

A FRAMEWORK OF INNOVATION FOR LARGE ORGANISATIONS IN INDIA: A GROUNDED THEORY APPROACH

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ABSTRACT

In the rapidly changing business environment, large organisations have become susceptible to their young, agile, frugal competitors who are rapidly making a dent in their established territories. Besides other things, it is also owing to the fact that the small organisations are more flexible, adaptable to the rapidly changing environment in their ability to do innovations. Under the premise of innovation as a growth strategy, this research aims to develop a framework of innovation for large organisations operating in India to enable them understand the enablers of innovation. Following the framework of innovation will enable them harnessing the advantages that they enjoy being a large organization and stay competitive in the market place. The research is based on one hundred in-depth interviews of experienced executives of Indian organisations or multinational organisations operating in India and aimed at developing a framework of successful product and service innovations for large organisations.

KeyWords: *Innovation Framework, Grounded Theory, Product Innovations, Service Innovations, Large Organisations, New Product Development*

INTRODUCTION

In today's dynamic environment every year numerous new products are launched in the marketplace to attract the customers. Research by Cooper, Edgett&Kleinschmidt (2004); Ettl&Perotti (2003) suggests that only one out of seven products that are launched in the market really succeed and there is no exception to this fact as even the most established companies in their field also fall prey of this phenomenon. This is primarily because of the fact that most of the times companies are obsessed with new products and new technologies

and launch the products in a hurry to attract the customers and capture the market (Tripathi, De & Guin, 2012). The curious customers are also ready to try out these innovative products. So, although organizations continuously innovate what makes these innovations successful in market is a question to be asked. The present research aims at identifying the underlying parameters through which a framework for successful innovation can be developed for large Indian organizations. The ideal people who deal with devising a sort of innovation framework are the middle and top management employees of organizations who deploy innovation strategies especially in the area of Marketing so that either they maintain competitive advantage or create it.

The present research is based on the in-depth interviews of such 100 respondents working in 30 private sector organisations of Indian origin or multinationals based in India, having employee strength of 1000+ and a turnover of US\$200 million and above. The respondents are the middle and top level managers of these organisations having 5 years+ experience in the same industry. The innovations under study are product and service innovations that have been created by the organizations in the last 2 years. The research uses Grounded Theory methodology for qualitative data analysis to arrive at a framework of Innovation for large organisations.

LITERATURE REVIEW

After doing a literature review of the published research on innovation in India, it was found that there is no such research which gives a framework of innovation especially for Indian organisations. Although research is done on various perspectives of innovation, e.g. Innovation and Incubation (Chandra, Srivastav & Shah, 2003); Innovation and Enterprise (Khandwalla, 2006); Innovation & Intrapreneurship (Seshadri & Tripathy, 2006, Manimala, Jose & Thomas, 2006); Innovation and Entrepreneurship (Bhattacharya, 2006) but there is no model framework for innovation containing the basic elements of innovation in the form of Input, Process and Output. Besides that, although a lot of initiatives have been taken up by the Entrepreneurship Development Institutes, Entrepreneurship Cells, active in various educational institutions, but the area of studying innovations in large organisations is generally missing as all of them focus on new business plans.

Secondly, there is no study done in India where an innovative framework for large organizations is developed. It is also due to the fact that the basic parameter for studying innovation in most large organizations is Research and Development (R&D) oriented and it is presumed that those organizations who score less on the R&D expenditure are less or non-innovative which is not necessarily true in case e.g. the organization is not an R&D intensive organisation.

Thirdly, Grounded Theory Methodology itself is relatively novel in the field of Innovation research. Therefore, there is a gap in the application of Grounded Theory Methodology for qualitative data analysis.

METHODOLOGY

The present paper aims to answer the following research questions:

- To find out which inputs are used by organizations to make an innovation successful?
- To find out what are the intervening conditions, actions and interactions that help in processing of the inputs (or limit them) for innovation in products or services?
- To find out the central phenomenon(s) promoting innovation in the organizations.

The objective of the paper is to develop a Framework of Innovations for large organizations in India.

The research uses Strauss & Corbin (1990) version of Grounded Theory Methodology for Qualitative Data Analysis to analyse data collected from 100 interviews. Only Product or Service Innovations were studied during the study. Employees of Indian organisations or Indian Operations of a Multinational who have worked for at least 5 years in the same industry were selected for the interview. All the organisations where they worked were listed organisations in the at least either of the following stock exchanges viz. Bombay Stock Exchange (BSE), National Stock Exchange of India (NSE), New York Stock Exchange (NYSE), London Stock Exchange (LSE) or Nasdaq. Each of these organizations had at least 1000 employees and their minimum turnover was over US\$200 million. Product and Service innovations done by these organisations in the last two years only were considered and communicated to the respondents so that they answer accordingly. Each in-depth interview lasted from 20 minutes to 1 hour and 30 minutes. For the qualitative data analysis Grounded Theory Methodology (Strauss & Corbin, 1990) was used. A total of 100 in-depth interviews (Field Research I: 68, Field Research II: 32) were conducted. In grounded theory it is suggested that sampling should be stopped at a point beyond which no new concept emerges for conceptual categorization (Glaser & Strauss, 1967; Strauss & Corbin 1990; Goulding, 2002; Creswell, 2007). Also, to do any research through Grounded Theory Methodology, a sample of 20-30 interviews or 50-60 interviews is sufficient (Creswell, 2007). Theoretical sampling was used to analyse data collected through these interviews. A structured questionnaire was used to collect data through in-depth interviews. The interview items were adapted from the constructs used by Muller, Välikangas & Merlyn (2005); Barczak, Kahn & Moss (2006); Saleh & Wang (1993); Angle (1989); Narver, Slater & MacLachlan (2004); Cooper (1980); Jong & Kemp (2003); Madique & Zirger (1984); Pinto & Slevin (1989); Frishammer & Horte (2005) and Kleinschmidt & Cooper (1995).

Grounded theory was used to analyse data in this research. There were several reasons for selecting Grounded Theory as it is one of the most widely used methodologies for qualitative interpretative framework in Social sciences (Locke, 2001). It is used in Consumer behavior (Goulding 2000) when interpretation is needed on the researcher's side to accomplish (Valor, 2007) the main goal of Grounded Theory: "*to abstract the data and to think theoretically rather than descriptively*" (Goulding, 2000, p.152).

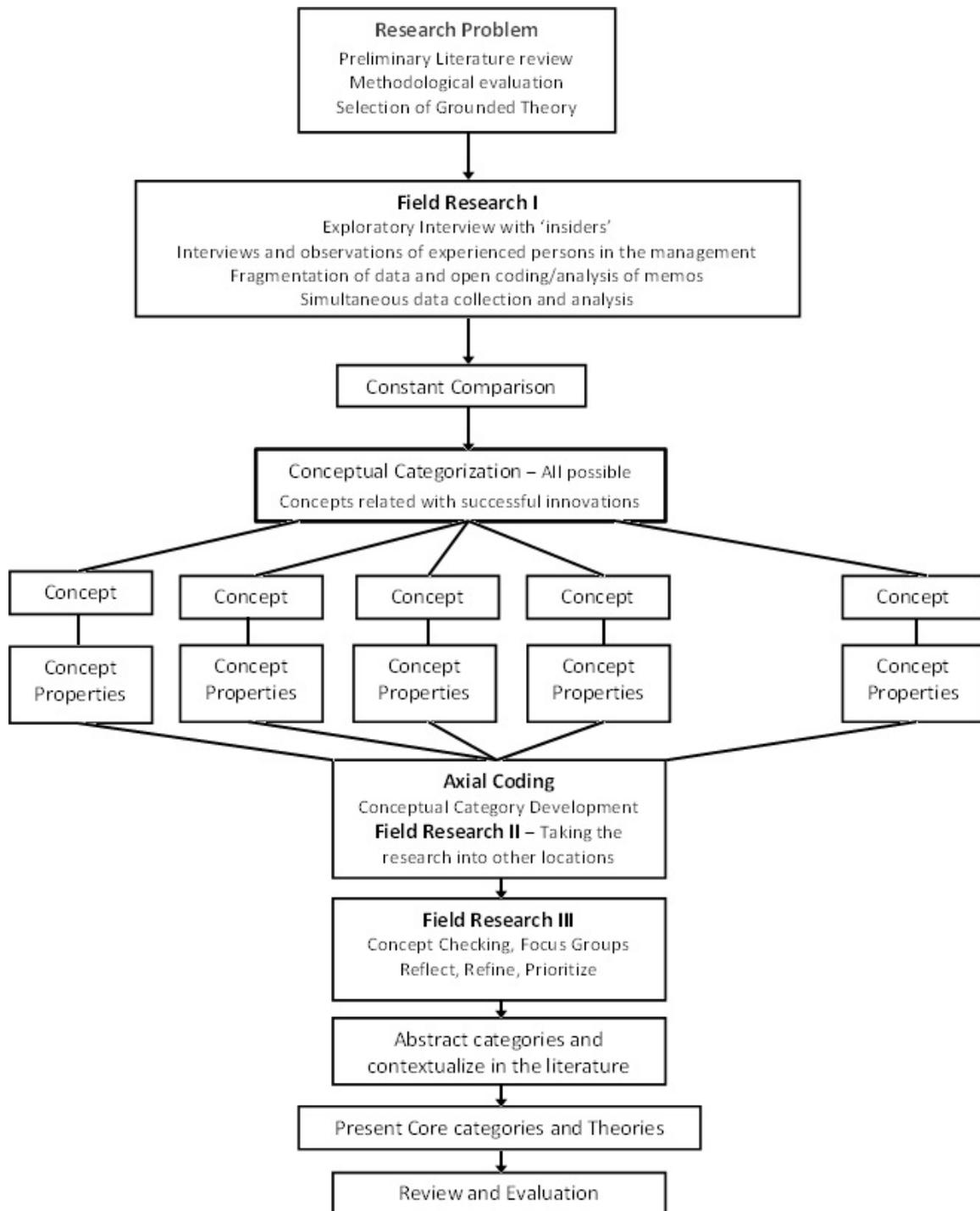
Grounded theory is an appropriate methodology for Qualitative Data Analysis (QDA) for several reasons. It is oriented towards action and processes (Strauss and Corbin 1990) which is basic purpose of this research where it is being tried to find out the key processes and actions taken by the corporate executives to make an innovation successful. In other words,

the research tries to find out the key social processes (Glaser, 1978), intervening conditions, action/interaction strategies and consequences (Strauss & Corbin, 1990) in order to assimilate the processes into a framework of innovation.

By looking at the existing literature on innovation, it is clear that it is quite complex. One of the primary reasons of this complexity is that all organizations have different ways and means to do innovations and make their products (services) successful. There is no set framework which can act as a guideline for the organizations trying to pursue innovations. In this situation of ambiguity (Strauss & Corbin, 1990) Grounded Theory can be applied. Also Grounded Theory allows incorporation of multiple variables in the Qualitative data analysis which was possible by quantitative studies. At the same time it does not suffer from the limitation of reductionism and over-simplification of things such as innovation which is quite complex as it requires a lot of interaction amongst the social and organizational systems. It is possible because of lesser importance given to *a priori* knowledge in Grounded Theory methodology (Valor, 2007; Glaser, 1967, Strauss & Corbin, 1990). The present research uses theoretical sampling for data analysis to be able to enable the researcher do the analysis through Grounded Theory. In theoretical sampling, researchers typify the behavior of people and not the people themselves (Glaser, 1978), balancing the principle of similarity with the principle of dissimilarity (Locke, 2001; Rubin & Rubin 1995). In this research the principle of similarity was achieved by sampling the respondents having more than 5 years plus experience in the same industry who have a fair understanding of organizational systems leading to innovation. On the other hand the principle of dissimilarity is achieved by sampling the respondents from 1) different organizations which are 2) known to have the systems of innovation (or absence) thus showing over a continuum - how the thought processes, systems and strategies differ.

The flow diagram of research is given below in figure 1.

FIGURE 1 : FLOW OF RESEARCH

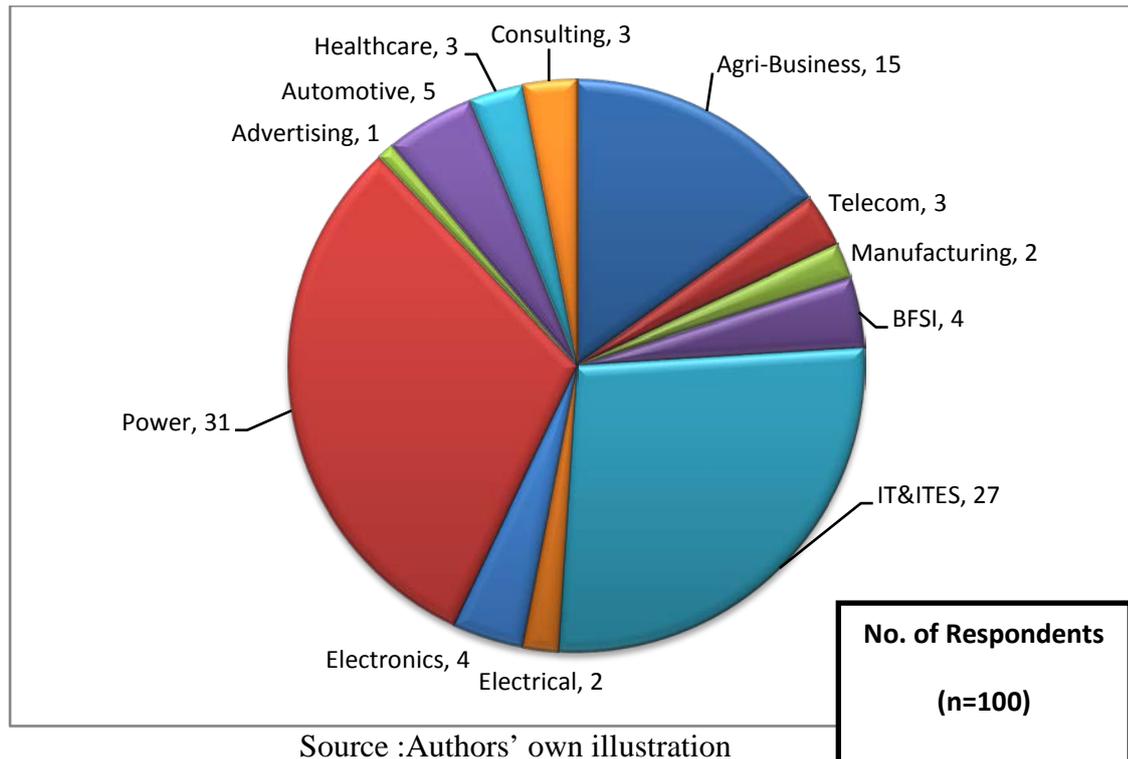


Source: Adapted from Goulding, 2002, p.115

FINDINGS AND ANALYSIS

The sector-wise number of respondents is shown below in figure 2. The minimum experience of any respondent in the same industry was 5 years and the maximum was 36 years and the average experience of respondents was 10.4 years.

FIGURE 2: INDUSTRY-WISE NUMBER OF RESPONDENTS



After collecting the responses through the in-depth interviews, a word-by-word analysis was done. Through constant comparison, the main categories (having properties) were identified and then altogether different types of organisations were selected for data collection like in the Power sector and Agri-Business sector which are supposed to be less innovative (at least directly). After constant comparison, Axial Coding was done to arrive at the major concepts around which all the data inputs can be clubbed together. The final concepts that were arrived at after this refinement formed a part of the innovation framework and were validated by the detailed responses of the respondents i.e. Concepts were well grounded in the theory.

To illustrate the above, the open coding of one element from each of the categories viz. inputs for innovation, intervening conditions/enablers of innovation and output of innovation is illustrated below. These open coding (word by word analysis) elements pave the way for axial coding where these elements are aggregated to identify the major concepts derived from the research.

The word-by-word analysis of the responses collected for item no. 2 of the questionnaire (see appendix I) showed the emerging codes as given below in table 1. The figures within brackets indicate the frequency of a particular word or phrase.

TABLE 1: OPEN CODING FOR EXISTENCE OF INCENTIVE FOR INNOVATION

On existence of incentive for innovation

Incentive Program
 Monetary Incentives (16) (e.g. Pre-paid Retail cards, Universal Gift Cards, Travelling, Experiential rewards, ESOPs, Tax reliefs, Premium contribution, Healthcare reimbursement etc.)
 Non-Monetary Incentives (32) (e.g. Flexi work hours, Trainings etc.)
 Appreciation
 No incentive
 Recognition programmes (like Accelerated Global Leadership Program, Top Gear Award, Champion of the month, Kaizen Contest, Young Manager Award, Blue Ribbon etc.)
 One-time payment
 Part of the job
 Linked to KRA
 Performance Based
 Substantial development like Patents
 No specific incentives for innovation
 Reward for out of box thinking
 Efficient award system

Source : Authors' own illustration

Upon analyzing these codes two concepts seemed to emerge viz. Monetary Incentives and Non-monetary incentives. These were the two basic concepts of monetary and non-monetary incentives around which every other response could be axially coded (see table 4). It was also found that most of respondents were of the view that their organizations majorly use non-monetary incentives to promote innovations. Some others reached to the level of giving monetary incentives, yet others were there who followed a mix of monetary and non-monetary incentives.

Similarly the following codes emerged from open coding for item no. 6 of the questionnaire (see appendix I) as illustrated in table 2.

TABLE 2 : OPEN CODING FOR THE TIME REQUIRED BY THE ORGANIZATION TO FUND INNOVATION

On the time required by the organization to fund innovation

Immediately, if important
 Usually depends upon viability and necessity
 Depends upon relevancy
 It is very fast
 The process has fastened

If the product is successful, there is no problem at all
 Normally does not innovate, if required, is done by the client's money
 Fund already provided, but no takers
 Immediately (10)
 2 to 3 months (6)
 6 to 12 months (4)
 1 year (5)
 5 years (6)

Source : Author's own illustration

It was found that there is no dearth of funds in most of the organisations. They are ready to fund promising ideas at times instantly. After axial coding, it gave rise to the concept that good innovations generally never face financial problems (see table 4). One reason that seemed to support the fact was most of the organisations in the research were large organisations by Indian Standards and were having profitable businesses. Those whose financial results was not good, they were not innovating also as innovations require a financial commitment by the organization.

For outputs in the shape of successful product and service innovations, similarly the following codes emerged from open coding for item no. 17 of the questionnaire as illustrated in table 3.

TABLE 3 : OPEN CODING FOR TIMING OF LAUNCHING A NEW PRODUCT

On whether the organization thinks of reviving the product/service when it reaches maturity or launches a new product instead

Launching New Product (33)
 Reviving an Old Product (11)
 Dynamic demand course requires new products, so has to go with that flow
 Launching mainly due to market dynamics
 Do keep the existing business alive and launch new products
 New Products are launched so that they can replace old products in future
 Revive the old product by launching the old wine in a new bottle
 Launching a new product makes more sense when it reaches maturity
 Dynamic Environment
 Cost-Benefit Analysis
 Before it reaches maturity

Source :Authors' own illustration

As a result of open coding for the above item it was found that most of the respondents were of the view that their organization prefers launching a new product when the existing product reaches maturity as compared to reviving it. Some of them even said that is better to launch a new product before it reaches maturity. It gave rise to the concept that companies should consider launching a new product at or before it reaches the maturity stage of the product life cycle (see table 4).

In a similar manner all the responses through the 22 indicative questions were aggregated to arrive at the main concepts that were further aggregated to conceptual categories as shown in table 4 given below.

TABLE4 : AXIAL CODING & CONCEPTUALIZATION OF MAIN CATEGORIES

Field Research I: Axial Coding of codes from word-by-word analysis	Conceptual Categories after Field Research I, Field Research II	Field Research III: Phases of Successful Innovation	
Top Management as Innovators	No. of Innovation Mentors	Inputs for Innovation	
Functional Heads as Innovators			
Non-Monetary Rewards	Incentives for Innovation		
Monetary Rewards			
Employees believe that there is a focus on Strategic Innovation	Perceived focus on Strategic Innovation		
Employees think that the organisation is innovative			
Organisations doing innovation occupy top position			
There are just 1-2% employees who can start a new business for the company	No. of Intrapreneurs in the organization		
The no. of employees starting a new business after leaving the company can be counted in numbers (few)			
Change the mission to stay Relevant	Responsive Senior Leadership		Intervening conditions/Enablers of Innovation
Responsible Top Management			
Follow 3-5 major ideas in a year	No. of Ideas & Time to Market		
Plan to launch 2-3 products in a Year			
Small Ideas are easy to implement (2-6 months)			
Big ideas are difficult to Implement (2-5 years)			
Good Innovations never face financial problems	Funding Innovation		
Internal funds are sufficient to fund innovations			
Follow 70:30 principle for Core vs. New Businesses	No. of New Products/Services being developed	Outputs as Successful Product/Service Innovations	
Innovations can be done proactively			
Innovations can be done as required by the market			
Consider launching a new product at or before it reaches maturity			
New Products will occupy 30-40% revenue share in the coming 5 Years	Percentage of Revenue from new Products/Services		
Majority of products would be successful if they are			

extensively tested		
Though all are trained, training on innovation need to be emphasized more	Business From New Products/Services part of KRAs after proper training	
Ideas of Innovation exist within the organization		

Source: Authors' own illustration

As shown in table 4 above, the elements found out as a result of open coding were aggregated to form concepts in field research I. The process followed was Axial Coding where each element was joined with the major concept derived. Again these concepts were combined to arrive at conceptual categories. Based on the conceptual categories at the end of field research I, a framework of innovation was developed in an Input-Process-Output model format.

At the end of field research I, the main conceptual categories were taken to places i.e. to those respondents who were not related with the respondents of field research I. This was done to explore the possibilities of getting more concepts or conceptual categories in field research II. In this phase 32 in-depth interviews were conducted. Upon analyzing the findings and constant comparison it was found that there were no new concepts, only the existing concepts got enriched in terms of their properties.

Further in field research III, after refinements, prioritization and abstraction, all the conceptual categories could be classified as inputs, processes (or intervening conditions) and outputs in the form of successful product/service innovations.

The final framework of innovation for large organisations in India is shown in table 5.

Implications

Following the Grounded Theory methodology, a framework of innovation was developed for largeorganisationsin India, as shown in table 5 given below.

TABLE 5 : FRAMEWORK OF INNOVATION FOR LARGE ORGANISATIONS IN INDIA

Inputs	Processes	Output
No. of Innovation Mentors	Responsive Senior Leadership	No. of New Products/Services being developed
Incentives for Innovation	No. of Ideas & Time to Market	Percentage of Revenue from new Products/Services
Perceived focus on Strategic Innovation	Funding Innovation	Business From New Products/Services part of KRAs
No. of Intrapreneurs in the company		

Source: Authors' own illustration

Here the inputs are the preconditions for successful innovations. They must be present in the organization that is seeking successful innovations in the area of products and services. The Processes represent the enablers of innovation in the organization. They are the intervening conditions or a kind of stage gate that enables the organisations to convert their ideas into real products or services. If these intervening conditions or processes are absent or in bad shape, organization cannot flourish in the area of innovation. The Output represents successful product/service innovations in terms of revenue generated by them and the share in company's total product/service portfolio. This framework is meant for large organisations as they have sufficient resources, structures and systems to foster innovations required for sustainable and agile enough to face competition from the fast, frugal and small innovating organisations. This is a distinctive feature as the commonly known frugal innovation flourishes despite scarcity of all kinds of resources, but the subject matter of this research is large and established organisations who at times are stuck in their myopic view of business by virtue of doing business since a long period of time.

Empirical evidence for the Framework of Innovation for large organisations in India

To support the framework, empirical evidence for the conceptual categories is given below:

Input: No. of Innovation Mentors

A majority of the respondents were of the view that if more number of people do innovations for the organization, it is taken in good spirit and it is better for the future of the organisation. E.g.

“.....its an industry where innovations are appreciated and welcomed in every way by anybody if it works, staffs or higher management. We take it for better future.”

-Welfare Officer, Estate Operations in an Agri-Business Company

Similarly, it is encouraged that people do innovations for the organization like

“.....everyone is encouraged to innovate in their respective departments, units and technologies.....”

-Manager HR in a leading IT company

Input: Incentives for Innovation

Majority of the organisations give non-monetary incentives to its employees who work on innovations and make them successful. Examples are:

“.....A person is appreciated and his idea for new product/service is made public and is implemented.....”

-Senior Assistant Manager, Estate Operations in an Agri-Business Company

“.....He receives award in Kaizen Contest. He is recognized through Company issued magazines and bulletins, wide circulation.....”

-Senior Deputy Manager in a Power Company

“.....Such ideas are really appreciated & the person gets the well-deserved recognition.....”

-Team Lead – IT in a Health care Company

There is evidence of why organisations give non-monetary incentives as they feel that employees get more motivated if they are awarded for innovations as compared to monetary rewards as it is evident from the testimonial given below:

“.....we do have an incentive program in place for people driving for new ideas. Prepaid retailcards, Universal gift cards, travelling, experientialrewards are few cash rewards we already have. But non-monetary awards like flexi-work hours, premium contribution, training, healthcare reimbursement or even paid sabbaticals and labeling tends to have a greater and lasting impact on people”.

-Senior Research Analyst in a Telecom company

Yet some other organisations who are seriously into innovations, offer both monetary and non-monetary incentives for doing innovations as it is evident from the following responses:

“.....there are incentives. ESOPs and Tax reliefs are some monetary incentives we get along with our annual bonuses. "Accelerate Global Leadership Program", Vertical Job Shift with labeling are some non-cash benefits we enjoy.....”

-Product Manager in a Telecom company

“.....incentives, that we have in our company are of two types: financial and the intangible rewards. Financial part includethe direct as well as the indirect financial benefits. The intangible part includes flexible schedules, part time works, sabbatical, study leave, training opportunity, feedback and recreational leaves. There are many others which I am not aware of”.

-Deputy Chief Innovation Officer in an IT company

Input: Perceived focus on Strategic Innovation

Most of the employees in the companies surveyed think that there is a focus on strategic innovation in their organisations as it is evident from:

“.....Cannot tell you the worldwide figure as such but most of the people think so, where I am working at least.”

-Senior Research Analyst in a Telecom Company

Some others believe that the company has a focus on innovation may be not willfully but by compulsion, as it is evident from the response given below.

“.....a good majority is adapting to the changes in the world scenario.....”

-Senior General Manager in an Agri-Business Company

Another reason of having a focus on strategic innovation is for survival and aggressive growth. Most of the respondents believed that to stay in competition or even for survival, innovations were required. This was important due to the fact that most of the organisations surveyed were the established ones having a smooth flow of profits. It is evident from the response like:

“.....innovative services were offered to the consumers for survival and aggressive growth in the industry.....”

-Deputy Manager Audit in a Power Company

Input: Number of intrapreneurs in the organisation

Overall the absolute number of employees having started a new business for the company was relatively less as in most of the case the respondents were able to count their numbers. Even a 5-10% figure was on the higher side as the respondents said:

“.....it might be around 10%, surprisingly this is too large a figure, mainly because I am counting all the members in a team working on any new business”.

-Project Director, Manufacturing Execution System, Europe in a global electronics company

Similarly, one person responded,

“.....5% on a higher side, estimated.....”

-Senior Project Manager in a leading Indian IT Company

In majority of responses the numbers of intrapreneurs could be counted by the people that showed there was a scope of improvement in this figure as these people easily get recognition in the organization as told by one respondent:

“.....two people from CGC-FSI unit have started a new business with the product incubation team's guidance.....”

-Technology Analyst in a leading IT company

Processes: Responsive Senior Leadership

There were two elements of this category viz. how often the organization changes its mission or vision to stay relevant and does senior management take responsibility of failures, in other words supports reasonable risk-taking. It was found that the organisations change their vision only when there is a strategic need for it or there is change of guard, Examples are:

“..... it last changed its vision in 80s' when it started EIS, networking part of it. But mission has changed many a times since then”.

-Deputy Chief Innovation Officer in a Telecom company

“It had changed its vision, but it was way back in 2000 I suppose, when Mr. X was appointed the Group Chief Executive. Since then the vision has remain unchanged. But mission has been altered depending upon the economic conditions of the countries in which it is operating.”

-Customer Service Manager in a multinational Bank

In terms of taking direct responsibility of success or failure it was found that most of the respondents were of the view that the top management takes the responsibility of success or failures as one respondent said:

“Yes. Most projects are spearheaded by senior management. Hence they directly take responsibility of their success and failure....”

-HR Manager in a leading IT Company

Processes: No. of ideas and time to market

A majority of respondents said that their companies follow on average 3 to 5 ideas in a year out of which 2 to 3 ideas of new products/services get implemented. Examples are:

“.....1 to 2, there are 4 main projects viz. ATM Deployment, POS machines, Financial Inclusion and CBS.....”

-Assistant Manager, Sales & Strategy in a leading Banking Infrastructure company

Similarly another respondent said:

“.....about 20-30 new ideas are started, 2-3 make it to product stage”.

-Manager, Product Development in a multinational electronics company

When asked about the time taken by the organisations to convert an idea into physical product or service they said that small ideas i.e. ideas having small gestation periods for implementation were easy to implement within 2-6 months, provided the idea was viable and offered a promising business opportunity. Examples are:

“...for medium level or complexity of new idea implementation time is around 30 to 45 days”.

-Team lead in one of the largest multinational IT Company

Similarly,

“.....for small things, not requiring a huge CAPEX, it can be 2 to 3 months, for large ones it is 3 to 5 years”.

-Assistant Manager in a market leading manufacturing firm

Ideas having a large gestation period of implementation faced a lot of difficulties like:

“.....presently it is still high in transmission and distribution. However, in generation, Finance, LCC, I believe time is lesser as extraneous factors/political issues and govt. Policies are less involved”.

-Deputy Manager, Purchase in a Power Company

Similarly,

“.....4-5 years for a long project e.g. car launches”.

-Manager, Product Development in a multinational automotive company

Processes: Funding Innovation

Except one or two respondents, each one of the respondents said that there is no dearth of funds for innovation. Companies had enough funds to support innovation. E.g.

“.....Yes, there is a separate fund (for innovations) and a reward system”.

-Product Architect in an IT company

“.....sufficient funds but no formal process to allocate it.....”

-Manager-Sales in an IT company

Companies despite having funds within the organization, preferred to collaborate with other companies to reduce their risk as it is evident from response like:

“.....external collaboration is required in high-risk projects and not required for low-risk projects”.

-Deputy Manager in a leading Healthcare company

Output: No. of new products/services being developed

Respondents said that the core businesses still comprised of a major chunk in their product portfolio and the new products/services were around 20-30% of their portfolio of products/services. E.g.

“.....around 30% only as it will not leave old technologies.....”

-Senior Software Engineer in an IT company

Most of the products/services are developed by the organisations as demanded by the market or customers. E.g.

“.....due to market, to stay competitive”

-Manager, Product Development in a leading multinational automotive company

Yet there were some companies who were more innovative as they did innovations on their own as well as it was demanded by their consumers. E.g.

“.....it has been both cases (on our own and as demanded by the consumers as well). The new products usually become good business opportunities”.

-Technical lead in a leading IT company

Output: Percentage of revenue from new products/services

At present new products/services contribute anywhere between 5-20% to the revenue stream of organisations which is going to increase in future as told by respondents e.g.

“.....new products are 30-40% considering old/Core product as maintenance job and Development as Product Development”.

-Senior Solution Integrator in a leading IT company

“.....roughly 20-30% max, but it depends upon the kind of products/services.....”

-Senior Research Analyst in a leading multinational telecom company

Output: Business from new products/services as part of KRAs

Generating revenue from new products/services has increasing becoming a part of the KRAs (Key Result Areas) of the employees. It is one good method followed by the organisations to inculcate a spirit of innovation amongst the employees. E.g.

“In KRAs there is a weightage in each case for new thoughts/initiatives. The emphasis on individuals is to bring innovation to benefit the company and consumer and ideas are accepted/implemented through Top Gear awards”

-Deputy Manager – Purchase in a Power Company

Since performance of an employee is judged through performance appraisals and KRAs from a major part of it, performance on the innovation front has become a part of the performance appraisal system also. It is evident from responses like:

“Employees are encouraged to suggest new ideas for the client and if the idea gets client approval, it is considered as a value-addition and the innovator is rewarded by the company. This is considered while appraising the employee's salary in the appraisal cycle”.

-Technology Analyst in a leading IT company

CONCLUSION

The innovation framework presented in the paper can act as a basic guideline for any large organization willing to adopt the path of innovation in India. It includes the major inputs, intervening conditions (enabling or disabling) and the outputs generated by organisations working in India. The framework can be customized by any large organisation for its own needs and may act as a generic guideline for developing an innovation driven organisation. Moreover, being an emerging Asian giant, India is a major ‘looked for’ market by all multinational corporations throughout the world who are eyeing a share in one of the largest markets in the world. Also it enables companies and executives alike in understanding the system of innovations in India as it gives some indications on what works and what does not work in India. The future scope of this research is that a researcher could find out the inter-relationships and interactions amongst the variables grouped under input, process and output through quantitative research. Also, some other versions of Grounded Theory Methodology can be used to analyse qualitative data.

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Appendix I: Indicative questions of in-depth interview

1. How many people are there in your organization who drive innovation in product/services (except R&D).
2. Is there any incentive to a person who gives the idea for a new product/service? Elaborate.
3. How often your organization changes its vision/mission/logo?
4. What is average time from idea generation to venture launch in your organization?
5. How many new ideas of products/services/verticals/platforms are followed by your company in a year?

6. How much time is necessary in your organization for funding innovation?
7. What is the percentage of the total revenue that comes from new products/services or ventures?
8. How many new products/services/verticals your company is planning to launch in the next year?
9. Five years down the line what do you think will be the percentage of new products/technologies in your company's total business?
10. What is the number of in-company employees who have started a new business for the company?
11. What is the number of company employees who have started a new business after leaving the company?
12. What percentage of employees has been trained in innovation/innovative new products?
13. What percentage of employees agrees that there is a focus on strategic innovation?
14. Is there a process to generate new business ideas from within the organization/outside the organization?
15. Are there sufficient funds within the organization to support innovative products/services or outside help or collaboration is required?
16. Is senior management directly takes responsibility for success or failure of an innovative product/service/verticals/platforms?
17. Do you consider launching a new product or revive the product when a product/service, reaches its maturity?
18. How many competencies/new products/services are deliberately developed in the last one year?
19. Do you think your company does innovation to stay ahead in the market?
20. Your company does innovation as required by the market or they do it on their own to offer new products?
21. In innovation, what rank would you give to your organization amongst your four nearest competitors?
22. What percentage of all new products/services/technologies launched by your organization in the last two years has been successful?