KODOLÁNYI JÁNOS UNIVERSITY OF APPLIED SCIENCES

How Learning and Innovation can create future opportunities: An Intercultural Perspective

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„Innovations is an essential ingredient in achieving lasting competitive advantage”

Problems:

- Poor innovation performance in the Hungarian economy
  (European Innovation Scoreboard, IMD World Competitiveness Report, WEF Global Competitiveness Report)
- Globals, multinationals
- SMEs

Questions:

- What are the reasons?
  - External (environmental)
  - Internal (business - related)

Methodology:

Research based on

- Questionnaires (more than 500)
- Interviews (about 70)
- Case studies, benchmarking studies
- International sample (Slovac Republic, Poland)
- International best practice and benchmarking examples

Preliminary results:

In the sample all the major business activities and the main regions of the country are represented

External problems:

- EU membership
- Economic policy
- Institutions
- Competitive environment
- Financing



Internal problems:

- Cost - competitiveness strategies
- Stakeholders' preferences
- Management: lack of coherent values, lack of vision, risk avoidance
- Weak organizational capabilities
  - Unfriendly organizational culture
  - Lack of planned, continuous learning
  - Lack of motivation
  - Tangible asset – focused structures
- Crisis shock

External intangibles:

- National cultural characteristics:
  - Particularism
  - Ascription
- Weak social capital
- Short - termism

Conclusions:

- Innovation: individual achievement, but rarely market success
- Learning is individual, lack of knowledge management practices
- Capable individuals, lack of synergies (2+2 < 4)
- Weak cooperation efforts limit open innovation experiments
- Competition is based on factor costs and not on high value - added

Advice:

- Changing government policies:
  - „Think Small First" strategy
  - Help SMEs to exploit EU opportunities
  - Access to finance
  - Fair competitive environment
  - Innovation – friendly environment
  - Strengthen social capital
  - Promote all forms of innovation, including open innovation
  - Decrease bureaucracy and corruption
  - Appreciate outstanding results

- In businesses:
  - Competing on quality, value – added, knowledge and creativity
  - Developing open innovation capabilities (involving people, openness, learning, creativity communities, bridging culture, cohesion)
  - Cross – functional cooperation
  - Upgrading skills
  - Innovation friendly performance culture
  - Corporate innovation universities, continuous learning

Short case

„Macher Ltd”

- Number of employees: 70
- Markets: Hungary, Germany, France, Sweden, Switzerland
- R&D: 20-30% of income

Value proposition:

- Quality
- Reliability
- Intimate customer relations
- Cooperation

Business model:

- Innovation
- Agility
- Adaptability
- Flexibility
- Openness
- Proactive behaviour
- Product: knowledge
- „Blue ocean” strategy

- Continuous organizational learning:
  - Success and failure list
  - Stakeholder-relations
  - „What if?”
- Agile enterprise
- Open innovation

How?

- Committed, trustworthy, knowledgeable leaders
- Cohesive organizational culture, empowerment, sharing success

Thank you for your attention!