

Innovation as a Delicate Process of Balancing Conflicting Internal and External Demands

Prof. Muammer Ozer

City University of Hong Kong Department of Management 83 Tat Chee Avenue Kowloon, Hong Kong.

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ABSTRACT

Engaging in innovation requires companies to go through a lengthy and detailed process in order to develop and introduce their innovation. In such a process, they face a number of demands. Internally, they need to take into account the demands of top management, different departments, and people who are influenced by the innovative initiatives. Their demands can also be conflicting (e.g., while the marketing department might emphasize innovation needed by customers, the manufacturing department might emphasize innovation that is easy to manufacture, and yet the finance department might be interested in innovation that is less expensive). Externally, companies also need to deal with customers, suppliers, investors, and competitors. Similar to the internal demands, external demands can also be conflicting (e.g., while customers might want useful innovation, the investors might want higher and quicker returns on their investments). As a result, companies need to balance all these conflicting demands in order to be successful. In this research, we present an empirical evidence showing how these conflicting demands influence the innovation process.

Keywords: Innovation, Demands, Manufacturing.