have a suitable a competitive and effective innovation program in our organization.

. So, now, let us see what are the challenges at the individual level?

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At Individual level

- Lack of Motivation
- Lack of Role Clarity
- Fear of Failure
- “Chalta Hai” approach
“चलता है”

5% } Higher
Social
Safety } Lower
Food, Shelter
95%

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At individual level the important challenge is lack of motivation; we are not motivated why should we do this why should we do this? So, we if you meet large number of people around you people do not have any kind of goal in their lives, people do not have any kind of excitement in their life.

And people are becoming more and more robots, they do only the routine work; most of us know mostly the routine work. And therefore, if you see the famous pyramid of need hierarchy given by Maslow; in that pyramid there are 5 stages. The top two stages are known as higher levels needs and these are lower levels needs and where we have our physical like food, shelter etcetera. And sometime once you cross this most of us are most of the time busy in this basic need.

Then you have safety needs, then you have some kind of social needs that you should be recognized by society. Unfortunately, unfortunately most of us; you will have data from variety of sources because it is very difficult to confirm this data, but 95 percent population of the world is only able to reach to this social level of needs in their life and only 5 percent people go for higher level needs.

And when you go for the higher level needs then only I feel you are really motivated. Here you keep doing the routine activities in the lower level active needs you keep doing the routine level activities, getting up in the morning going to office, coming back, having dinner, see some serials on television and sleep. So, that is the kind of routine life

because you are working in an organization; you will get promotion after four years 5 years ah.

So, that also becomes a routine activity not highly excited about the promotions; you are in a business daily worried you are going to factory, shouting on your workers co your officers supervisors and then meeting with the customers and meeting with the vendors giving supplies to them, giving orders to your vendors coming back to home having some fun in the evening with your family sleeping. So, that is all the routine life.

. So, whether you are a factory owner or whether you are a service man, whether you are a farmer most of the time we are into the routine activities. So, we do not have any motivation, we lack motivation for doing the innovation. So, that is the challenge number 1, but motivation is very very important.

Role clarity we do not have the low role clarity; we all play different types of role during different parts of the day. Sometime I am an officer, some time I am a father, some time I am a husband, some time I am the follower of a religious group. So, I do not know my exact role people talk of work life balance, but it is very very difficult to find good examples of work life balance. You will have very successful people in your life; so, quite successful, but when you go to inside of their life; you will find that the hardly there is any kind of work life balance.

. So, and within organization also, within organization also you do not have any kind of clarity about your role. Because today you are in the marketing department, tomorrow you will go to finance department, tomorrow you will go to purchase department. So, you do not do know whether I am a man of purchase, whether I am a man of marketing, whether I am a commercial purpose, whether I am a production guy. So, no clarity about the role that is also a problem, that is also a challenge at the individual level.

Then another important characteristic is fear of failure; I do not want to fail. We discussed this issue in one of about previous sessions also I do not want to fail I have a fear to failure, I always want to succeed I give you an example of current examination pattern in our country. Child is scoring 90 percent marks in class 12th and it still sad because the other fellow in the class has a scored 94 percent, the child is scoring 95 percent is also said because somebody else has scored 98 percent in the class.

So the problem is that and forget about those who have scored 60 percent or 70 percent or 75 percent they are as good as failed and nobody likes failure. So, we want to succeed and since we have discussed this issue that innovation is travelling on unknown trajectory traveling or unknown path.

So, you do not know where this path will lead you and failures are very much possible. Failures are rather you can say very much integral part of process of innovation and therefore, it is very much a challenge for organizations at the individual level that our employees have this fear of failure.

If I propose something to my boss and that idea does not work; boss will say oh a stupid fellow your idea has failed and I may get a poor remark in my service book. So, I will not like to share my ideas with my boss because I do not want to get failed and I feel that my boss will also not appreciate my failure ideas. So, therefore, I am not going to innovate I will do what is the routine task, what is assigned to me I will not come with some innovative thoughts.

And finally, a very popular phrase of Hindi that is also very very important that is [FL]. At various levels we go with this concept of [FL] and when this concept of [FL] is there, it is the biggest challenge it is the biggest resistance for innovation as soon as this phrase comes to your mind [FL] then you cannot innovate [FL]; this cannot work this works this way you need to overcome from this notion and it cannot work this way that is very important thing in the process of innovation.

But this [FL] approach is in viewed inside us so, deeply that it is very easy to say that we should not follow this [FL] approach we should follow that it is not going to work this way, but it is very very difficult to change that mindset of [FL] to [FL] and these are some of the challenges for innovation at the individual level.

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At the Organization level

- Employees are ~~not~~ empowered to innovate
- No innovation strategy
- Innovation is centralized to one functional group
- Lack of collaboration
- Lack of diversity

WPM
TQM
Q.C.

Top
Middle
Front

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Then come the organizational level challenges; the challenges which are there at the organizational level. Now at the organizational level challenges the one of the challenge is that employees are not empowered to innovate.

The meaning is that only the top persons of the organization, if you know that in organizations also we have this type of pyramidal structure and broadly there are three levels, the top level the middle level and different executives.

And most of the employees in the organization are at these two levels and very few employees are at the top level, but unfortunately organizations believe that all wisdom, all wisdom all creativity is with top level employees and the lower level employees the middle level employees are not empowered to innovate they are not empowered to give new ideas.

So, this is the fundamental foremost problem in the organization you need to build organizational culture in such a way that all the employees in the organization should be able to give their ideas; otherwise it is the organizational loss, it is the organizational loss that you are depriving large number of your employees to give new ideas.

So, that is one important issue with respect to challenges of innovation at the organizational level; that you need to empower this not need to be removed you need to

empower all your employees and therefore, concepts like wpm workers participation in management concepts like TQM; Total Quality Management etcetera.

The concepts like quality circles all these concepts are basically aiming to empower your employees, to contribute in the decision making, to contribute in getting new ideas etcetera. In our idea management system in that session we will see that how we can involve our most of the employees to contribute in getting more and more ideas.

Then organizations also do not have any specific innovation strategy. In absence of innovation strategy it is again a problem that how are you going to motivate employees for innovation, what type of reward system you will be having, what type of selection procedure you are going to have, how will you distribute the profit the fruits of innovation coming out of ideas given by a particular employee.

So, all these things are necessary under the innovation strategy without clarity about execution of innovation management program in your organization, it is difficult to empower, it is difficult to motivate, it is difficult to get ideas from your employees. So, a clear innovation strategy is also made of the over to overcome the challenges at the organizational level.

Then another problem is in some of the organizations, but innovation is not a pervasive activity the meaning is innovation is limited or it is concentrated to one or two functional areas and we want innovation to be a organization wide we want innovation to be the organization wide phenomena.

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At the Organization level

- Employees are ~~not~~ empowered to innovate
- No innovation strategy
- Innovation is centralized to one functional group
- Lack of collaboration
- Lack of diversity

WPM

TQM
Q.C.

Six Hats.

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And in that case it is like one department is new product development, another department is production, another department is marketing, another department is quality control, another department is supply chain management.

Now normally what happens? In an organization innovation is linked to do innovation is linked to this new product development. While I am suggesting that innovation should be the part of all functional activities in your organization, if it is there then you can take innovation management many folds in your organization.

But if it is centralized to only one or two functional areas; then you will losing out large number of your employees from innovation programs, but that is the a fact of the day that in many organizations innovation is limited only to one or two functional areas. Then it is what only the innovation leading to all the functional areas.

Another problem is lack of collaboration between these departments between these functional areas. All these functional areas work in watertight compartments, they work in silos and therefore, we are at the organizational level unable to see good innovations coming out. So, therefore you also need to have collaboration between these different functional groups. When you have this type of collaboration, your strengths will become many times and therefore, innovation will be much much faster because it is like that you are playing the game of cricket and in the game of cricket a bowler is bowling.

But you see how you can differentiate a test match with a T 20; it is quite possible when bowling is going on and as a good batsman, you may play 5 continuous madinovers no run scored on 30 deliveries, but you cannot afford same thing in a 20, 20 match; you need to focus and a very important focus on your batting average, you need to convert each delivery into 6s and that is possible with collaboration. If you do not have collaboration, it means you are playing a test match, when you are having collaboration the test match becomes T 20 and nowadays we all know we love T 20 more than test matches.

. So, therefore, collaboration is very very important, but it is not so, right now at the organizational level. We also need to have diversity in our organizations; presently the diversity is not there; diversity with respect to team members. In our previous session we were discussing about concept of 6 thinking hats; in six thinking hats the color of thinking hat determines the type of person, black hat means a negative person, white head means the person who is giving information person who is providing you the facts and figures.

So, if all the persons are black hats; so, it is highly negative group; if all the persons are red hat it is a very emotional group. So, we need different types of the 6 hat is a very very good example to tell you the importance of diversity in the innovation program. But if diversity is not there you cannot innovate you cannot innovate.

So, you need people of different background different personality traits. So, that different types of questions, different types of ideas, different types of solutions, different types of discussions can take place and more you discuss more ideas will come and more analysis will take place and then you will have a better innovation output. So, these are the challenges at the organizational level.

Further, you can also find that some of the you can say is smaller challenges at the organizational level which can be overcome with the minimum efforts. Another is like a recognition lack of recognition for you first; we normally recognize only those people or those efforts which are successful.

Therefore, I am saying that we do not favor failures, but for a good innovation program; we should recognize all types of efforts. Whether it has resulted in to failure or had resulted into success; irrespective of that you should recognize the efforts that somebody,

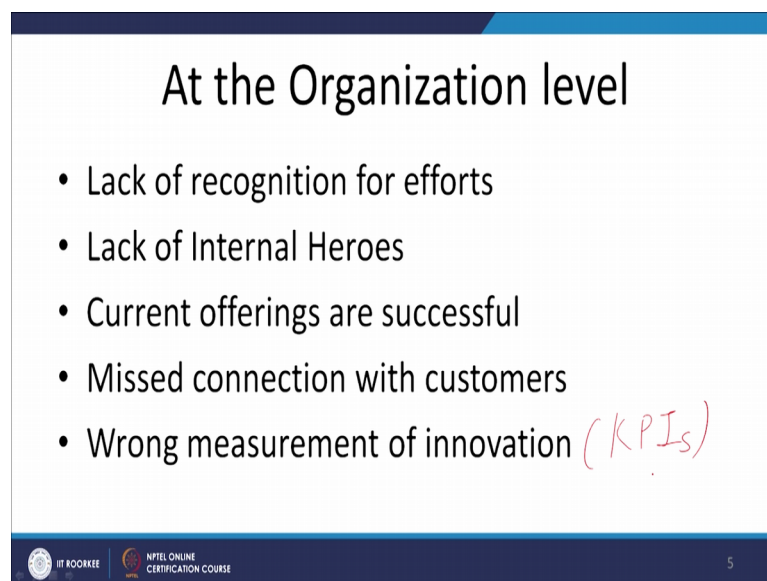
some group, some team is working on some innovative idea. So, the efforts should be recognized not the outcome.

Then in organizations in Indian organizations you need to have local champions, internal heroes. When you have internal heroes it becomes very easy for you to motivate people. Like in Indian team Sachin Tendulkar was there and therefore, seeing Sachin Tendulkar you could have Virat Kohli. So when you have a system of heroes within the organization; so, you develop more heroes, more champions, but when you do not have internal heroes; there is a problem. So, that is also a problem at the organizational level that many organizations may not be able to have internal heroes.

So, the point is that you also need to create heroes; you need to focus some of your employees as heroes. When you go to a airports, when you go to some good restaurant. So, they have a board in a corner that the employee of the month.

So, they are trying to do two things with that idea one is they are recognizing your efforts as a good employee and at the same time they are trying to create internal heroes so, that others get motivated that if the photograph of that employee is on the notice board for this month why cannot we my photograph in the next month; so, that is the lap of internal heroes.

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The slide features a title 'At the Organization level' in a large, bold, black font. Below the title is a bulleted list of five items: 'Lack of recognition for efforts', 'Lack of Internal Heroes', 'Current offerings are successful', 'Missed connection with customers', and 'Wrong measurement of innovation'. The last item has '(KPIs)' written in red handwritten text next to it. The slide has a dark blue header and footer. The footer contains the IIT Roorkee logo, the text 'NPTEL ONLINE CERTIFICATION COURSE', and the number '5'.

At the Organization level

- Lack of recognition for efforts
- Lack of Internal Heroes
- Current offerings are successful
- Missed connection with customers
- Wrong measurement of innovation (KPIs)

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Next is current offerings are successful; we have this kind of complacency that whatever we are offering, it is doing good. So, why do we do it? Why to try something new; already we are very very successful, but we already discussed in our previous sessions that product life cycles are reducing, competition is increasing and the market is filled with acronym like vuca; volatile market, uncertain market, complex market, ambiguity is there. So, you cannot afford to say that current offerings are successful; you certainly need to innovate in order to remain competitive all the time, successful all the time ahead of your competitors all the time.

And then another problem is because my offers are very successful; I do not want to interact much with my customers. And when I am not interacting with the customers I am not able to understand their new requirements and therefore, new products will not be developed. So, that is also a challenge that I need to have a better connectivity with my customers. And this is possible nowadays with effective use of social media digital marketing I can be very well connected with my customers.

The other important problem is wrong measurement of innovation. How where I measuring the innovation, what is my key performance indicator KPIs and how I am measuring innovation whether I am always measuring innovation n terms of profit, n terms of impact created by innovation, or I am measuring innovation that how much time my employees have devoted on identifying new areas of problem, new solutions, new processes, how many my employees have given new ideas whether those ideas are successful or not.

So, I need to see whether my performance indicators with respect to innovation are correct or not correct ah. Most of the time we are measuring innovation nowadays in terms of patents, in terms of technology transfers, in terms of commercialization that how much revenue you have made from this innovation program.

But I feel there is still a scope about the more inclusiveness of these measurement criteria where we need to include the issues related to efforts invested in innovation program. So, we need to correct our measurement criteria of innovation.

So, with this we come to end of this discussion that there are certain challenges at the individual level and there are certain challenges at the organizational level. We saw that there are large number of challenges at the organizational level; so, if we can create some

kind of enabling environment so that individuals can flourish, individuals can go for more active participation in innovation program that will be the success of future organizations.

Thank you very much.