DISCUSSION OF RESULTS

This study revealed that highly innovative companies have a unique innovation culture which contributes to the success of innovation in these organizations. It focused on six parameters of organization culture: organization climate, leadership, core values, customer focus, creativity and envisioning future. The findings show that highly innovative organizations tend to focus on similar issues that contribute to the innovation success of these organizations.

The common features in these organizations were:

**Organization Climate**

The top three organization climate initiatives that received priority from management in these organizations were:

i. People receive top-level recognition for their contributions: In these organizations people receive top-level recognition for their contributions which instills a sense of pride and achievement in their work. 54.64 percent of the respondents agreed that they receive recognition, support and encouragement from the top management which motivates them to give their best to the organization.

ii. Everyone in the organization works as a team and there is hardly any difference in social status between managers and employees: In these organizations all employees work as members of one family. 48.43 percent of the respondents agreed that there was an informal atmosphere in the workplace. People across departments and different levels in the organization feel free to interact with each other and share views on a diverse range of issues.
iii. Employees in the organization have the freedom and space to make own choices relating to their work: In these organizations people have the freedom and authority to make their own choices relating to their work. 46.04 percent of the respondents agreed that people in these organizations had the freedom and encouragement from top management to make their own choices relating to their work. In these organizations a significant number of people feel that they receive top level recognition for their work. However they believe that management needs to focus on building a warm and cordial atmosphere in the organization where employees across departments and different levels in the organization can interact and share ideas freely with each other. The top management should also focus on taking initiatives to give more freedom and autonomy to people to make decisions in relation to their work. These initiatives could lead to a better organization climate which could further enhance the innovative capabilities of these organizations.
Leadership

The top three leadership concerns practiced in these organizations were:

i. Leaders encourage collaboration and forming of cross-functional teams for identifying and developing innovations: Leaders in these organizations devote a great amount of their time in nurturing a collaborative culture that encourages forming cross-functional teams for identifying and developing innovations. 58.32 percent of the respondents agreed that leaders encourage people across the organization to interact freely and collaborate to achieve better results.

ii. Leaders exhibit character and personal integrity and act as exemplary role models: Leaders in these organizations set an excellent example in demonstrating character and personal integrity in their actions and behavior. 52.32 percent of the respondents agreed that they are strongly motivated by the exemplary behavior of their leaders.

Fig. 56: Leadership in Leading Innovative Organizations

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Encourage cross-functional teams for</td>
<td>58.32</td>
</tr>
<tr>
<td>innovations</td>
<td></td>
</tr>
<tr>
<td>Leaders demonstrate character &amp; personal</td>
<td>52.32</td>
</tr>
<tr>
<td>integrity</td>
<td></td>
</tr>
<tr>
<td>Encourage and support ideas and decisions</td>
<td>52.06</td>
</tr>
<tr>
<td>from others</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of Respondents: 30, 35, 40, 45, 50, 55, 60
iii. Leaders encourage and support ideas and decisions from others: Leaders in these organizations encourage ideas from all employees irrespective of their status and position in the organization. 52.06 percent of the respondents agreed that their leaders were willing to listen, encourage and support the best ideas which could come from anywhere within the organization.

Core Values

The top three Core Values practiced in these organizations were:

i. Core values and beliefs are commonly practiced by all employees in these organizations: These key core values and belief systems are ingrained in the behavioral responses of all employees. 66.72 percent of respondents agree that the core values are commonly practiced by all employees in letter and in spirit.

ii. Core values form the bedrock and define the purpose of business and provide guidelines for its operations: The core values of these organizations help them gain clarity about what they stand for in business. 63.58 percent of respondents agree that the values propounded by the founders of these organizations have given them a profound sense of purpose and direction.
Rewards and recognition in these organizations is based on effective performance of the employees and not on any other consideration: Rewards in these organizations like promotion, status, monetary gain or recognition were directly linked to effective performance. 57.59 percent of respondents agree that their organization had a transparent way of assessing and rewarding people based on their performance.

Customer Focus

The top three customer focus practices in these organizations were:

i. All efforts and actions of the employees are geared towards providing exceptional customer experience and service: In these organizations every action was shaped by a relentless commitment to meeting and exceeding customer expectations. 68.23 percent of the respondents agreed that their organizations walked the extra mile to meet and fulfil customers’ needs and expectations.
ii. Employees add value addition to every customer interaction with their organization:
Every employee understands what he/she must do in order to maintain and add value to every relationship with the customer. 57.55 percent of the respondents agreed that all employees in the organization were trained to add value to customer interactions with the organization whether it be in marketing, finance or handling customer queries and complaints.

*Fig. 58: Customer Focus in Leading Innovative Organizations*

iii. These organizations continuously monitor customer feedback to assess and evaluate their products and to bring out innovations in tune with the needs and desires of their customers: These organizations continuously monitored customer feedback with a view to introduce new products and services to delight and amaze their customers. 51.07 percent of the respondents agreed that their organizations continuously monitored customer feedback to assess themselves and gained insights to improve their product and service offerings.
Creativity

The top three practices to encourage creativity in these organizations were:

i. Management encourages employees to share their viewpoints and perspectives on all important issues affecting the organization: Employees often discuss diverse options and viewpoints and evaluate the alternatives on merit regardless of their stature or position in the organization. 47.85 percent of the respondents agreed that people are encouraged to discuss their views, opinions and offer creative solutions on diverse areas in the organization.

ii. Management encourages employees to take risks, experiment and seek innovative ways to bring improvements in products and services: In these organizations people are encouraged to act as entrepreneurs, take risks, experiment, and constantly seek new ways of doing things. 42.59 percent of the respondents agreed that they were given the freedom to take appropriate risks and explore new frontiers to make innovation happen.

Fig. 59: Creativity in Leading Innovative Organizations

<table>
<thead>
<tr>
<th>Practice</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>People discuss diverse perspectives on imp. issues</td>
<td>47.85</td>
</tr>
<tr>
<td>Encourage people to take risks and experiment</td>
<td>42.59</td>
</tr>
<tr>
<td>Share ideas with external innovators</td>
<td>32.01</td>
</tr>
</tbody>
</table>
These organizations were adept at forming collaborative alliances with external agencies to help in the innovation process: Management identified opportunities for innovation through forming meaningful collaborative relationships with academia, research centers, government agencies and even competitors. 32.01 percent of the respondents agreed that they were encouraged to collaborate and share their ideas with people outside the organization.

Nurturing creativity seems to be a challenging proposition even in some of the leading innovative organizations. People in these organizations feel that the management should give them more freedom to interact, share ideas and collaborate with others within and outside the organization. Sometimes the best and most innovative solutions to the challenges faced by organizations could come from outside. Sharing ideas with others could vastly improve the creative and innovative potential of these organizations. It could also help to reduce the time and costs of introducing new innovations.

The top management should also pay special attention to people by giving freedom of time and resources to experiment and work on pet creative projects. These could lead to surprisingly innovative products. Google and HP are the best examples of companies that have benefited the most from this practice.

**Envisioning Future**

The top three practices adopted to identify future market trends ahead of the competition were:

i. Managers at these organizations benchmarked and evaluated their organizations on best practices parameters on a regular basis; in addition they were skilled at
identifying the ‘next innovative practices’ most likely to emerge in the market: In these organizations managers not only benchmark and evaluate their performances against the best practices but are also constantly engaged in identifying ‘next innovative practices’ that impacted their business and industry. 53.46 percent of the respondents agreed that they work hard to identify emerging trends and new practices ahead of the competition, which enabled them to retain the leadership position in their industries.

ii. The desire and zeal in these organizations to provide the best products and services helps in overcoming constraints: The enthusiasm and zeal of management to provide exceptional products and services helps these organizations to overcome their resource constraints. 50.38 percent of the respondents agreed that the aspiration and commitment of the people in the organization to provide the best products and services helped them to overcome challenges facing their business.

Fig. 60: Envisioning Future Capabilities in Leading Innovative Organizations

iii. These organizations do not rely on past performance but instead fold in the future to build a portfolio of product and service offerings of high market potential: The
management in these organizations does not rely on past trends but actually engages in extrapolating and folding in the future to build their portfolio of products and services. 43.75 percent of the respondents agreed that their management has the ability to combine the knowledge of the past with the predictive capabilities of the future to offer superior innovative solutions to their customers.

While a majority of the people at these organizations believe that the top management is adept at identifying new innovative practices, they believe that the leaders must further hone their skills with regard to identifying future trends ahead of the competition. This ability could enable the organizations to have a significant edge over the competitors and maintain their leadership positions.

**Fig. 61: Common Practices of Leading Innovative Organizations**

<table>
<thead>
<tr>
<th>Practice</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>People feel top-level recognition for contributions</td>
<td>54.64</td>
</tr>
<tr>
<td>Leaders engage cross-functional teams</td>
<td>58.32</td>
</tr>
<tr>
<td>Core values practiced by all</td>
<td>66.72</td>
</tr>
<tr>
<td>Commit to exceed customer expectations</td>
<td>68.23</td>
</tr>
<tr>
<td>Diverse perspectives on important issues</td>
<td>51.30</td>
</tr>
<tr>
<td>Adapt at identifying new innovative practices</td>
<td>53.46</td>
</tr>
</tbody>
</table>

**Impact of Innovation Culture on Important Performance Parameters**

The regression analysis shows that ‘Innovation Culture’ had a significant positive impact on the following five parameters:
Innovative organizations are skilful at collaborating with customers and identifying opportunities for new products and services. Customer engagement helps them to identify areas of unmet demands and add meaningful features to existing products and services. These insights have helped these organizations to introduce superior products and services that delights customers. The regression analysis showed a variance of 71.2 percent indicating a strong impact on the ability of these organizations to stay focused on the needs of their customers.

Innovative organizations build useful collaborations with academia and research centers to carry out research on frontier areas of technology. Innovative organizations recognize that the best ideas do not always come from within the organization. These organizations actively collaborate with premier education institutions and research centers across the world to come up with unique solutions for challenges facing their business. The regression analysis showed a variance of 71.2 percent indicating a strong impact on the ability of these organizations to source ideas effectively from academia.

The innovation culture in these organizations enabled them to introduce innovative products and services on a consistent basis. On an average, 108 innovative products and services were successfully introduced by these organizations in the last year. The regression analysis showed a 78.7 percent variance indicating a very strong impact on the ability of the organization to introduce new products and services.

The regular introduction of new products and services by innovative organizations on a consistent basis enhances their ability to capture new market niches and enrich their profits. Customers are willing to pay a premium for these products and services since they perceive them to be better in quality. An average of 46 percent of profits of the innovative companies comes from new products and services introduced in
the last two years. The regression analysis showed a variance of 94.1 percent indicating a strong impact on the ability of these organizations to introduce superior products and services.

- On an average 11 percent of cost savings resulted from innovations introduced by these organizations in the last one year. The desire and zeal of these organizations to offer the best value to their customers has enabled them to offer unique products and services that are not only affordable but also don’t compromise on features and quality. The regression analysis showed a variance of 67.5 percent indicating a strong impact on the ability of these organizations to introduce affordable innovative products and services that provide the best value to their customers.

Validating Hypothesis

Hypothesis 1: Leading innovative organizations have common areas of concern and similar management practices which contribute significantly to their long term superior performance.

The analysis presented in tables 22 - 26 leads to the conclusion that the hypothesis considered is adequate, indicating that ‘innovation culture’ has a high impact on the ability of these organizations to introduce innovative new products and services.

Hypothesis 2: Innovations are nurtured in these organizations through a positive organization climate. The analysis presented in tables 3, 4 and 5 leads to the conclusion that the hypothesis considered is adequate, indicating that ‘organization climate’ has a high impact on the ability of these organizations to introduce innovative new products and services.
Hypothesis 3: Leaders do not have an impact on the innovative capabilities of these organizations. The analysis presented in tables 6 and 7 leads to the conclusion that the hypothesis considered can be rejected. The alternate hypothesis that leaders have an impact on the innovative capabilities of these organizations is accepted.

Hypothesis 4: Innovative organizations have distinctive cultures which emerge from the core values and beliefs of these organizations. The analysis presented in tables 8, 9 and 10 leads to the conclusion that the hypothesis considered is adequate, indicating that ‘core values’ has a significant impact on the ability of these organizations to introduce innovative products and services.

Hypothesis 5: Constantly assessing the needs and wants of their customers is an important attribute of innovative organizations. The analysis presented in tables 11 - 14 leads to the conclusion that the hypothesis considered is adequate, indicating that ‘customer focus’ has a high impact on the ability of these organizations to introduce innovative new products and services.

Hypothesis 6: Creativity is encouraged and excellently managed in innovative organizations, enabling them to maintain leading positions in their businesses. The analysis presented in table 15 leads to the conclusion that the hypothesis considered is adequate, indicating that ‘creativity’ has a high impact on the ability of these organizations to introduce innovative new products and services.

Hypothesis 7: Innovative organizations pay close attention to market trends and adopt ‘next practices’ enabling them to be trend setters in their industries. The analysis presented in tables 16 - 21 leads to the conclusion that the hypothesis considered is adequate, indicating that ‘envisioning future’ has a high impact on the ability of these organizations to introduce innovative products and services.
CONCLUSION

This study revealed that ‘the day to day working practices, procedures and systems in these organizations are derived and based on the bedrock of their core values and beliefs.’ Their philosophy of operations, long term vision, goals and purpose of business originate from their core values and beliefs.

These organizations are able to create a work environment and culture where people love to work and execute their tasks with professional competence. Their superior creative abilities and performance in the markets are due to their employees being highly committed and motivated to give their best to their organizations. These companies are excessively obsessed with providing exceptional customer care and service to their customers. They also are pioneers in encouraging customers to participate actively and contribute meaningfully to the innovation process in these organizations. This leads to a greater customer bonding and loyalty towards these organizations.

These highly innovative companies have a unique innovation culture. However, they have several commonalities in the way the nurture and encourage innovation in their organizations. Their shared values and beliefs are practiced from top to bottom in these organizations. The ideology and the work philosophy of these companies emerge from the central core of values.

These organizations are also open to receiving and sharing ideas, technology and knowledge with people outside the organization. This greatly helps in the overall innovation process by dramatically reducing the time and costs involved in designing and introducing superior products and services in a consistent manner on a continuous basis.
The leaders in these organizations are strongly committed to motivating employees and creating an environment that encourages and supports innovation. They often lead from the front and set an example by their behavior and actions. These companies also demonstrate remarkable agility and are quick to respond to new opportunities, trends and threats. They are constantly trying and experimenting with new ideas, ways and methods to enhance their performance. They are also often very proactive in exploring new markets, setting new trends and redefining the dynamics of existing markets.