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SILESIA UNIVERSITY
School of Business Administration in Karniwa



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*“Impact of Social Responsibility Projects on
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SCHOOL of BUSINESS
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AN EXPLORATORY RESEARCH ON INNOVATIVE CHARACTERISTICS OF THE INNOVATIVE FIRMS

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ABSTRACT

The main aim of this study is exploring innovative characteristics of innovation leader firms by content analyzing their web sites. Innovaro's, an innovation consulting firm, listing innovation leaders index for the most innovative firms across 20 key sectors is used for sampling frame. The index is generated from their innovation leadership analysis based on the assessment of issues like financial performance, product launches, R&D effectiveness, brand impact and culture. The 20 leading company are analyzed as they all are supposed to be leaders of their sectors. The list may be claimed to be biased as the limitation of our study. Being this on mind, the index is still signs the firms that are well known as innovative firms whether first or second best. According to our analysis, most of the companies in our sample define innovation as a concept related to product innovation, %95 of innovative firms give importance to the corporate governance and corporate responsibility, %75 of the population take sustainability as good citizenship, almost all of the innovative firms see hiring, attracting and retaining highly talented people most important key success factor for innovation, innovation leaders also emphasis on the creative atmosphere at work, minority of them place emphasis on mobility of staff upward, lateral, across boundaries and geography, and only few of the innovative firms highlighted the importance of technological innovations in their R&D policy.

INTRODUCTION

In this age of knowledge-based economy, innovation has become one of the popular words in almost every business; in its broadest sense the term comes from the Latin *innovare* meaning "to make something new" (Lin, 2006). In 1991 Drucker made a new definition "Innovation: change that creates a new dimension of performance" (Hesselbein, 2002). Porter (1990) said "companies achieve competitive advantage through acts of innovation. They approach innovation in its broadest sense, including both new technologies and new ways of doing things".

The effective deployment of innovation has been widely recognized as a means of building sustainable competitive advantage and thereby enhancing organizational performance in the literature. Innovativeness relates to the firm's capacity to engage in innovation; that is, the introduction of new processes, products, or ideas in the organization. This capacity to innovate is among the most important factors that impact on business performance (Burns & Stalker, 1961; Hurley et al., 1998; Porter, 1990). It is through innovativeness that industrial managers devise solutions to business problems and challenges, which provide the basis for the survival and success of the firm well into the future. Innovativeness is one of the factors over which the management has considerable control.

Being seen as means of sustainable competitive advantage, innovation has not only become a buzz word but also widely tapped construct. The constructs of innovation, innovativeness, innovative capacity, and source of innovative capacity have been widely touched and studied in the literature as it has central role in our current paradigm. A closer look to the related literature will reveal that most of the studies of innovation take it as a basis for the survival and means of sustainable competitive advantage, and there are definite answers how to innovate and built innovative capacity as we will try to show in the complete paper. This is not to say there are no way out but to follow the prescription. The remedies are all open ended on the contrary but with a certain track shaped by and from our current business paradigm. Our research question starts from this point; It would be interesting to observe which characteristics of innovation have been emphasized by innovation leaders, and to what extent they differ from the current innovation paradigm.

Innovaro, an innovation consulting firm helping to improve innovation performance and build innovation capability, published an innovation leaders index, listing the most innovative firms across 20 key sectors. The index is generated from their innovation leadership analysis based on the assessment of issues like financial performance, product launches, R&D effectiveness, brand impact and culture. The 20 leading company will be analyzed as they all are supposed to be leaders of their sectors. The list may be claimed to be biased as the limitation of our study. Being this on mind, the index is still signs the firms that are well known as innovative firms whether first or second best. The main question is exploring the characteristics of innovativeness of innovative firms by content analyzing their web sites. Content analysis is the only appropriate research method as the main purpose of the research is to what extent the innovation leaders differ from the rest on a "verbal level" not on the operational level assuming if they are the best they should give a sign of high level awareness on their web sides even though all written material may represent ideals besides it would be almost impossible to enter to the 20 leading companies with the limited budget and time.

The Definition of Innovation

Innovation is defined in a variety of ways by different authors. The existing definitions of innovation range from highly specific focus on technical innovation to very broad generalizations, too imprecise to enable operationalization (Zaltman et al., 1973; Drucker, 1985). Most of the widely used definitions of innovation focus on novelty and newness.

TABLE 1: DEFINITION OF INNOVATION MOSTLY HIGHLIGHTED IN THE LITERATURE

Author	Definition of Innovation
Joseph Schumpeter in 1934 (Goswami and Mathew 2005)	defined five types of innovation. (i) introduction of a new product or a qualitative change in an existing product, (ii) process innovation new to an industry, (iii) opening of a new market, (iv) development of new sources of supply for raw material and (v) other inputs and changes in the industrial organization.
Zaltman et al (1973)	"any idea, practice or material artifact perceived to be new by the relevant unit of adoption
Rowe and Boise (1974)	"the successful use of processes or products which are new to the organization and which are the result or consequence of decisions taken within the same"
Tidd et al (1977)	"is a process of turning opportunities into practical use
Kimberly (1981)	"the value of innovation lies in its contribution to profit or addition to economic value. This represents both a value assumption (that the seeking of profits is in the best interest of all those affected by the innovation) and a mistake, since innovation may not be always valuable for an organization.
Drucker (1985)	"innovation as the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service"
Tushman and Nadler (1986)	"The creation of a product, service or process which is new for the business unit"
Damanpour (1991)	"the generation, development and adoption of novel ideas on the part of the firm"
Damanpour (1996)	"the adoption of an idea which is new for the organization which adopts it"
Nohria and Gulati (1996)	to include any policy, structure, method or process, or any product or market opportunity that the manager of an operating unit perceives to be new.
O'Sullivan (2000)	"an accumulative, collective and uncertain process, a fact that management directs, promotes and encourages"
Hult et al (2004)	Innovation is a means for changing an organization, whether as a response to changes that occur in its internal or external environment or as a preemptive move taken to influence an environment

In general, three dimensions which underline the different definitions of the concept can be established (Ordaz, Hernandez and Cabrera 2005): innovation in results, which would be the creation of a new product to

the business unit (Tushman and Nadler, 1986; Damanpour, 1996); innovation in process (O'Sullivan, 2000); and innovation as an attribute of organizations (innovative companies) (Bantel and Jackson, 1989, Kimberly, 1981). Bantel and Jackson (1989) note that these different approaches to the concept of innovation may be different aspects of the same reality – that an innovative process culminates in an innovation result, both in products or processes, and both can enhance a company's innovative status.

Today, Goswami and Mathew (2005) summarize the definitions of innovation below the table, which frames our approaches to the definition of innovation in this study.

TABLE 2: LATEST CLASSIFICATION OF INNOVATION IN GENERAL TERMS

DEFINITIONS OF INNOVATIONS
1 – Inventing something new : Refers to innovation that creates a paradigm shift in the science, technology, market structure, skills, knowledge and capabilities
2 – Generating only new ideas : Refers to the ability to discover new relationships, to look at subjects from new perspectives and to form new combinations from old concepts
3 – Improving something that already exists : Refers to improved goods or services for commercial production or improvement of the system
4 – Spreading New Ideas : Spread and use of new practices in the globe
5 – Adopting something new that has been successfully tried elsewhere : Refers to adoption of something that is new or significantly improved, done by organization to create added value, either directly for the organization or indirectly for its customers
6 – Performing something in a new way : Performing the task in a radically different way
7 – Following the Market : Refers to an innovation based on market needs

Source: Goswami and Mathew (2005)

Characteristics of Innovativeness

Innovativeness provides flexibility for firms to choose different options to satisfy their customers on a sustainable basis so that this will provide a basis for the survival (Banbury and Mitchell, 1995), and the success of the firm today and in the future. Recently, the literature has tended to place emphasis on firms' characteristics and factors, which lead them to be innovative (Hwang, 2004; Lemon and Sahota, 2004).

Today, more than ever before companies must exploit their innovative capabilities to develop new businesses if they are to successfully confront the disruptive effects of emerging technologies, empowered customers, new market entrants, shorter product life cycles, geopolitical instability and market globalization. Indeed, the development of innovative capabilities is the only means by which companies can sustain a competitive advantage. In every industry, the leading companies are the innovators (Muller, Valikangas and Merlyn, 2005).

A key component in the success of industrial firms is the extent of their innovativeness. Innovativeness relates to the firm's capacity to engage in innovation; that is, the introduction of new processes, products, or ideas in the organization (Damanpour, 1991 and Hurley et al., 1998). This capacity to innovate is among the most important factors that impact on business performance (Burns & Stalker, 1961; Hurley et al., 1998; Porter, 1990). It is through innovativeness that industrial managers devise solutions to business problems and challenges, which provide the basis for the survival and success of the firm well into the future. Innovativeness is one of the factors over which the management has considerable control. Zaltman, Duncan, and Holbek (1973) suggest that one of the stages of the innovativeness process is initiation. A critical part of the initiation stage is *cultural* "openness to the innovation" (Zaltman et al., 1973: 64). Openness includes whether the members of an organization are willing to consider the adoption of an innovation or whether they are resistant to it. Van de Ven (1986) refers to this as the management of the organization's cultural attention in order to recognize the need for new ideas and action within the organization. Innovation starts with ideas and therefore idea generation is regarded as a very important variable of the innovative capacity of firms (Koc and Ceylan, 2005). The way in which individuals and organizations collect, disseminate, exchange and use information influences idea generation. The management of the flow of technological information is an important part of an organization's innovative capacity (Macdonald and Williams, 1994; Cohen and Levinthal, 1990) and leads to effective generation of ideas.

Innovation capacity can be incrementally or radically increased through the participation of activities that triggers the supply of innovation resources and conversion of the resources as the *knowledge base of the firm* in an *interactive environment*. The interaction is a process that provides stimulation to the firm from

external sources that may be convertible into innovation resources. Internally, a firm can further develop the innovation impulse as resources and apply it to new product development that will be turned into the knowledge base of a firm if appropriate codification is systematically implemented. Inter-organizational network is an environment for the interaction and activities such as joint projects, collaborations or alliances for a specific R&D item and may benefit the participants in various degrees. Continuous innovation is the linkage between the outside and the inside (Szeto 2000). Knowledge that is accumulated from the outside is shared widely within the organization, stored as part of company's knowledge base, and utilized by those engaged in developing new technologies and products (Nonaka and Takeuchi, 1995, p. 6). Studies from a network perspective (Biemans, 1992;), **inter-organizational network**, becoming a new organization form, provides different stimulation through the collaborative activities with network members.

According to Chesbrough (2003), openness to using external sources of information and ideas in the firm's innovation processes, as well as interaction among different partners, are of high importance when creating value through innovation activities. Firms are increasingly dependent on their customers, suppliers and other complementary capabilities as initiators of product and process improvement and sources of new ideas (Von Hippel, 1998). In order to utilize externally generated knowledge, they need an ability to internalize it and then combine the information and new insights with the existing knowledge base. If they are to take advantage of knowledge, it has to be embodied in products and processes. Thus, firm need structures, processes and tools for information acquisition, and knowledge creation and utilization (Jantunen 2005). This approach basically takes stakeholder perspective as source of innovativeness. In this view, stakeholders have a legitimate interest in the firm's processes or products and these interests have intrinsic value (Donaldson and Preston, 1995). Rodriguez et al., (2002) suggest that strengthened stakeholder relationships can result in significant competitive advantages in form of trust, reputation and innovation.

Innovation can be caused by whether as a response to changes that occur in its internal or external environment or as a preemptive move taken to influence an environment (*changes that force organizations to innovate*), and leads to organizational change (Hult et al, 2004: 429). Because environments evolve, firms must adopt innovations over time and the most important innovations are those that allow the firm to achieve some sort of competitive advantage, thereby contributing to its performance (e.g., Damanpour, 1991; Henard and Szymanski, 2001; Porter, 1990).

It will be beneficial to look at recategorization of the characteristics of innovativeness in order to summarize the entire factors that are mentioned above. Hurley and Hult (1998) that suggest that organizational innovation is determined by two factors, innovativeness and capacity. They capture these facets by considering the human factors of innovation management as the stimulus and the technological factors as the capacity for innovation (Prajogo and Ahmed, 2006,p.503). Wang and Ahmad (2004: 304) summarize the dimensions of innovativeness in five main categories: product, market, process, behavior and strategic. Lastly Jaskyte et al. (2004: 73) produced a list of characteristics of innovative organizations, which they are grouped into the following categories: 1 – *relationships with other organizations* (e.g., collaborates and coordinates its work with other organizations. 2 – *employees and beneficiaries of an organization* (e.g., discovers capabilities of its clients- allows the voicing of their opinion about innovation. 3 – *leadership* (e.g., has participatory and democratic leadership. 4 – *organizational culture* (allows making mistakes; creativity – searches for new ways, solutions and unconventional forms of work . 5 – *external environment* (e.g., adapts to new times; stay ahead of events). As a last attempt to categorize all the characteristics of innovativeness, the table below tries to summarize all the latest studies of it.

RESEARCH DESIGN, METHODOLOGY AND FINDINGS

Objectives of the Research

The main aim of the research is to explore the characteristics of innovation emphasized by the innovation leaders. For that reason, the main aim of the research will be to categorize and name the pattern that may emerge within web pages of innovation leaders of the year 2006. The second objective of the study is to observe the degree to which their innovation patterns on a verbal level differ from the current related literature.

TABLE 3: A SUMMARY OF THE CHARACTERISTICS OF AN INNOVATIVE ORGANIZATION IN THE LATEST STUDIES

Technological Factors	Human Factors	Management Factors	Behavioral Factors	Strategic Factors
Importance of Technology	Organizational Structure	Leadership	Building innovative behavior	Top Management
Research and Development	Organizational Culture	Self Managing Teams	Empowerment	The Intellectual capital
Slack: The pool of resources in an organization; in excess of the minimum necessary to produce a given level of organizational output	Ethics	External environments	Involvement	Absorption: Ability of the organization to contain disruptions, caused out of experimentation, change and innovation
Risk – readiness: The willingness of an organization to invest in new products/processes under conditions of uncertainty, not only compulsions of survival, but also its pursuit of excellence	Value	Quality of working life for its employees	Idea generation	Sensitivity: The ability of an organization to search, predict, anticipate problems and opportunities and formulate strategic responses for adapting the environmental changes
Flow of Technological information	Exploratory Learning: enables an organization to assimilate significant knowledge from its environment, experience and history to facilitate to change	Skills developments	Creativity	Economic, Social and environmental responsibility
Technological capabilities	Problem –solving skills	Career paths	Group Dynamics	Effective team working
	Adaptability to change	Knowledge	Functional cooperation	Responsible for shareholders and stakeholders
		Setting performance goals		Communicate and share the information (clear communication channels)
		Employee selection and deployment		
		Rewards and recognition		

Source: Adapted from Ravichandran (2000), McGrath (2001), Medina et al (2005), Prajago and Ahmed (2006), Koc and Ceylan (2007) and Qui –Jun (2007).

Limitations of the Study

Three limitations are present and need to be considered when interpreting the results of the research. First of all, the information and messages released online by organizations are one-sided declarations, and it is not guaranteed that they are applied and realized in the real life. This may limit the generalization of the study. To overcome this limitation, only awarded innovative firms have been chosen as the subject of the study.

Second limitation in this study is about the measurement of the information gathered. The “contents” of the web sites of the firms analyzed, and the “frequency” of the items are the most important information this study bases on. This type of evaluation may disregard the weight and importance of the information provided.

Lastly and most importantly, it should be noted that main limitation of the research comes from the operational definition of the innovation leaders. It is defined as the ones listed in the Innovaro's innovation leaders index of the year 2006 listing **the most innovative firms across 20 key sectors**. As this was the **population list preferred for this study**, we can not judge whether the firms in the index will remain to be in it in the following years, and they can be defined as innovation leaders.

Validity of the Research

To ensure validity of the research, semantic validity has been taken into account. Semantic validity exists when people familiar with the texts examine lists of themes placed in the same category and agrees that these words have similar meanings (Weber, 1990). Since in the content analysis process, each researcher independently and individually categorized the items of innovative capacity, and the independent sorter examined the themes, made discussions and the themes have been placed under same categories with an agreement on a final categorization, this research has the semantic validity.

POPULATION, SAMPLING METHOD AND SIZE

The population of this study is composed of innovative firms of the global market. The innovative firms were drawn from the Innovaro's innovation leaders index of the year 2006 listing **the most innovative firms across 20 key sectors**. Innovaro's web page address is www.innovaro.com.

Each firm's “Home page” was accessed using the web address provided by www.google.com. After examining each firm's “Home page” to determine the presence or absence of a mission – type statement or a link to one, we then clicked on the firm's “About us “ (or similar) page and likewise examined it.

As table below shows, the innovation leaders index consists of 20 companies and apart from IKEA and UPS, all the companies mentioned innovation in their web sites. We will conclude all the 20 companies as they are from different sectors. We think it is vital to analyze the innovation patterns of all the population in order to observe all the patterns they may differ across sectors. Then, we will hopefully be able to draw a conclusion on to what extent innovation leaders are innovative.

Type of Research and the Unit of Analysis

The research is an exploratory qualitative research in its nature since the research objectives are not investigated much in the literature, and content analysis is chosen as a research method considering the objectives. Content analysis is a necessary tool in the study as purpose of the research is to explore the innovative capacity of innovation leaders on a verbal level and assess them in parallel with the current innovation paradigm, and observing how much innovation leaders are by content analyzing their web sites. Content analysis is the only appropriate research method as the main purpose of the research is to what extent the innovation leaders differ from the rest on a “verbal level” not on the operational level assuming if they are the best they should give a sign of high level awareness on their web sides even though all written material may represent ideals besides it would be almost impossible to enter to the 20 leading companies with the limited budget and time.

Content analysis technique requires an objective, systematic and quantitative description of the evident content of communication (Zimmer and Golden, 1988). In order to conduct a thorough content analysis, these rules have been cautiously respected and applied in this research. A systematic analysis is obtained

when the inclusion or exclusion of categories are done in a consistent manner in order to avoid biases of the researchers.

In this research, the unit of analysis is corporate web sites, which means that the corporate information was collected from the web sites of companies. Corporate web sites can be accepted as corporate signatures and provides valuable information that is available worldwide.

TABLE 4: COMPANIES LISTED IN THE INNOVATION LEADERS INDEX IN 2006.

<i>No.</i>	<i>Name of the Companies</i>	<i>INNOVATION MENU IN THE WEB PAGE</i>
1	ADIDAS	There is
2	APPLE	There is
3	BP	There is
4	CANON	There is
5	DSM	There is
6	GOOGLE	There is
7	H&M	There is
8	IKEA	There is Not
9	MEDTRONIC	There is
10	MICROSOFT	There is
11	NOKIA	There is
12	NOVARTIS	There is
13	PEPSICO	There is
14	RBS	There is
15	RECKITT-BENCKISER	There is
16	ROLLS-ROYCE	There is
17	SAMSUNG	There is
18	TOYOTA	There is
19	UPS	There is Not
20	VIRGIN ATLANTIC	There is

STAGES OF THE CONTENT ANALYSIS AND THE FINDINGS

Content Analysis Stages

In the research, human-coded content analyses is done instead of computer-aided content analyses, as few companies are included in the sampling list, and the research did not look for specific words or terms in texts (Weber, 1990). Rather than using predetermined coding sheet, researchers created a coding sheet for the analysis, a new list of items observed in the web sites of the sample. Mainly menus of about us, mission, vision, strategy, corporate governance or corporate responsibility, sustainability, innovation, staff/employee, career, values and R&D of the corporate web sites of the sample are clicked and content analyzed for this study. Afterwards researchers create broader categories using the list of items independently, and than they were joined and aggregated by the researchers.

Findings of the Content Analysis

Table below indicates the definition of Innovation according to the innovative firms. As table indicates all of the companies in our sample define innovation as a concept related to product innovation apart from IKEA and UPS as they did not have a menu where they describe their point of view in innovation. When looking at

their R&D policies in order to understand the firms' definition of innovation, only few firms had interesting and broader definition of the concept than something related to product or service the firms offer. For example BP defining innovation as constantly looking to change, to improve and to enhance business performance and sustainability directly links sustainability and innovation. Medtronic and Novartis link innovation to working with other leading rival companies. Teamwork and diversity were the highly valued items of all.

TABLE: 5: FIRMS' DEFINITION OF INNOVATION

<i>Firms</i>	<i>Meaning of Innovation</i>
ADIDAS	continuously developing and commercializing industry-leading technologies and designs
APPLE	Science + Computing = Innovation
BP	innovations that nobody has even dreamed of before
CANON	looking for new and better ways of doing things
DSM	delivering breakthrough solutions for customers
GOOGLE	creating next-generation technologies
H&M	quality of the products and of the customer service
MEDTRONIC	bringing its accurate and speedy search results to users
MICROSOFT	forming an overall picture of future trends and customer requirements
NOKIA	new product initiatives that potentially have the greatest human impact
NOVARTIS	delivering great value to customers through diverse technologies designed to complement each other and many third-party products and services
PEPSICO	enhancing people's lives and productivity by providing easy-to-use and new products
RBS	Developing new products
RECKITT-BENCKISER	Creating new and differentiated products
ROLLS-ROYCE	Continuous Improvement
SAMSUNG	innovation does not just mean technology and science it also means the linkage of the consumer all the way through to the science, and delivering consumer expectations of performance, convenience and value for money.
TOYOTA	Investment in technology and products
VIRGIN ATLANTIC	Not clear
	Developing tomorrow's fuel cell vehicles
	Providing the highest quality innovative service at excellent value for money

Corporate Governance or Responsibility

Apart from Toyota, all the rest 19 companies take corporate governance as the basis of their growth and profitability. That means 95% of innovative firms give importance to the corporate governance and corporate responsibility.

CORPORATE SUSTAINABILITY

Apart from Apple, Google, Medtronic and Toyota, all the 16 firms mentioned their standing point of their sustainability. As table shows, 15 firms out of the 16 that is 75% of the population take sustainability as good citizenship by showing commitment towards economic, environmental and social performance. Only one firm underpins the importance of the balancing economic, social and environmental performance.

The Perspectives for Human Resources on Innovation Success

Almost all of the innovation leaders see hiring, attracting and retaining highly talented people most important key success factor for innovation. Only Virgin Atlantic does not have any pages like staff, career opportunities etc. Innovation leaders also emphasize the importance of giving and enlarging responsibilities of their staff, offering challenging and rewarding career opportunities, and an atmosphere where their staff can use their potential and create a work environment fueled by new ideas. Some of them place emphasis on mobility of staff upward, lateral, across boundaries and geography.

TABLE 6: CONTENT OF SUSTAINABILITY OF THE FIRMS

<i>Firm</i>	<i>Content of the Sustainability</i>
ADIDAS	✓ Working conditions in their suppliers' factories ✓ Reducing our environmental impact as a business ✓ Managing, supporting and developing employees ✓ Responding to the needs of the communities
BP	✓ Benefiting society ✓ Promoting environmental sustainability
CANON	✓ Developing its relationships with stakeholders ✓ Meeting international standards of best practice ✓ Meeting stakeholders expectations
DSM	✓ Simultaneous pursuit of profitable economic growth ✓ Further development of their employees ✓ Good corporate citizenship ✓ Sustainable use of natural resources
H&M	✓ Responsibility for how people and the environment are impacted by their activities
IKEA	✓ Acceptable working conditions ✓ No use of child labor ✓ Responsible attitude of suppliers and them to the environment.
MICROSOFT	✓ Higher levels of environmental sustainability ✓ Helping advance social and economic well-being ✓ Enabling people around the world to realize their full potential ✓ Commitment and responsibilities towards global corporate citizen embedded in their mission and values, manifested through their business practices and operations, and carried out by thousands of their employees and suppliers worldwide
NOKIA	✓ Engaging in their traditional philanthropic efforts ✓ Seeing the value of incorporating their business knowledge and skills into development programming
NOVARTIS	✓ Economic, environmental and social performance ✓ Being in the annual update of the Dow Jones Sustainability Index
PEPSICO	✓ Doing the right things for society and for the business (Good citizenship and corporate social responsibility) ✓ Creating financial rewards and growth
RBS	✓ Being in the Dow Jones Sustainability Indexes ✓ Financial performance for substantial contribution to the prosperity of society ✓ Environmental and social performance
RECKITT-BENCKISER	✓ effectively operating business ✓ as little environmental, social and ethical cost to the future as possible ✓ mitigating climate change, A sustainable supply chain Waste reduction, reuse and recycling ✓ Social and Ethical responsibility ✓ Employee health & safety ✓ A responsible supply chain ✓ Local and global community involvement
ROLLS-ROYCE	✓ retained its position in the Dow Jones Sustainability World and European Indices ✓ Economic, environmental and social performance ✓ community investment, the environment, human resources and occupational health
SAMSUNG	✓ Being a good corporate citizen very seriously ✓ Commitment to making a lasting social contribution to the community ✓ Generating profit with cost reduction and management innovation
UPS	✓ balancing economic, social and environmental objectives
VIRGIN ATLANTIC	✓ Economic performance ✓ Environmental performance ✓ Social performance

TABLE 7: THE PERSPECTIVES FOR HUMAN RESOURCES ON INNOVATION SUCCESS

<i>Firm</i>	<i>Perspectives for Human Resources on Innovation Success</i>
ADIDAS	hiring the right people is the most important factor
APPLE	application is managed by a dedicated team of programmers, marketers, and project managers
BP	enabling all its people to develop their full potential
CANON	Human Resources Policy based on the <i>kyosei</i> philosophy. employee-management relations and foster "excellent employees" who are motivated by open communication and practical education.
DSM	giving its staff greater responsibility and authority Training and development are key issues
GOOGLE	employee is a hands-on contributor
IKEA	Hiring employees with personal qualities such as a strong desire to learn, the motivation to continually do things better, simplicity and common sense, the ability to lead by example, efficiency and cost-consciousness
MEDTRONIC	employees are passionate about the work they do
MICROSOFT	attracting and retaining the best and brightest employees
NOKIA	open discussion and debate is used when designing our people policies and practices
NOVARTIS	matching the needs of the business with the aspiration and potential of its people
PEPSICO	employees are the greatest factors
RBS	reward programme is the value of everything staff get in return for working for us
RECKITT-BENCKISER	some great creative minds working
ROLLS-ROYCE	giving power to people. encouraging their passion for progress and creative freedom in the interest of innovation. Being the best isn't good enough. And every obstacle is simply an opportunity yet to be discovered.
SAMSUNG	attracting and retaining highly talented personnel is considered to be at the core
UPS	attracting and retaining highly skilled, high integrity, motivated global workforce, developing and retaining talent

TABLE 8: HIGHLIGHTED CHARACTERISTICS OF INNOVATIVENESS IN R&D POLICIES OF THE FIRMS

Characteristics	Frequency	%
Technological Innovations	10	16,39
Teamwork	6	9,84
Diversity in Global Activities of R&D and Businesses	2	3,28
Empowerment	4	6,56
Training and Development	6	9,84
Creative Atmosphere at Workplace	13	21,31
Employee mobility	3	4,92
Qualification of Employees	6	9,84
Being customer Oriented	5	8,20
R&D Centers	6	9,84
TOTAL	61	100

Research and Development (R&D)

Only 11 firms emphasized their R&D comprehension, the others which are Apple, BP, H&M, Ikea, PepsiCo, RBS, Rolls Royce, UPS and Virgin Atlantic don't give any place to it. Table 8 summarizes the highlighted characteristics of innovativeness in R&D policies of the 11 innovative firms in their sector. Only 16,39% of the items in R&D menu highlighted the importance of technological innovations, creative atmosphere at workplace is the most highlighted factors of all and Diversity in global activities of R&D and businesses is the least emphasized.

CONCLUSION

Although there are so many works on innovation, innovativeness and innovation management in the literature it is remarkable that very few research were made on innovation leaders. Innovation leaders could be replaced by another one in every year. So the innovation index could be changed by examining firms' various data. Knowing this limitations, this content analysis study tries to explore the highlighted characteristics of innovativeness of the innovation leaders of their sectors in the Innovaro index. In our research we have another limitations for choosing only one index but the 20 firms across different sectors were chosen according to the innovation scorecard by the Innovaro firm. Whether the firm in the index best or second best, they are still innovative. According to our analysis, most of the companies in the index define innovation as a concept related to product innovation, 95% of innovative firms give importance to the corporate governance and corporate responsibility, 75% of the population take sustainability as good citizenship by showing commitment towards economic, environmental and social performance but only one firm underpins the importance of the balancing economic, social and environmental performance, almost all of the innovative firms see hiring, attracting and retaining highly talented people most important key success factor for innovation, innovation leaders also emphasis the importance of giving and enlarging responsibilities of their staff, offering challenging and rewarding career opportunities, and an atmosphere where their staff can use their potential and create a work environment fueled by new ideas, minority of them place emphasis on mobility of staff upward, lateral, across boundaries and geography, and only few of the innovative firms highlighted the importance of technological innovations in their R&D policy.

According to these results, one of the most common agreement among innovative firms are on the emphasis of social responsibility and sustainability. This result is in parallel with the other studies. One study indicates that social responsibility has become one of the main ingredients of strategic architecture of transnational companies (Bakoğlu and Kaya 2003; Bakoğlu and Kaya, 2005), and also the other claims that it still need time until it become real substance for sustainable competitive advantage of companies as it is evident in the content analysis research we have done before on the mission statements of socially responsible firms (Bakoğlu and Askun, 2005). As some recent studies stress that there is still long time until social responsibility become a sustainable development tool in reality and would be a sound ground for social policy of governments, and companies in the literature (Frankental, 2001; Bakoğlu and Kaya, 2003; Bakoğlu and Kaya, 2005; Bakoğlu, 2004), the result of innovative firms' strong emphasizes on social responsibility and sustainability confirms that social responsibility and sustainability have chance to have real substance for competitive advantage of firms.

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