

# Organizational Innovation Management: A Study in Hong Kong/China Manufacturing Industry

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## **Abstract**

The need to become an innovative organization has probably never been greater in today's dynamic and changing business environment. To secure a promising and competitive advantage for a company, innovation is required as it improves an organization's ability to tackle and overcome challenges. Organizational innovation is defined as the adoption of an idea or behavior that is new to the organization or to the relevant market sector. It is the actualization of technology or new administrative practices in terms of new products, which include tangible products and intangible services, or new processes, which include direct production or service delivery processes and support operations, in an organization. New technology can either already exist or be newly developed, whereas new administrative practices can involve the actualization of new ideas into actual operations.

Hong Kong manufacturers have been facing a lot of challenges in past two decades, particularly the low-cost competition from Mainland China and South East Asia. Organizational innovation is regarded as one of the critical solutions to remedy the situation. In fact, achieving successful innovation is not simple for most organizations since there is a gap between innovation philosophy and daily operations. The problem exists in many organizations since it is understood that innovation innately cannot easily be interpreted. It is a fragile and vulnerable entity by nature. A clear understanding of success factors of organizational innovation management is awaited. As well, a specific assessment framework for individual company, a comprehensive assessment system for practices, system and performance of organizational innovation management and an organizational-wide implementation plan in manufacturing industry are absent. This is the justification for the presenter's recent research project entitled "Methods for competitive organizational innovation management for Hong Kong/China manufacturers".

While diversified concepts of innovation are examined, a generic framework for managing organizational innovation is established to portray the notion in a methodical approach. The framework includes the core value and critical factors of successful organization innovation management. Substantiation of the framework has been carried out in Hong Kong and China in order to testify the hierarchy against the practical circumstance and to understand the industrial views towards the framework. This presentation will summarize the empirical findings of surveys of organizational innovation with a sample of 200+ manufacturing companies each in Hong Kong/Pearl River Delta and Shanghai/Beijing respectively. On one hand, the survey findings confirm the readiness for the generic framework, and on the other, it obtains the ratings of expected importance and company accomplishment for the determinants of organizational innovation. The framework finally will be further expanded to the development of an assessment system for organizational innovation. After assessing the current organizational innovation management systems and practices of the organization with the aid of a computer-aided assessment system, the

organization could formulate an organizational-wide implementation framework according to the identified strength and weakness in order to enhance the organizational innovation management of the company up to a competitive level. This presentation aims to give an overview of the underlying concepts and approaches of this research project and the current outcome.