Chapter XXI
Finding and Growing Innovators:
Keeping Ahead of the Competition

Debbie Richards
Macquarie University, Australia

Peter Busch
Macquarie University, Australia

ABSTRACT

Innovation is seen by many organizations as the next frontier to be managed in order to gain a competitive advantage and remain sustainable. Innovation management shares much in common with knowledge management, both being recognized as involving a resource, which resides in individuals, can be value-added and transferred via (teams of) people, is difficult to capture, is highly contextual, and continually evolving. We believe that innovation is even harder to define, represent, and transfer due to its intrinsic relationship with creativity and novelty generation. Nevertheless, we seek to determine if patterns of behavior do exist which can be used to predict likely future innovative behavior. Current psychometric tests used to test for innovation or creativity often do little more than identify various personality traits or characteristics which can be used to suggest an individual who might be suitable to fill a recognized gap in the organization. We offer an approach, building on our work along psychological lines with tacit knowledge measurement in the ICT domain that seeks to capture responses to real scenarios experienced by recognized innovators and entrepreneurs. These scenarios and responses are used to evaluate the degree to which the respondent can be considered an innovator so that areas of personal or professional development may be identified.

INTRODUCTION

There is a close link between knowledge management (KM), competitiveness, and innovation. Innovation is often defined as the turning of knowledge into "new products, processes, and services to improve competitive advantage and meet customers' changing needs" (Gloet & Terziovski,

2004, p. 404). Also, since innovation is closely tied to an organizations culture (Cottrill, 1998), strategies for knowledge management, which affect the attitudes and beliefs of individuals will play a vital role within the organization to nurture creativity and innovation type knowledge (Gloet et al., 2004). Swan and Newell (2000) state: "the assumptions underlying the interest in KM are that innovation, not just efficiency or quality, will be the primary source of competitive advantage and that knowledge is central to a firm's capacity to innovate" (p. 591).

Innovation intrinsically involves change (Roffe, 1999), resulting in a difference in any or all of the following: product, material, process, market, problem/need addressed. This can be seen as doing something new with new things in new ways with new people to solve new problems. Moving along this "innovation highway depends on the knowledge evolution" as knowledge is used and adapted within each phase and as part of the creativity required to move between each phase (Carneiro, 2000, p. 87). Peters (1997) notes that constant innovation is essential for our individual and organizational survival. One-off innovation may bring a period of success, but since competitive-advantage exists only as long as it takes the competitors to match or better your strategy and thus tend to be short-term (Hamel and Prahalad, 1989), innovation must be ongoing and tightly aligned to an organization's strategic policies down to its operational activities. Due to ongoing competition and change, companies seek to "reduce costs, improve quality, increase productivity, or effect innovation. However, the changes introduced by most companies commonly address the first three of these factors and less often, the last." (Roffe, 1999, p. 224). This orientation can be seen in the type of knowledge management schemes and tools and training and development programs being implemented. Our research seeks to take a different line of attack, which is focused on identifying and developing innovative individuals. While the approach we offer is not specific to ICT innovators and entrepreneurs, the study involved scenarios and participants from the ICT domain. Further, innovation is often associated with advances in ICT and the researchers' background and past studies have been in ICT fields of study and organizations.

BACKGROUND

In this chapter we do not take a "managerial perspective" of innovation (Andrianopoulos, 2001) in which the focus is on tools and management strategies for identifying good ideas and nurturing them all the way to the market, possibly via either a *mechanistic* or *organic* organizational approach to innovation (Burns & Stalker, 1994). Instead we take a socially situated (Clancey, 1997) view of innovation, in which innovation can be seen to be context dependent and always evolving. This aligns to our view of knowledge and cognition as socially situated.

A process-oriented view, sees innovation as comprising a number of phases such as idea creation, initial application, feasibility determination and final application (Roberts, 1988) or more informally as a "complex design and decision process involving the diffusion, implementation and utilization of new ideas" (Swan et al., 2000, p. 592). Viewing innovation as a process is a key aspect of our approach. As Thomas, Watts Sussman, and Henderson (2001) state, these processes include making sense of our environment, particularly ambiguous new events, in a way that allows new connections to be made to familiar situations. However, innovation is not simply a process of trial-and-error rooted in experience. Innovation needs to produce timely and ongoing results "involving a complex mix of tacit knowledge, implicit learning processes, and intuition" (Fenwick, 2003, p. 124).

There is clearly a connection between tacit knowledge and innovation knowledge (Leonard & Sensiper, 1998). Both have been recognized