

INNOVATIVE CLIMATE AND LATERAL THINKING – THE KEY FACTORS FOR WORK WITH INNOVATIONS IN THE ENTERPRISE

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Abstract

Innovation and innovation strategy are common words both in the scientific communities and in business. Although it is very well known that innovations are very important, there is still a space for search the best activities which bring inventions and innovations to business. In this mostly theoretical paper we deal with two important factors, i.e. pro-innovation climate in business and lateral thinking. In the paper there are mentioned some reasons why these factors are important when working with innovations. The influence of these factors on business was also described.

Key words: innovation, climate, lateral thinking, business, strategy.

Introduction

Innovation strategy is one of the most important prerequisites for the success of enterprises on the market. Innovation strategy is understood as innovative business approach to the choice of objectives, methods and ways to fully utilize and develop the innovative potential of the company. One may also define innovation strategy as a complex scientific-analytical and implementation tool oriented for the continuous process of advancement. This is the direction of its boundary, which determines the potential of innovative strategies. The process of innovation strategy and its implementation is complex and the key to success is to identify the key elements affecting the process. Knowledge of the current situation of innovation in the enterprise will help to take steps towards the desired change.

1. Innovation and its influence

An essential factor for creating innovation strategy is an innovation. Innovation is understood by different ways. Kovaľová (2009) characterised innovation as a managed process of development, transfer and implementation of ideas into practical applications that induce substantial qualitative change and customers will appreciate it as a new added value for which one is willing to pay. Dupal' et al. (1997) highlighted a creative process which combines two or more existing things in a new way with an intention to produce an unique new thing. West and Farr (1990) has a similar opinion that innovation is the intentional introduction and application of ideas, processes, products or procedures in the role, groups or organizations which are new to the relevant department and have significant benefits for the individual, group, organization or wider society. Other authors including Hamel (2006), Christensen (1997) and Wright (2010) highlighted the importance of the new ideas, as well as the environment of the enterprise where the new ideas are created. Based on the literature research, several researches conducted, which were presented in our other papers, as well as our experience, we propose a five star model of key factors innovation strategy. There are key factors of the model such as Innovation management, Organizational structure, Innovation potential of the strategy, Pro-innovation climate and Lateral thinking. In the paper we focused on the last two factors, as they are interdependent and very important in the process of creation of the innovation strategy.

2. Innovative climate in the enterprise

One of the key elements of the innovation strategy is a pro-innovation climate (environment), which significantly affects creation, implementation and realization of innovation strategy. Pro-innovation climate is characterized by change, learning, flexibility, creativity, and development. It significantly influences the creation of innovative strategy and its implementation. On the other hand, it should be noted that innovation strategy affects the content of corporate culture (Šimková 2006). Thakare and Prakash (2015) characterised organizational climate as a set of measurable properties of the work environment, based on the collective perception of the people who live and work in the environment and demonstrate to influence their motivation and behaviour. As was mentioned by Szczepańska-Woszczyna (2014), organizational culture may be an element favourable the development of innovative activity. It is extremely important to appropriately shape the pro-innovation organizational culture from the point of view of competitiveness of each company because innovation frequently is the element which determines the competitive position on the market. According to James et al. (2007), culture is the lens through which the leader vision is manifested and helps to build the climate necessary for the organizations to become innovative. As the environment changes (which in turn requests from organizations to change and adapt to the new conditions), innovations are the vehicle to transform change into outputs, structure, processes and factors at different levels, i.e. individual, organizational and environmental (Fariborz, 1991). Litwin and Stringer (1968) defined organizational climate as a set of measurable prosperities of the work environment. In turn, Dellobe et al. (2002) made reference to the understanding of the organizational culture as one of the most powerful theoretical tools for the

development of the organization. As was stated by Mobarakeh (2011), managers need a power of observation and mentality to help them identify and address the internal and external forces of the organization.

Pro-innovation climate can be expressed in the form of the functions of four variables, which are the most involved in creating a conducive environment for innovation:

$$P_K = f(E, M, F, I_{PK}) \quad (1)$$

P_K - Pro-innovation climate,

E - Employees,

M - Motivation,

F - Financial resources,

I_{PK} - Innovative corporate culture.

Table 1 looks at the level of a supportive environment for innovation. This environment is mainly composed of a corporate culture and employees. If a company provides a pro-innovation climate, the risk of failure of the implementation of innovative strategy is very low. Conversely, if in the enterprise there is an environment which does not support the creation and management of innovation, the initiative in implementing the innovation strategy is doomed to failure.

Table 1. Matrix of the status of a supportive environment for innovation

Status	Main risks
Communication does not work, the employees don't know about the future vision of the company's management	The environment will act negatively in relation to the innovation strategy
Employees are familiar only with their precise roles (do not know the strategic objectives of the company)	Minimum commitment of employees in innovation
Pro-innovation corporate culture with an appropriate set of motivation program	

3. Lateral thinking

An important effect of pro-innovation climate is lateral thinking. Both these elements are important for the development and implementation of the innovation strategy. The innovation strategy has to be supported by appropriate lateral thinking, as it enables to use the innovative potential of the company in its innovation activities. Lateral thinking generally means search new ways of looking at the problem rather than to proceed according to the selected logical steps (Sloane 2003). This is a set of approaches and techniques designed to find a new radical way to solve the problem.

In turn, Bono (2015) is of another opinion and claims that lateral thinking is the ability to think creatively, or “outside the box” as it is sometimes referred to in business, to use your inspiration and imagination to solve problems by looking at them from unexpected perspectives. Lateral thinking involves discarding the obvious, leaving behind traditional modes of thought, and throwing away preconceptions. The importance of the creativity was confirmed by Zoltay-Paprika and Derecskei (2014) who characterised creativity as an ability linked to thinking; it usually appears in the form of a new, independent idea which serves problem solving. De Bono sees difference between lateral thinking and creative thinking, because lateral thinking may be a creative process and it is not meant to part of chaos of some creative thinking but is directed towards emerging with new ideas. Lateral thinking strives to get to an objective and point while certain acts of creativity are bound by subjective judgment. Zaušková (2006) also claims that lateral thinking is based on creative thinking, which is characterized by the use of appropriate approaches to address a variety of techniques for addressing strategic tasks.

Lateral thinking can be similar to the preceding elements entered in the form of the functions of three variables:

$$L_M = f(N_P, N_M, N_T) \quad (2)$$

L_M - Lateral thinking,

N_P - Untraditionally procedures,

N_M - Untraditionally methods,

N_T - Untraditionally techniques.

Lateral thinking offers a wide range of non-traditional practices, methods and techniques. Its main feature is that the detection of a single view of the case focuses on the next. It is about generation of alternative solutions and ideas. Another feature is the way of procedures. Unusual solution procedure is based on the fact that lateral thinking in certain phases makes jump as opposed to the vertical thinking, in which proceeds logically from one point to the next point.

Lateral marketing has a pattern of the process that requires a methodical approach and organized sequence of steps. This process is applied to an existing object (product, service or business object). Lateral marketing brings innovation, which may constitute a new product category or a new market (e.g. Kotler et al. 2005; Kovaľová 2009; Kováč 2007).

Lateral marketing can be divided into three main phases:

1. Choice element which one wants to move laterally,
2. Create a space for lateral displacement of selected elements,
3. Fill the gap and connect with new original ideas.

Table 2 deals with the ability to solve business problems in the non-traditional innovation methods, procedures and techniques of thinking. It is the application of lateral thinking. If there is more to generate alternatives and review, the risk of failure of the implementation of innovation strategy is very low.

Table 2. Matrix of the work of non-traditional methods, procedures and techniques of thinking

Status	Main risks
The company holds up good paths rather; it doesn't like inventing something new	It is nothing on which one can build an innovation strategy Innovation strategy has no greater importance
Employees are not interested in the topic after completion of the specified tasks	Innovation strategy will have limited space for their development Lack of innovation challenges
Employees of the company try to find solutions which are different than currently used	Limited use of non-traditional tools, techniques and methods of thinking
Employees with their imagination and creativity regularly contribute to the strengthening of the company's competitiveness	Use of lateral thinking only in specific areas
Employees want to invent something new and find a solution; they often use unconventional methods and techniques	

Conclusions

In the paper we characterised two important factors, i.e. pro-innovation climate and lateral thinking, which are very important for the creation and implementation of the innovation strategy. Our deliberations were based on the analysis of the existing literature, our previous researches as well as our own experience which gave us an important view on this topic. We can confirm that both factors cannot exist without each other. In the paper we also tried to mention the possible environment levels with their impact in the company. It is clear that prior to creating inventions, innovations and strategy, the company has to prepare itself to this process. It means that some kind of internal environment has to be created within the company. Afterwards it will be possible to fully utilize the human potential and other sources to improve the business activity.

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