

Chapter 1

Modern Business and Innovativeness

ABSTRACT

The main purpose of this chapter is to outline the role and importance of innovativeness in the modern business environment, arguing that innovativeness has a central role for current and future success of organizations. The chapter emphasizes typical characteristics of a modern business environment and the future outlook, upon which we identify innovativeness as a key success factor for organizations operating in modern and turbulent environments, followed by a comprehensive background for understanding innovativeness. Next, the basic types of innovations are outlined, where we are going beyond traditional tangible output of innovation process, which is still much present in business practice. In the final sections a comprehensive framework for researching innovativeness is outlined, along with the needed shift in understanding of innovative behavior, from routine to innovative thinking, working and behavior.

INTRODUCTION

Today we are facing a rapidly changing society with constantly shifting demand and opportunities. The economy is global, driven by innovation and technology. Modern business environment is full of challenges, uncertainty and great opportunities, although the society has become very demanding, to all of the institutions (Chesbrough, 2017; Brunswicker & Chesbrough, 2018).

DOI: 10.4018/978-1-5225-3250-7.ch001

Typical for the modern business environment is also that there are many products or services (that offer the same functionality), among which customer can choose. Based on that, it becomes evident that there exists a fierce competition among organizations. For instance, the entire European Union is one single ‘market’ for the economic systems and business politics regulation as well (EuropeanUnion, 2006). Looking globally, we can also outline such tendency, where the differences between “local markets” are vanishing and it becomes evident that there is now a global competition, while only some exceptions exists, which are not taking part in this process (OECD, 2015; Foss & Saebi, 2017; OECD, 2017a).

The current humankind is moving from routine- via knowledge- to creative and innovative society. The literature describes this often as knowledge society (Carayannis & Campbell, 2009; Carayannis & Rakhmatullin, 2014), as well as innovative society (Fan et al., 2016; Bornay-Barrachina et al., 2017). Having innovations in the forefront, requires also an innovative change of thinking, since the key stakeholders, like owners, managers and employees, must give up their old values and patterns of thinking, working and behavior, and acquire new ones to make a fertile ground for innovations. In that frame an important aspect covers also new (business) concepts, which will have a decisive role in shaping the future business environment, like smart specialization (Antonelli & Cappiello, 2016; Leoncini, 2016; McCann et al., 2017) and industry 4.0 (Drath & Horsch, 2014; Schmidt et al., 2015; Zezulka et al., 2016; Palazzeschi et al., 2018), to mention just few significant news in recent years.

The economy must be innovative, and the innovative economy must be created by “the innovative” persons (Ponukalin, 2014; Chesbrough, 2017). Consequently the innovative society and economy require humans to master much more entanglement than ever before, since there are no longer (Mulej & Potocan, 2009; Sapkauskiene & Leitonienė, 2010; Kibbeling et al., 2013; Tournois, 2013; Hill & Hult, 2015; Foss & Saebi, 2017): (1) Local markets hidden from the global market, (2) Chances for many humans to live with no permanent renewal of their skills in order to create innovation, be competitive and survive in the global market, (3) Markets in which supply is not bigger than demand, except for the least advanced areas in which close to a billion people are hungry, while in the other areas about a billion people are too fat to be healthy, and (4) Many areas, where humans can live with no innovation and demands for requisitely holistic thinking, called systems thinking in systems theory (Mulej, 2013).

The decisive role for the establishment of innovative society, thus belongs to the significant role of innovation over the decades (Subramanian, 1996;

31 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/modern-business-and-innovativeness/214189

Related Content

Scrutinizing the Barriers That Impede Industry 4.0 Projects: A Country-Wide Analysis for Turkey

Ömür Yaar Saatçiolu, Nergis Özispaand Gökçe T. Kök (2019). *Agile Approaches for Successfully Managing and Executing Projects in the Fourth Industrial Revolution* (pp. 294-314).

www.irma-international.org/chapter/scrutinizing-the-barriers-that-impede-industry-40-projects/223391

Factors Influencing Consumers' Purchase Intentions Towards Made-to-Order Tea Drinks in China

Zixuan Ricky Wangand Rob Kim Marjerison (2019). *International Journal of Food and Beverage Manufacturing and Business Models* (pp. 29-52).

www.irma-international.org/article/factors-influencing-consumers-purchase-intentions-towards-made-to-order-tea-drinks-in-china/234724

Programming Global Strategy to Maximize Net Income Modeling Legal Conditions and Corporate Values

Federico Trigosand Eduardo Manuel López (2018). *Operations and Service Management: Concepts, Methodologies, Tools, and Applications* (pp. 407-427).

www.irma-international.org/chapter/programming-global-strategy-to-maximize-net-income-modeling-legal-conditions-and-corporate-values/192490

The Impact of Personal Values on Innovativeness of Management: Starting Points for Empirical Research

(2019). *Personal Values as Drivers of Managerial Innovation: Emerging Research and Opportunities* (pp. 130-164).

www.irma-international.org/chapter/the-impact-of-personal-values-on-innovativeness-of-management/214193

The Moderating Role of Gender on Pathos and Logos in Online Shopping Behavior

Vishal Verma, Swati Anandand Kushendra Mishra (2022). *International Journal of Applied Management Theory and Research* (pp. 1-19).

www.irma-international.org/article/the-moderating-role-of-gender-on-pathos-and-logos-in-online-shopping-behavior/288508