THE SIGNIFICANCE OF INNOVATION:
- Assumes importance in modern-day organizations as it provides competitive advantage
- Innovate or liquidate is the truism
- Takes the company ahead
- Ensures survival of the organization
- The major path open to companies to greater wealth
- Expansion and Diversification are possible

Theoretical Background of the Study:
- Creativity is at the heart of innovation but creativity alone will not ensure innovation
- Innovation is made possible in the activities of individuals, groups and organizational processes
- Emphasis upon intra-organizational processes and stimulating the key variables constituted by individuals, groups, organizations and extraorganisational processes would go a long way in enhancing innovation.
OIC MODEL:
- In systemic thinking, the inner body of the organization constituted by individuals, groups, and organizational processes open the way to innovative ventures.
- Innovation process begins in the individual and for this reason one has to look for processes that are indicative of innovation.
- Innovation proneness is thus a unique constellation of the individual mechanisms that clearly point to the psychological processes of the individual.
- These psychological processes are the product of innate tendencies and acquired experiences and together they lay the foundation of individual innovation processes.

ORGANISMIC PROCESSES:
- Deficiency/Growth motivation
- Creativity
- Urges
- Goal achievement
- Knowledge support
- Goal-directed behavior
- Social exchanges
- Group structure
- Leader-member exchanges
- Team structure
- Competition processes
- Economic freedom
- Political freedom
- Learning organization culture
- Interpersonal processes
- Social exchanges
The traditional form of organizing encourages stability and rigidity rather than flexibility and creativity.

It is in this context that the structural importance of innovation is to be considered and understood.

According to Child (1972) the three arguments pertinent in the explanation of differentiation in organizational structure are environmental conditions, size and technology.

These three forces exert influence on the configurations of the organization and that the vertical and horizontal differentiation practiced are dependent on the complexity and rate of change of factors in the environment, the number of employees employed and the extent of advancement introduced in the level of technology.

Innovation being an outcome of the interaction among the individual-group-organizational processes, it is quite reasonable to state that structure plays an important determining influence on organizational structure which is represented by hierarchical levels, forming of departments and the patterns of coordination and control and as such a direct relationship can be found between structure and innovation.

Daft (1978) has differentiated an administrative core and a technical core in the structure of organization. Further both the cores of the organization are sources of innovation in the respective areas of administration and technology.

It is evident that the duality identified suggests nothing more than the pattern of differentiation practiced in all organizations. Therefore the task is to identify the key structural processes that result in the creation of innovative outcomes.
The flexibility and adaptiveness of organizations that get reflected in structure in less verticality and less hierarchical relationships is sure to set the pace of innovation. Foo and Mc Kiernan (2007) state that organizations that are adaptive bring forth closer interactions leading to the emergence of collective efforts. This fact is underlined by the fact that team structures and processes enhance the innovation processes in the organization (for example, Mitchell, 1986). This brings to the point that trickle-up and trickle-down practices (Daft, 1978) can seldom be a fertile ground for innovation. This traditional structural view of innovation is to be replaced by a view of organization where horizontal-multilevel interactions and team structures across the (few) levels of the organization steer the course of innovations. It is to state that horizontal-cross-functional structures are the real building blocks of innovative organizations.

However this has not been the case always as a vast majority of small firms do no research/innovative activity because of a number of factors like poor infrastructure, lack of capital, poor employment relations, etc., (Parker, 2000). Overriding the aspect of smallness or bigness, the extent of innovations in enterprises depend upon enterprise's own objectives and strategy, its internal technological capability, customer demand, market opportunities, infrastructure, etc. (Balasubramanya, 2005). Both small and big organizations are innovative but the difference between them is mediated and moderated by a host of factors which are enterprise specific.

A COMPARISON BETWEEN MSME'S AND LE'S
Small is beautiful or not beautiful is the question to be examined in comparison to large enterprises in the field of innovation. There are no conclusive evidences as to who produces the greatest quantum of innovation, small or big enterprises (Acs and Audretsch, 1988). The historical advantages of economies of scale and scope credited with the large organizations are now really historical as the advancements made in computer technology has drastically altered the production process (Parker, 2000). Advancements in microelectronics have pushed the frontiers of innovations to such a great extent that they are most feasible, possible and operational in SME's. Small firms are found to be innovative producers two-and-a-half times more than large firms (Parker, 2000). Moreover small firms are also speedier in bringing innovation to the market.

CONCLUSIONS
The complex process of innovation is thus unraveled using the OIC Model that purports to be comprehensive, systemic in approach and easy to implement. The model analyses and synthesizes the core processes that accentuate creative-innovative ventures. The analysis and synthesis, done from technical and non-technical perspectives, incorporates structural–functional processes of the organization. The macro and micro thinking that have gone into the study bring to light the facilitative and hindering processes of innovation. This model is presumed to usher in a period of innovation without which organizations may find it difficult to survive in this fast-changing world.
THANK YOU