



Syllabus for the Marketing Management and International Business programme

Study module name:	Managing innovation	
Study module code:	MMIB_MI 2	
Lecturer:	Clare Manning	

Aim of the MBA study module:

Upon successful completion of this module students should be able to:

- Understand the significance and importance of innovation and change in relation to business enterprises and not-for-profit organisations of all kinds.
- Critically appraise theories, tools and techniques appropriate to the management of innovation and change.
- Employ appropriate terms, concepts and vocabulary when describing and analyzing innovation and change.
- Identify the components of successful strategies for innovation and change.

Content of the MBA study module:

The module explores the importance of innovation and change. It discusses what we mean by 'innovation', its contribution to competitive advantage and its significance in an increasingly globalized and competitive world. The module focuses on those elements - leadership, organizational structures and processes, culture (national and organizational) and political systems - which shape, promote (or hinder) innovation.

Chapter 1:

Innovation is central to a market economy. There are different types of innovation - product, process, position and paradigm. Whatever the category of innovation, innovations can be anywhere on a spectrum ranging from the incremental to the radical/discontinuous. Henderson and Clark use 'knowledge of components' and 'knowledge of architecture' as a way of identifying different types of innovation - incremental, modular, architectural and radical. Innovation is central in a post-Fordist world where industrial structures are changing.

Flexibility (based on organic rather than mechanistic organizational structures) is often seen as a vital to organizational innovation - hence adhocracies and skunk works.

Chapter 2:

Organisations can be conceptualized as 'systems' located in an environment from which it (the enterprise) receives inputs and to which it exports outputs. We can also employ a range of metaphors to capture different aspects of their complex nature. There are three organizational environments all of which are important vis-a-vis innovation and change - the temporal environment, the external environment and the internal one. Over time organisations move through phases and these shape the nature of the innovation and change. The external environment is the source of threats and opportunities - scanning is important to maintain an appropriate 'fit' with the environment. Different degrees of turbulence and challenge suggest different organizational structures, processes and pathways to change. The most important and all-embracing feature of the internal environment is an organization's culture. There are various typologies of organizational culture, the most well-known of which is probably Charles Handy's. Culture is deep-rooted and not easy to change.

Chapter 3:

The Resource Based View (RBV) of the firm emphasizes the importance of developing 'core competencies' (which are VRIN) to maintain competitive advantage. Organizational structures are important vis-a-vis innovation and change but there is no 'one best way' - the right structure is contingent on the context, the environment. Mechanistic structures can be innovative in their own way. Organic structures are heavily associated with rapid response times, creativity, flexibility.



C E M I

CENTRAL EUROPEAN MANAGEMENT INSTITUTE

Chapter 4:

Definitions of what constitutes a National Innovation System (NIS) vary – important to separate the general from the particular. A NIS includes corporate, political and network governance and a range of institutions from four main arenas: industrial, financial, science and technology and educational. A NIS spans the local, national and supranational/intergovernmental levels. NISs are the product of history and culture. Within these parameters NISs are shaped by the ideological preoccupations of their elected governments – Governments of the Left and Right will shape the structures, processes and policies of a NIS differently.

Chapter 5:

Leadership is important in the innovative organization but it is best thought of not as something fixed in terms of traits but as contingent on the situation – horses for course. It is claimed that we can be divided into adaptors and innovators with managers fitting the former category (incremental change – doing things better) and leaders the second category (major change – doing things differently). However it's not an either/or situation: think of a leadership – adaptor spectrum. Tools and techniques can be deployed to promote creativity – thinking outside the box. Bricolage is a form of creativity very important in SMEs which don't do R & D. It is little researched or understood. Effective leaders harness employees' creativity. Leadership is the top-down element in an innovative organization – employee participation is the bottom-up. The harnessing of employee 'energy' can be seen in the Kaizen system and the LO. However, these are extreme and highly developed examples. Any organization can take steps to enfranchise and empower its workforce. R & D is regarded as very important by policy-makers looking for an innovation magic bullet but it is not automatically linked to success. R & D is spread unequally around the world – certain areas predominate and within these areas, certain countries. Patent statistics show the same pattern of distribution.

Chapter 6:

Innovation is a renewal process rejuvenating organisations. Without change organisations die. Innovation strategy is a process involving 'Search, Select, Implement, Capture'. Innovation strategy can lean towards the identification of 'market need' or developing and promoting technology ('core competences'). Innovation strategy has to be embedded in routines. We can talk in generic terms about the nature and content of innovation strategy but the detail, the routines, will vary from enterprise to enterprise. There are a variety of barriers to developing an innovation strategy. Two of the most important are having a partial view of what it is and who it 'belongs' to and the belief that innovation strategies can be copied without amendment and adaptation. Early thoughts on the origins of strategy were rooted in simple sequential models such as market pull or technology push have been changed to accommodate a widening group of internal and external actors and non-sequential linkages and feedback loops across boundaries - think networks and the breakdown of organisational boundaries.

Mandatory literature:

Online study materials prepared by the lecturer.

Recommended literature and other sources:

Tidd J., Bessant J., and Pavitt K. (2009) *Managing Innovation: Integrating Technological, Market and Organisational Change*, (4th Edition), Wiley

Burnes B. (2004), *Managing Change*, FT Prentice Hall

Carnall A. Colin, *Managing Change in Organisations*, FT Prentice Hall