

ANALYSIS OF MECHANISMS FOR MANAGING DESTRUCTIVE INNOVATION IN LATE-STAGE ENTERPRISES: A CASE STUDY IN HEBEI PROVINCE

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Abstract

Late-stage enterprises often face the challenge of managing destructive innovation, which can disrupt existing business models and threaten their survival. This research paper aims to analyze the mechanisms employed by late-stage enterprises in Hebei Province to effectively manage destructive innovation. The study will utilize a case study approach, selecting a representative sample of late-stage enterprises from various industries in Hebei Province. Data will be collected through interviews with key stakeholders, including top management, innovation teams, and employees involved in innovation projects. The research will identify the mechanisms and strategies employed by these enterprises to manage destructive innovation, such as open innovation partnerships, technology scouting, venture capital investments, and internal innovation programs. The study will also explore the role of organizational culture, leadership styles, and communication channels in facilitating effective management of destructive innovation. Data analysis will involve thematic coding and pattern recognition to identify common themes and patterns related to the mechanisms employed by late-stage enterprises. The findings will provide insights into the specific mechanisms and strategies adopted by enterprises in Hebei Province to address the challenges posed by destructive innovation. The research outcomes will contribute to the understanding of effective mechanisms for managing destructive innovation in late-stage enterprises. The findings can guide policymakers, industry leaders, and entrepreneurs in Hebei Province and beyond in developing strategies to foster innovation and enhance the competitiveness of late-stage enterprises.

Keywords: Destructive Innovation, Late-Stage Enterprises, Mechanisms, Hebei Province, Case Study.

INTRODUCTION

The consciousness and self-replication qualities of the complex and dynamic situation generated by technological progress throughout Hebei, China, modify more than just the fundamentals of competitiveness. The difficulty is presented by the characteristics of competition as well as the foundation of ongoing strategic advantage in the community, which further poses progressively serious issues for the powerful advantage of businesses. Theoretical communities have been looking for a philosophical framework for dealing with the competitiveness dilemma on the global and national levels. It may successfully direct the pursuit of dynamic capabilities in businesses operating in a dynamic and complex marketplace.

Whilst Clayton Christensen proposed his disruptive innovation idea. It was a professor at Harvard Business School in 1995 and has caught the interest of several academics both domestically and internationally. After some more than decades of research, the theory

has been continually enhanced as a freshly produced theory. Increasing numbers of native researchers, particularly within the twenty-first century, had already looked into the notion of disruptive innovation.

Alexandria's situation is adequately explained by the disruptive innovation idea. According to the so-called Alexander Dilemma, anytime economies and technologies change abruptly, the early dominant individual firm starts to lose its lead in the market and is obliged to make way for other businesses that appear to be young and capable of serving the limited market.

Domestic researchers also focused primarily on the destructive innovation hypothesis from a number of essential elements in Alexander's conundrum, such as innovation, marketplace, established businesses, new company restrictions, and competitive methods.

It is possible that innovations in business models in the areas of management, administration, finances, as well as other areas will lead to increased domestic consumption, the development of China's vast potential audience, and support for economic growth (Christensen et al., 2018). As opined by O'Reilly & Binns (2019), companies have been operating in an environment of competition that is, on average, stable, with static directing dynamic complexity. As a result of the attention that a great number of academics have paid to the dynamic complexity of the situation, a number of new ideas have been developed, including hyper competition, uncertain environment, swiftly changing environment, difficult environment, and turbulent environment. The self-enhancement and self-replication attributes of the dynamic and complex environment that has been established in Hebei, China as a result of technology advancement affect more than just the laws of competition.

LACK OF OWNERSHIP

As per the study of Senbekov et al. (2020), whoever has been accountable is one of the most urgent innovation concerns facing any firm. Lacking accountability or ownership, motivation to succeed is absent. Here, nevertheless, we frequently encounter the paradox of the corporate development challenge: whereas creativity might be restricted to the purview of one function, it must nevertheless have an owner. Organisations require individuals who can own the process of product development, much as **IT and digital technologies** have led to the increased prominence of **CTOs** and **CIOs**.

OBJECTIVE OF THE STUDY

- To evaluate the usefulness of destructive innovation in major industries in Hebei province China.
- To understand the Destructive innovation model and identification of destructive theory in big industries

REVIEW LITERATURE

In contrast said that's Lee & Yoo (2019), argued that this relates to one of the primary topics explored in this issue: where good ideas come from, and more specifically, whether or not entrepreneurs find or create opportunities, which is especially relevant to the discussion of disruptive innovation. In the context of this discussion, we demonstrate that while the Chinese market plays a crucial role in determining the types of innovations that emerge there, many disruptive innovations in China can be traced back to the efforts of entrepreneurs and the novel approaches to research, design, and production they have implemented. Researchers like Sarasvathy have advanced a school of thought called "opportunity creation," and this is in line with their findings.

According to Xiao et al. (2021), the method of disruptive technology beginning with the initial "low-end destruction" to the progressive penetration of the marketplace via increased performance takes a longer time procedure. Inside the approach of overcoming many uncertainties and introducing "innovation management" to the company, Song considered that this process has to take place over a period of time. Significant obstacles and problems to overcome. According to the findings of the research conducted by Leifer in 2001, these difficulties mostly consist of operational risks, market volatility, organisational ambiguity, and financial unpredictability. In a setting as convoluted and dynamic as this one, the elements that affect innovation and the means by which to bring about unfavourable transformation have emerged as a central topic of investigation in recent years

Lantz & Pritchard (2019) claimed that they consist of economic variables socioeconomic elements governmental and administrative aspects internal variables qualities of the organisation, including: the organisation's goals organisational tools Personal preferences: the collective or individual choices made by members about anticipated costs and benefits. The effect of internal variables was the emphasis of earlier research, particularly in the 1970s, whereas the significance of all three sets of factors has been stressed in more recent study.

Kung & Scholar (2018) as said that citing Lundvall, allows different as a possible alternative mixture that resulted in drastic breakdowns only with the history, rendering a large amount of acquired information useless. By building internal capacities, establishing R&D divisions, and strategizing investigation objectives and expenditures, they saw creativity inside the framework of industrial sectors as a method of establishing and maintaining core strengths.

RESEARCH METHODOLOGY

The field of research methodology is important since it aids in providing a succinct explanation of the suitable instruments and strategies for the study. A systematic, rational, and scientific approach to conducting research or studying has been referred to as

research methodology. The purpose of the research technique is to deliver accurate results and establish the credibility of the study. It can assist in creating an appropriate structure and guideline for the investigation. The following part contains a brief discussion of the many strategies, plans, resources, and methods used in this study. The difference between a quantitative and a qualitative methodology is the one that is most frequently discussed. The issue of whether the quantitative approach is superior, particularly when used in the social domain, is one that is frequently discussed in methodology. Past few years have seen a rise in the use of mixed-methods research, which mixes the two methodologies. Methodologies are divided into substantive and formal categories in another classification. If the investigation is looking for specific insights in one area or more general insights controlling several distinct sectors is crucial in this regard. Methodology has been cited by many theorists as being crucial for a number of concerns.

The methodology of research begins with the development of the research philosophy, selected methodologies, research strategies, and methods, as well as the definition of the time horizon by using techniques for gathering data and performing analysis on it

DATA ANALYSIS

Information has been gathered so that decisions may be made regarding a certain firm, sales, etc. Making inferences regarding the success of a specific business has been made easier with the aid of the data gathered. In order to solve an issue or make assumptions about certain things when necessary, data collecting is therefore crucial for analysing the performance of a business unit. Data collection in analytics is the process of compiling information from all pertinent sources in an effort to address the issue at hand.

1. What is your age?

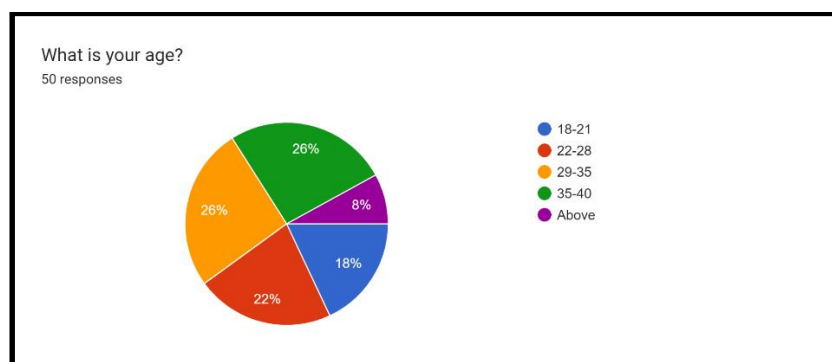


Figure 4.1: Age of Informants

Based on the above analysis, it can be said that the maximum percentage of employees are from the age group of 29 to 35. In this context, it can be also analysed that the age of 35 to 40 worked for the chineses companies. The basic recruitment for this specific survey the employees of china enterprises must be fit in the age limit of 25 to 35.

2. What is your gender?

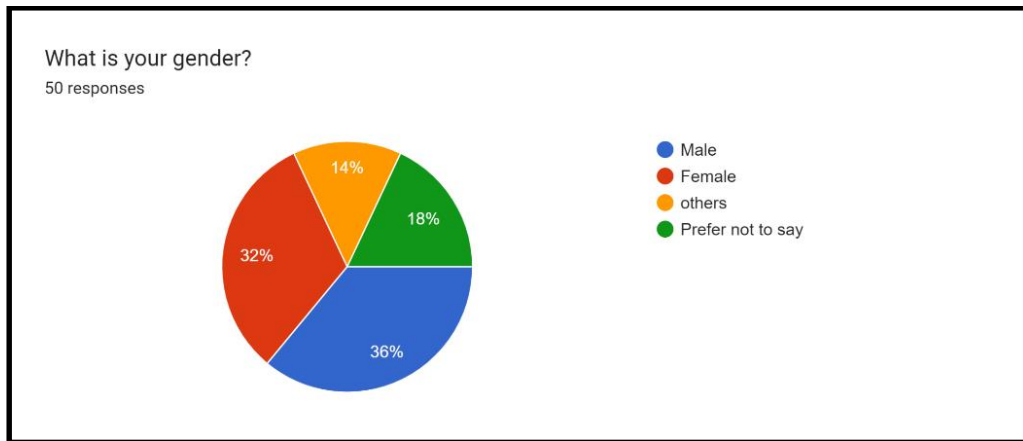


Figure 4.2: Gender of Informants

Based on the above analysis, it can be noted that among all the survey participants, a maximum percentage of respondents are male. It can also be analysed that 32 % of females are associated with this field, and closely minimum 18% of people do not want to disclose their specific gender for the ongoing survey. As per the survey in China, there are certain groups of employees belonging to the other gender.

3. Where are you from?

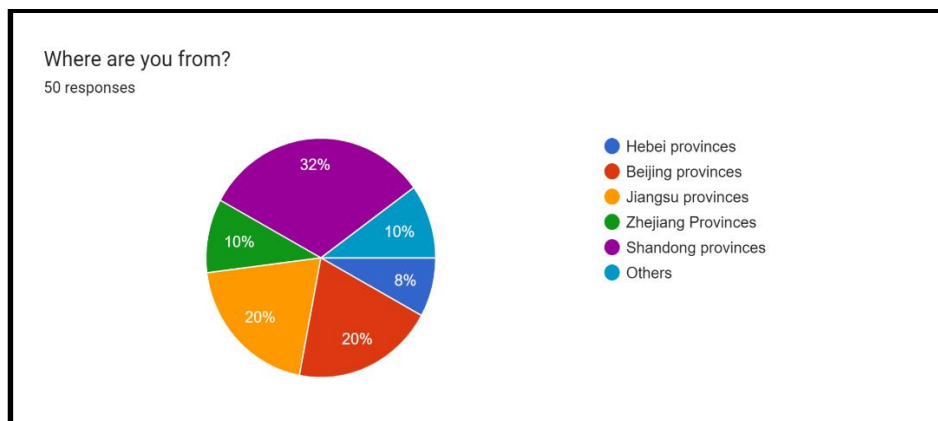


Figure 4.3: Place of the Informants

Based on the above pi chart it has been visualised that the maximum respondents are mostly (32%) from Shandong provinces in this chart, and closely 20% of peoples are Beijing Provinces and Jiangsu Provinces from the above chart, Zhejiang Provinces peoples are very closely to the others people, and they are also close to the 10 % in this pi chart and the minimum 8% peoples are belongs to Hebei provinces.

4. How many years of experience do you have in the technological industry?

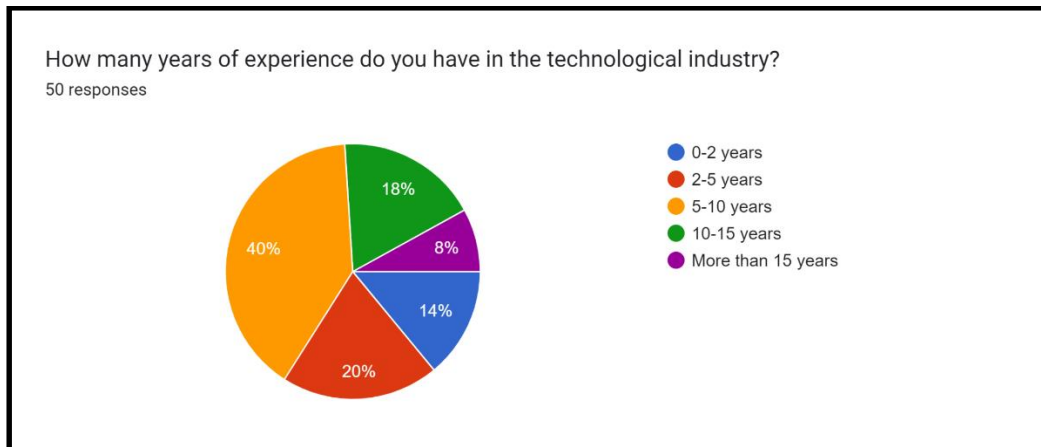


Figure 4.4: Work experience of employees

From the above survey it can be analysed that the maximum employees are working in the industry for 5-10 years, it has been also found that 20% employees are associated from 2-5 years, and some of people are employed for 10 -15 years. It can be claimed from the analysis that some staff have recently started working as freshers for the chinese big industries, and others have one to two years' experience in these sectors. Additionally, the result has shown that 8% of the employees have more than fifteen years of experience in different Chinese big industries.

5. In your opinion, do you think that technology is useful in our daily lives?

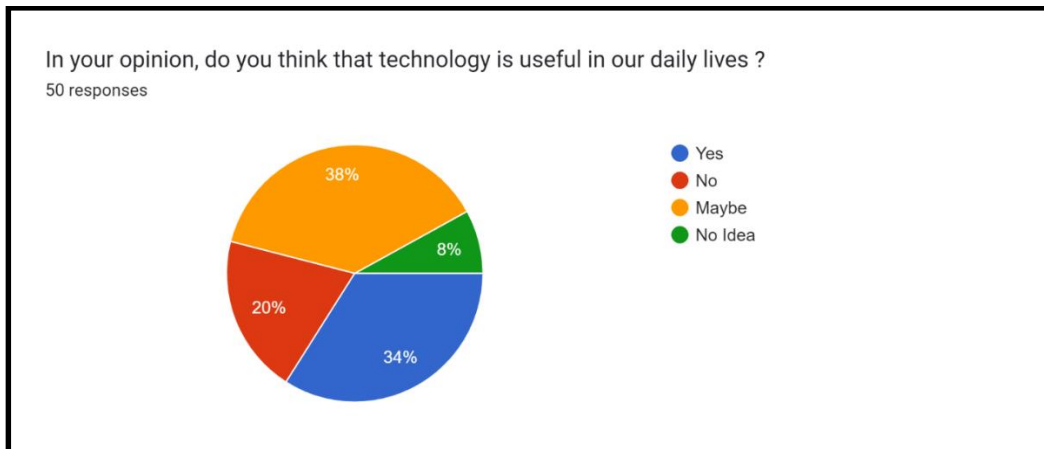


Figure 4.5: usefulness of technology in daily lives

Based on the above pie chart it can be said that technologies are very useful for most of the people of china. However, some people are still confused about the usage of

technologies on a daily basis. 38% of people from China are confused about the usage of technologies in their daily lives. 34% of people voted for the usefulness of technologies on a daily basis. 20% of the population are not dependent upon technologies at all. As everyone knows the usefulness of technologies, not to mention China is one of the technologically advanced countries in the world. Therefore the people of china are already used to the technologies especially in the urban areas. It can be said that in the next 20-30 years rural areas of China will be technologically advanced also.

6. Do you have any understanding about destructive innovation?

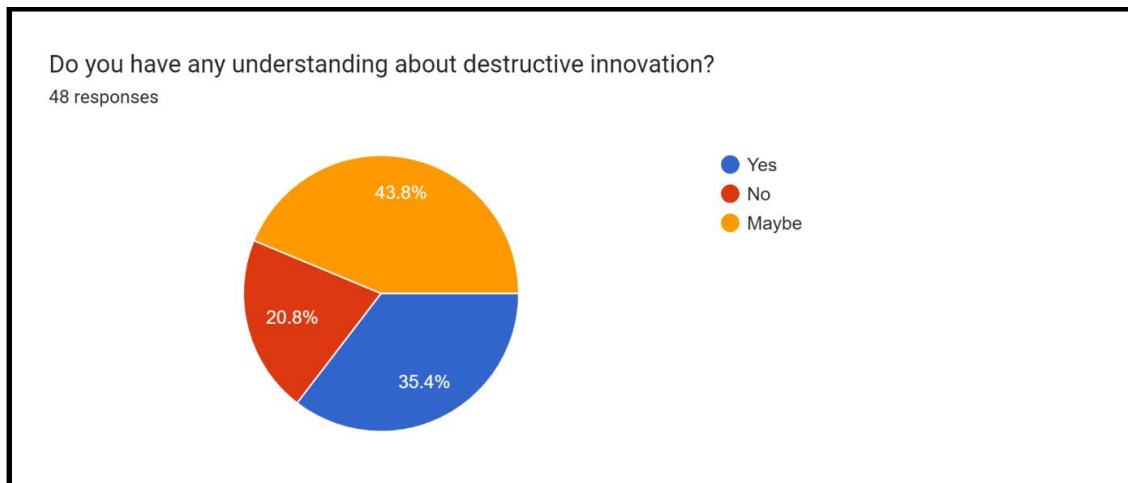


Figure 4.6: Understanding descriptive innovation

Based on the above chart it has been observed that maximum employees are confused about the concept of destructive innovation. It can also be observed that 35.4% of employees have the basic idea about destructive innovation, from the chart it can also be analysed that the rest of the staff do not know about the concept of destructive innovation.

7. Do you think innovation spreads to maintain the market gradually?

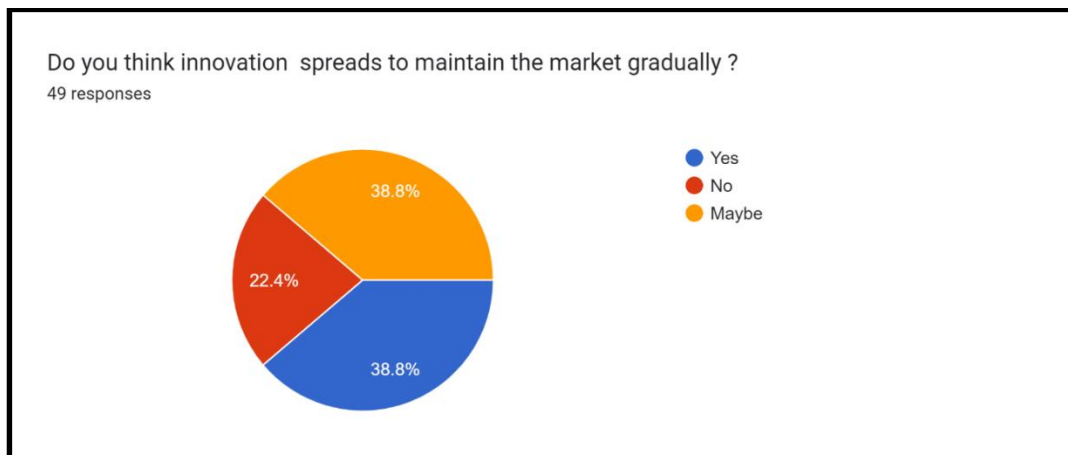


Figure 4.7: Spreads to maintain the market gradually

Based on the above pie chart the spread of market policies the role of innovation in marketing is to explore new markets to increase sales and profitability. The size of the price can change depending on the risk present in a particular market. High valuations in a security in trends to expand the price spread the scope. The maximum respondents are closely 38% and another 38% respondents are contemplating about the effect of innovation in marketing. Additionally, a comparatively small number of respondents have no idea about the market demand and supply chain policies. The chart shows 22.4% people belong to this group.

The importance of destructive innovation

Findings:

It has become more normal to discuss "disruption" like an inventive approach in rapidly changing business development, specifically in entrepreneurship. As per the study of Obiwulu et al. (2019), an experienced business owner can recognise a fresh approach to grow his/her business. While advancement has always been valued as a crucial component of an organisation, its value has increased significantly in the modern era. Khamis (2020), claimed that many business and marketing experts believe that it is becoming more of a requirement than just an option at the moment nowadays. A service or product which incorporates a technological breakthrough was first released in basic implementations at a smaller market product category. Also, it is referred to as a disruptive innovation. The earliest versions of these services and goods are reasonably priced. Businesses created strategies that minimise the cost and difficulty of the companies. As per the perception of Obiwulu et al. (2019), the advancement of manufacturing techniques has also empowered businesses to create more highly technologically advanced and highly quality products and services, and perhaps to implement innovation. However, in "industry 4.0", industries are confronted with digitalisation, while the specific market innovations, along with the "industry 4.0" concept, have been viewed as disruptive innovations.

Revolutionary inventions or significant modifications of current services and goods that would fundamentally alter corporate procedures and marketing strategies are not regarded as disruptive innovations. Alternatively, these strategies are featured as simple, cost-effective products and services. Rivals are aware of the economic opportunities for these services and goods that have the power to revolutionise an economy. The challenge has a knock-out impact on the current producers. Different companies are aware of major producer variables (including such internal organisational structures) that obstruct the continued development of the market and product saturation in line with anticipated customer expectations. Ressler et al. (2021), stated that organisational digital transformation has been constantly evolving technologies and management modelling techniques. As opined by Obiwulu et al. (2019), the ideology about disruptive theory portrays that disruptiveness is not simply the invention doing something new or groundbreaking and that disruptive innovations are not events but rather a process in

which resources are allocated within the organisation with a view to continuous technological evolution and meeting the changing needs of existing and potential new consumers must be ingrained in organisations if they want to be successful disruptive innovators. Administration must understand the significance of disruptive innovations initiatives inside the Fourth Industrial Revolution as part of its strategy. In order to do this, the organisations' strategy emphasises the significance of creating and modifying the system, organisational culture, organisational processes, and other elements that allow the provision of fluidity even in the face of low levels of innovation.

CONCLUSION

The knowledge of technology and science to an exploration of new firms in Hebei, China, in order to get an understanding of the damaging innovation implemented by late-stage businesses. During the course of this study, several questionnaires were distributed online. Each business was given two copies of the questionnaires, that were then obtained by leading corporate executives and technical management people.

The information pertaining to enterprises that is contained in the questionnaires is consistent with the post-development enterprise concept. Twenty different surveys were used to get the final statistics data. The findings indicate that China's late-stage businesses do not have an adequate knowledge of disruptive innovation, and that theoretical research in this subject still has a great deal of room for improvement. The questionnaire has shown that 40.8% of the people who work in Chinese businesses might not want to put more money into creative research. The Chinese government has made this idea and the innovative sector a top priority in order to build an economy that is based on innovation and community pride. Even though there isn't a single agreed-upon definition of "culture and service industry," research on the creative and cultural industries in China has recently been published in government papers, journals, and other publications. This essay tries to give a thorough and critical analysis of the current state of cultural and creative research in China.

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