



Journal Review

Entrepreneurial Perspectives

LCDB7001

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I. Introduction

Among all of the socio learning, innovation has been a growing concern for many scholars researching. The article published by Gustavo Manso has brought meaningful practices that arouses roadmap for enterprises to enhance innovation among workers. Hereby, I would like to review his article by concentrating on the following steps. Firstly, I will summarize the journal to provide a broad view for readers to understand. Secondly, I will evaluate the feasibility of this article's conclusion as well as the magnitude to which the author devotes to current studies.

II. Summary

Creating an incentive for innovation is an article follows pragmatism research philosophy, that based on both the theoretical perspective as well as the practical perspective. Indeed, its range of methods contains qualitative and quantitative method combining with in-depth investigations from pre-existing researches or self-conduction. The author was collaborated with various scholars in studying different factors that affect motivation of innovation. The data presented in this article is a result of the experimental evidence that is created to evaluate the effectiveness of the theoretical perspectives. Moreover, the article incorporates research that indicates leaders of corporations should stand a chance to create a culture that can be able to tolerate the early failures as well as long term rewards in the organization (Manso, 2019).

The main findings in this article is a discussion about how to motivate innovation based on theory and heuristics. Ideally, the article describes how various incentives can be created to enhance innovation for the development of business; this includes both small and large size enterprises. It describes in-depth the model that can be adapted to motivate innovation by examining various channels that have impacts directly on the business. The methods are based on scientific literatures, laboratory experimental evidence and existing studies.

One of the major findings in this article is that, tolerating the early failure in a business coupled with the long-term incentives usually enhances the process of innovations (Manso, 2017). This is basically because participants in the experiments who were under the highly exploitive contracts demonstrated highly incidents of succeeding in the future of the business. Moreover, the study found that those workers who are under “pay-for-performance” contract have an incentive of dedicating more effort to turn the manager's ideologies into production within their corporates rather than relocating to other places of work (Manso, 2017). Likewise, threatening to terminate a contract for a worker threatens to lower the innovation incentives. Besides using a decision-modeling method to test the correlation of “optimal incentives for innovation” among participants, the author stated that innovation and “independent boards” had no correlation while “shareholders litigation” negatively affected corporation innovation (Manso, 2017). This assumption was constructed by examining empirical evidence and timeline events.

One of the main points that the author mentioned is how innovation has become responsible for the imperativeness of the business. The author also raises question on the model that can be used to motivate the innovation in a corporate setting (Manso, 2017). Another issue is how the failure of the business, as well as the long-term performance of the employees, affects the innovative strategies in the organization. Additionally, the issue of how the demand for the technology has impacted on the incentives, which are required for the innovation within organizations, is also considered in this paper. It is worth noticing that there is usually an apparent initial failure as well as the amount of the time that is needed to accrue benefits in a corporation as long as the incentives for the innovation are concerned (Manso, 2017). Also, there are more novel business strategies which are discovered through the initial failures and the long terms performance which is brought by the pay for the performance incentive schemes (Manso, 2017). The author also states that there is a high tendency of the employees enjoying those schemes to stay long in the organization. Further, during this era, there have been great technological changes, and technology has become a remarkable business imperative (Manso, 2017).

Although the article critically focuses on the management questions as it pertains the incentives of innovation, it does not give a critical overview of how the public policy is responsible for the incentives for the innovation. The author states that there exists other literature that is responsible for the examination of such a topic (Manso, 2017). It is notable that the laws in the public policy also govern the technological advancements in the enterprises and hence are important if discussed with other factors in an article

like this. Therefore, exempting the public policy in this discussion is a major limitation in the article.

III. Critique

As per my opinion, the article is equally adjusted with no discriminations and it is not biased against one side. The text discusses all the information that seems to pertain every aspect that needs to be understood in business as far as the incentives for innovation is concerned. Epistemologically, the author has broadened readers' perception by conducting data and evidence from different sources and secondly, it has its experiment that helps in coming up with the conclusions of the data. Using data from various sources removes any potential bias from the text.

On the side of axiology, the author established a value-driven research and built an original contribution to the topic. This contribution is seen in the author using his own experiment to explain the basics about the topic of the discussion. The experiment that he uses is majorly based on how the failure, as well as pay per performance schemes, impacts the incentives for innovation in an enterprise. The author explores this experiment, analysis of the data, and gives a conclusive argument. Additionally, he applied the bibliographic sources to further expound his findings and conclusion.

Last but not least, each development in the paper intends to advance and benefit the society, scholars and the author personally. To the academic scholarship, the paper demonstrated incentive course of actions utilized for motivating innovation are basically contrasting the "pay-for-performance" incentives schemes. The "optimal incentives for

innovation” mentioned in the paper indicates significant tolerance for reward systems and early failure. In reality, creating motivation for innovation and creativity among employees is a challenge for leaders. However, thanks to the work of Manso, many practices have been demonstrated to erase this barrier.

IV. Conclusion

In conclusion, this paper set a foundation in helping other scholars research on their thesis from various subjects such as leadership, management, finance and technology field. It marked the presence of ethics that was sustained along with factual ethical values in the article. the proposition of Manso has brought substantial values to thesaurus of socio science and its validity makes this article applicable not only in the fields of business but also scientific study.

V. Reference

Manso, G. (2017). Creating incentives for innovation. *California Management Review*, 60(1), 18-32.