

A COMPARISON OF INNOVATION IN THE FURNITURE MANUFACTURING INDUSTRIES OF CROATIA AND THE UNITED STATES

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*WoodEMA Conference – WOOD PROCESSING AND FURNITURE MANUFACTURING:
present conditions, opportunities and new challenges*

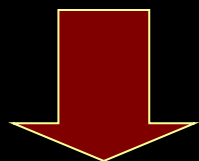


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Vyhne, Slovakia



INTRODUCTION

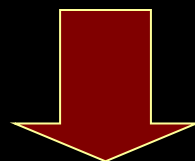
Why furniture industry?



... is
value-added
sector ...



Why Croatia & USA?



... was a proud part
of the industrial
landscape ...

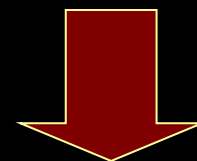
... is a significant
and profitable
segment of
economy

... loss of
market share ...

... decline of
domestic
consumption ...



Why innovation?

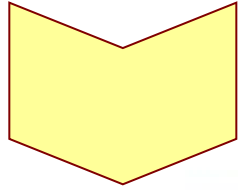


... Is a metric for
economic growth ...

... is necessary for
firms to survive ...

... is an important
source of
competitiveness ...

INNOVATION



... IS NOT A NEW PHENOMENON/CONCEPT ...

... IS AS OLD AS MANKIND ITSELF ... BUT COMPLEX

(Fagerberg, Mowery, and Nelson, 2006)

- The terms innovative and innovation are used to describe the flexibility of firms in meeting changes in the business environment (Tyson, 1997).
- Innovation has a broad array of definitions going back to Schumpeter (1911), cited by Cao and Hansen (2006), who describe innovation as the engine of economic development.
- According to Dewar and Dutton (1986) innovation is an idea, practice, or object that is perceived as new to an individual or another unit of adoption.
- Adapting to changes in competitive markets through innovation is necessary for firms to survive (Bullard and West, 2002).

THE STUDIES

Objectives: 1) characterize & compare furniture manufacturing sectors; 2) identify innovation adoption in 3 areas: product, production processes, and business and; discern how innovation is related to company success and competitive position.

Data Collection:

- Mail-based survey following Dillman (2007)
- Furniture manufacturers randomly selected
- Quantitative data used; Likert scales for model variables
- Croatia: 77 useable responses-adjusted response rate of 24.2%
- US: 74 useable responses-adjusted response rate of 23.5%

THE MODEL

Product

Product Process

Business Process

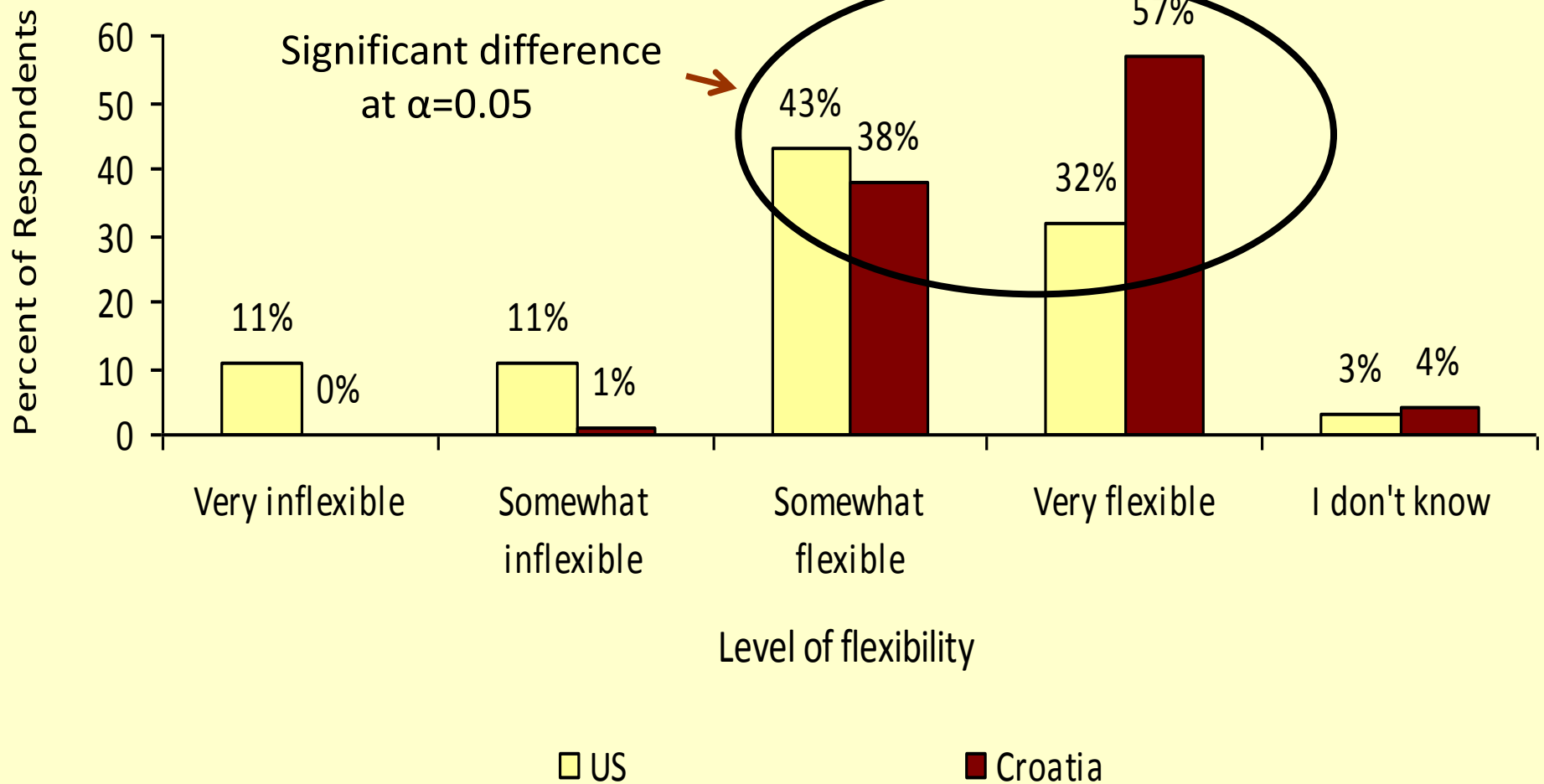
Internal &
External
Factors

Innovation

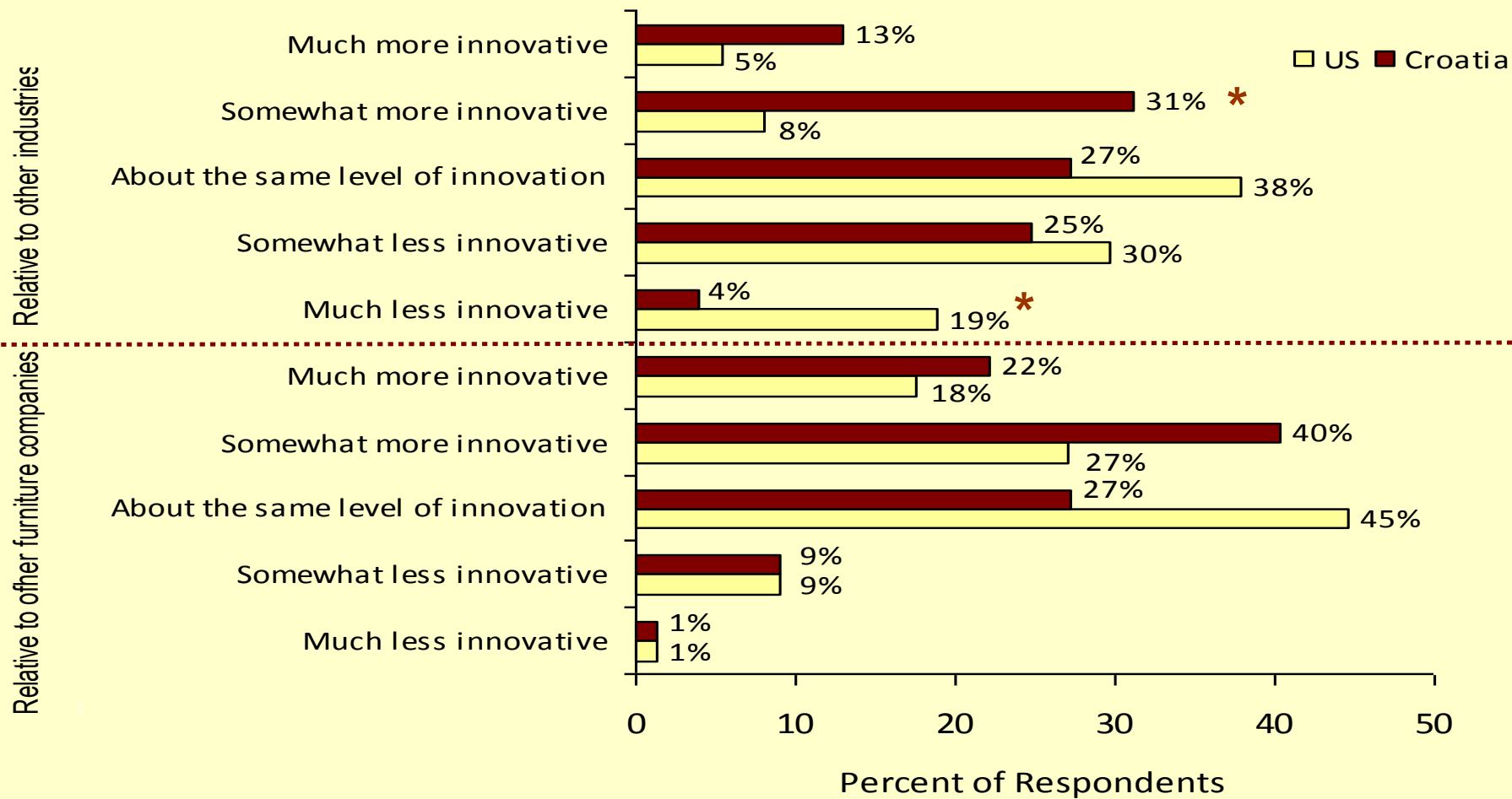
Competiveness

RESULTS

Level of Company Flexibility U.S. (n=74) and Croatia (n=77)



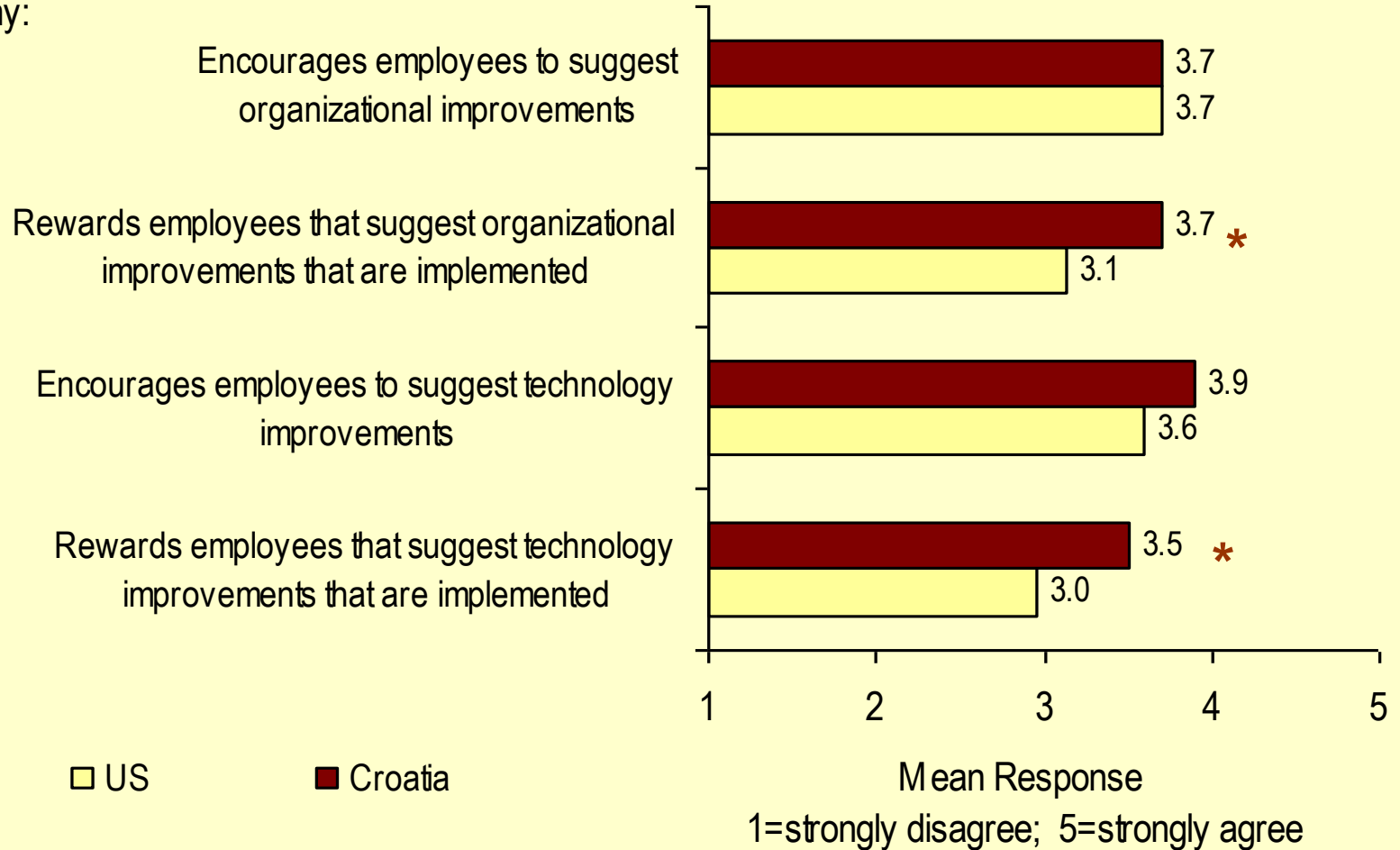
Comparison of company innovation relative to other furniture industry companies in the U.S. and Croatia AND relative to other industries in the U.S. (n=74) and Croatia (n=77)



*Significant difference at $\alpha=0.05$

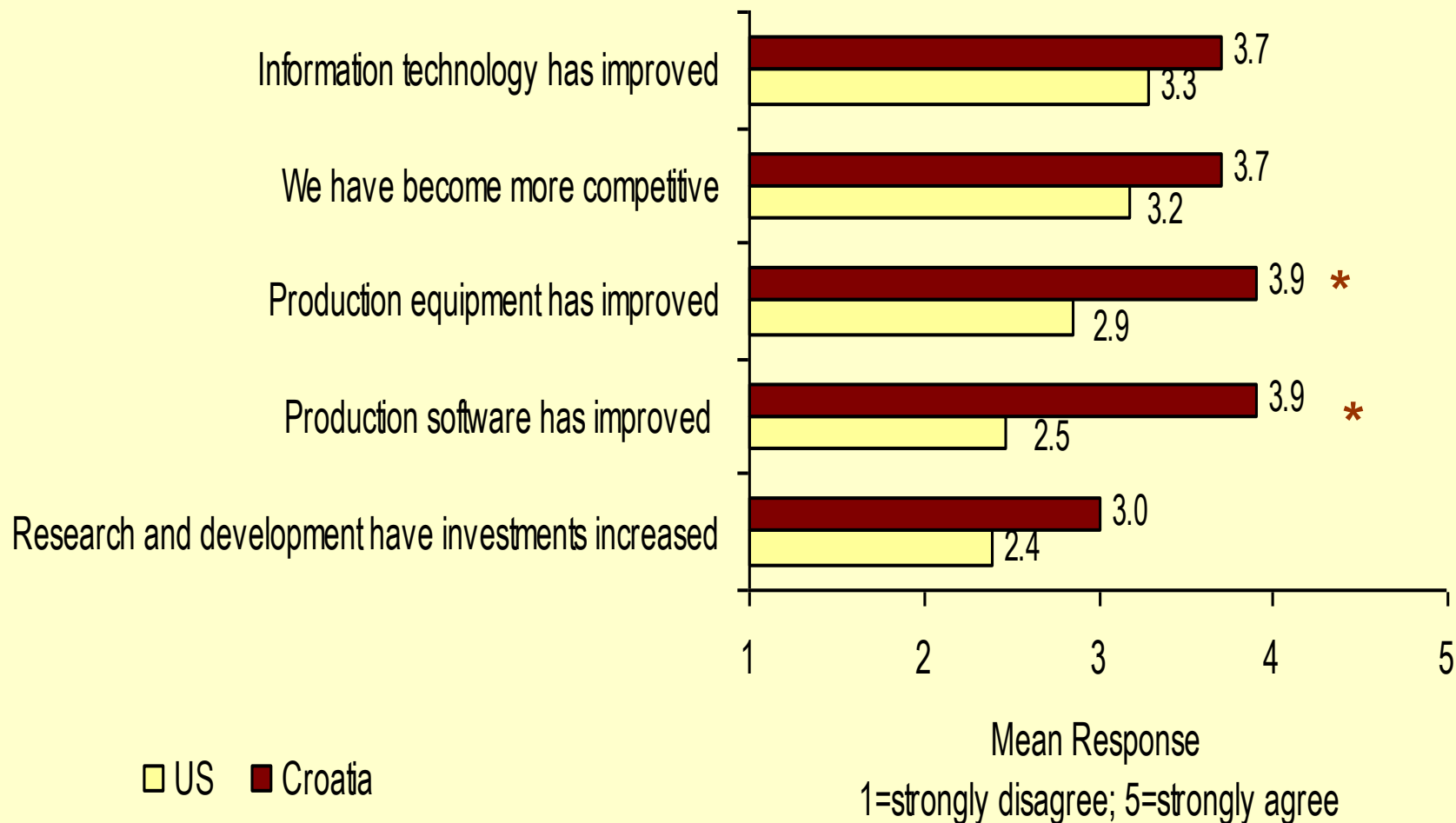
Comparison of encouraging and rewarding employees for improvements in the U.S. (n=69) and Croatia (n=77)

My company:



*Significant difference at $\alpha=0.05$

Level of company improvement over the last three years in the U.S. (n=72) and Croatia (n=77)



*Significant difference at $\alpha=0.05$

Summary

- In 2008, U.S. furniture company respondents achieved a much higher level of revenue from sales of new/improved products compared to Croatian respondents...may be an indicator that U.S. furniture companies are more innovative.
- A higher percent of Croatian respondents characterized their companies as 'very flexible' with regard to adopting new practices compared to U.S. respondents and no Croatian respondents characterized their company as 'very inflexible', while 11% of U.S. respondents believe this to be the case.
- Becoming innovative and applying innovation are becoming more important to U.S. and Croatian furniture companies.

- 90% of both U.S. and Croatian respondents indicated that their companies are about at the same level of innovation, more innovative or much more innovative relative to other companies in their furniture industries.
- Respondents in both countries said their furniture industries are about at the same level of innovation or much more innovative relative to other industries
- Respondents from both countries generally encourage employees for organizational and technology improvements while Croatian respondents are more prone to reward their employees for suggesting and implementing such improvements.
- Croatian respondents said that production equipment and production software were more improved in comparison to U.S. respondents

Questions? Comments?

