

INNOVATION, PRODUCTIVITY & COMPETITIVENESS

THE ROLE OF INNOVATION LEADERSHIP IN CREATING NEW PRODUCTS & SERVICES IN THE ENGLISH-SPEAKING CARIBBEAN



The relationship between innovation leadership and sustainability at the firm level is examined. The analysis is informed by research into the turn around at one of Jamaica's leading organisations, Jamaica Producers Group (JPG). The research shows how innovation leaders are committed to the message that innovation must be the principal contributor to organisational development, growth, profitability and survival.

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Intense global competition and growth in the service-based economy have made innovation central to long-term sustainability and competitiveness for developing countries. Organisations must develop business opportunities, services and systems for embracing changing markets; adopt appropriate technologies; and build channels of supply. Thus, innovation leadership must be seen as a crucial skill-set to be recognised and differentiated from other management imperatives.

This is of particular relevance to developing countries such as those in the English-speaking Caribbean (ESC), where small market sizes, high public debt and the geopolitical subtleties of Caribbean countries provide a peculiar context to research issues related to innovation leadership. In this article, we explore the role of individuals in evolving a systematic approach to augment innovative outputs within their organisations.

We argue that the process of innovation can be accomplished, systematised and replicated within organisations that have particular issues associated with a developing country. However, we acknowledge that the invariably anarchic and chaotic process of innovation cannot be compressed within a framework of “best practice” procedures. As researchers like Engen and Holen argue, (Technology Innovation Management Review 4(4): 15-25) it would appear that it is the organisation culture that is a key determinant of innovative performance, not least because it reflects the values instilled in employees by its senior leaders.

DEVELOPING A CULTURE OF INNOVATION

JPG’s dynamic innovation is evidenced in its knowledge of cross-border supply chain management and also its network of relationships to generate demand in global markets principally the chief executive officer with the support of senior executives. Undoubtedly there is a reinforcing and synergistic effect of spending more time on long-term strategic planning, that is, the more one does it on an on-going basis, the more proficient one gets at it. Research also shows that continuous immersion helps to build more

efficiently on experience, particularly in distilling and integrating practices that improve performance. Based on a review of extant innovation leadership literature, and supported by a single case study of Jamaica Producers Group, a model of innovation leadership is developed. We argue that successful innovation leadership in this market environment contains essential elements and processes, regardless of the industry, but sensitive to the nuances of Caribbean nations.

We focus our work through the lens of a guiding research theme: Does high-performing innovation leadership harness unique resources, together with influential regional factors, and so deliver a stream of

Enterprises that are more agile, better organised and more successful in adopting a long-term strategy have cultures nurtured and sustained from the top...

profitable achievements over time? Our aim is to explore ‘how do leaders of innovation contribute to the creation of new products and services?’ What is it that they do to sustain and develop cultures that nurture innovation? Does the English-speaking Caribbean differ in this regard? We also espouse a broader understanding of innovation, arguing that innovation at the organisational level is critical to overcoming many of the vulnerabilities of small island developing states (SIDS) such as fragile markets, natural and man-made disasters, low human resources and lack of diversification.

Resulting from the literature review, our conceptualisation of innovation leadership is depicted in Fig 1 and is used to illustrate the dynamics and sources of inspiration that constitutes the capability and capacity to innovate.

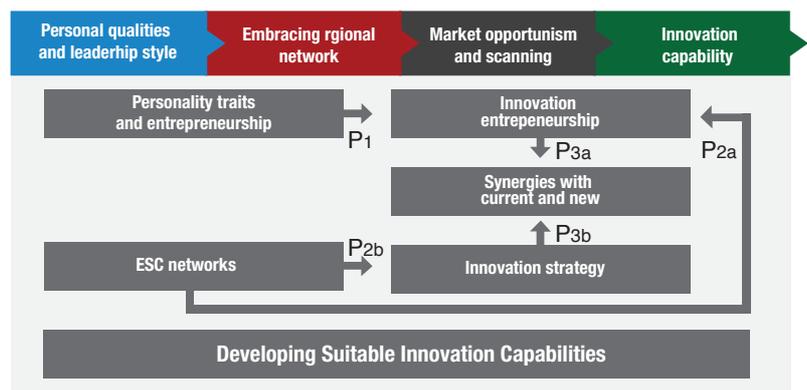


Figure 1. Conceptual Framework Innovation Leadership with Jamaica and ESC

Our conceptual framework proffers an array of competencies and personal traits in innovation leadership. To guide our research into innovation leadership in Jamaica, we adopt the following propositions for testing:

P1: There is evidence of particular personality traits and an entrepreneurial spirit. ▶▶

P2a: There is evidence of ESC network involvement resulting in entrepreneurial activities.

P2b: There is evidence of ESC network involvement resulting in strategic intent.

P3a: There is evidence of duality in current business needs and diffusion of new.

P3b: There is evidence of measurable stretch goals and outcomes.

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The Jamaica Producers Group (JPG) case (Parker and Lawrence 2016) is adopted to test eligibility of our propositions in explaining innovation leadership in a Jamaican organisation that is widely recognised as having dynamic innovation capabilities. Our analysis covered the period from 1929, when JPG began trading as a cooperative organisation trading fruit, through periods of decline and recovery, to the present period of global sustainability.

INNOVATION CAPABILITY

JPG's dynamic innovation is evidenced in its knowledge of cross-border supply chain management and also its network of relationships to generate demand in global markets. These competencies facilitated the change in business strategy, from cost leadership to product differentiation, and also company transformation from fresh commodity produce to specialty foods. During the period before decline,

Success hinged critically on identifying, negotiating appropriate strategic alliances to secure supplies, generate value-added products, and penetrating global markets.

JPG focused on exploiting preferential access to the UK market. This supply chain was adequate for the old UK market arrangement but incapable of coping with new global conditions in the aftermath of natural disasters and other environmental jolts. JPG was late in responding to early signals of impending termination of the

UK quota arrangement even though the company had the managerial knowledge and a network of relationships to make purposeful change.

Table1: How JPG used innovation capabilities for turnaround

Period	Innovation Capabilities	BUSINESS MODEL EVOLUTION			Financial Performance
		Managerial Cognitions	Resource Deployments	Target Markets	
A	Building a cross-border supply chain	Exploit access to UK market	Expand product range: supply chain vertical integration	Jamaica; UK	4% net profit margin Over assets turns per annum
B/C	Sensing threats and opportunities	Grow revenues and control expenses to stem decline and reverse losses	Expand market scope and restructure product mix, staffing, assets and operations	Jamaica; UK; Dominican Republic; Netherlands	22% net loss margin Asset turn falls to one during decline then rises to over two after cutbacks
D	Seizing opportunity	Recognfigure the porfolio of businesses and markets	Transform the supply chain from fresh produce to specialty foods	Caribbean; Europe; North America	5% net profit margin One due to capital intensive production
E	Transforming for renewal	Product innovation	Diversify the supply chain using joint ventures to enter new industries.	Caribbean; Europe; North America; Asia	4% net profit margin One asset turn

Initially, JPG tried to improve operational efficiencies to solve the problem by expanding the product line, staff cutbacks, upgrading processing facilities and sale of underperforming assets. However, these moves were not sufficient because the root cause of the problem

was external to JPG and so strategic reorientation became necessary. JPG's knowledge of cross-border supply chain management and global network enabled the company to create, extend and modify its resource-base for execution of the new strategy.

On the supply side of the market, JPG ceased cultivation and exports of bananas from Jamaica and focused on manufacturing fresh juices in the Netherlands and snack foods in the Caribbean. JPG generated demand by forging

strong ties with retailers and specialty food distributors in the continents of North America, Europe and Asia. Managerial cognitions influenced the strategic and operational decisions throughout the turnaround process. JPG adjusted organisational behaviour quickly to cope with sudden environmental jolts such as the continued natural disasters.

Success hinged critically on identifying, negotiating appropriate strategic alliances to secure supplies, generate value-added products, ►►

and penetrating global markets. [Call Out]Turnaround was complete when JPG

Clearly, innovation leaders provide the environment to nurture new ideas in as much as they have an inquisitiveness and ability to listen and respond quickly to new ideas and take appropriate action

returned to steady-state performance with 4 per cent net profit margin and one asset turnover per annum.

Two intangible assets were at the core of JPG's innovation development:

- Know-how for managing cross-border supply chains and supply chains and
- A network of relationships in regional and global marketplaces. These resources had taken a long time to develop; but are difficult to imitate.

CONCLUSIONS

The Jamaica Producers Group case identified numerous examples of innovation leadership as practiced in the ESC region. For example, it shows how innovation leaders are committed to the message that innovation must be the principal contributor to their organisations' development, growth, profitability and, in Jamaica Producers instance, survival. They develop attitudes and promote a mantra of "originality" in addition to the benefits that accrue through diversity.

Clearly, innovation leaders provide the environment to nurture new ideas in as much as they have an inquisitiveness and ability to listen and respond quickly to new ideas and take appropriate action. Crucially, they have the confidence to encourage colleagues to seek out ideas and consider their implications, as well as having the inquiring-mind to test out the results.

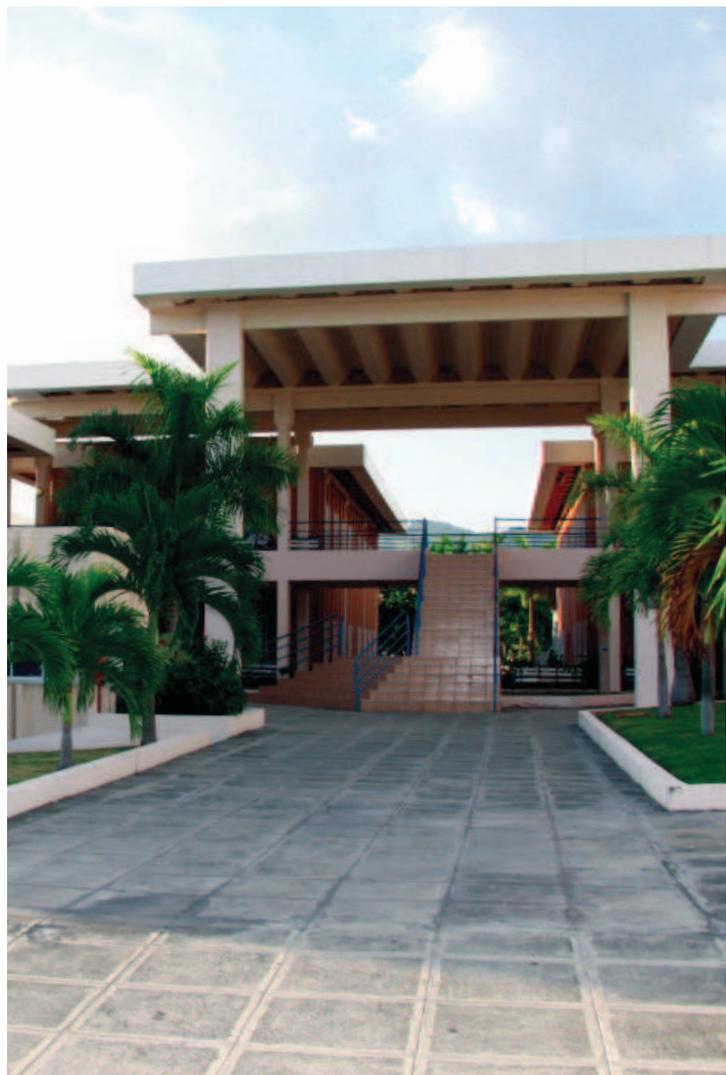
Our paper proposes the construct of innovation leadership to encompass personal attributes of high-performing individuals to achieve effective performance. The concepts of innovation leadership capability is beneficial to Jamaican and ESC firms as it is the resource to innovate that creates the potential for enterprise behaviours leading to systematic innovation activities within the firm and

within the partnering networks. We have determined from the literature that innovation leadership might be considered to encompass four distinct

domains and are recognisable by five key metrics (Fig 1). It is offered that organisations that deliberately and explicitly develop and invest in these aspects of innovation leadership capability, individually and collectively, have a

higher likelihood of achieving sustainable innovation outcomes as the core of their business performance. ■

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