

Strategic Approach to Innovation Management and Strategic Changes to Improve Innovation Management

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ABSTRACT

Innovation can be described as developing new ideas and processes that aims to create new products or improving business processes. Organizations today looks into the concept of innovation as a way to increase value and develop new ways of doing business. On the other hand, adopting an innovation requires strategic management approaches in order to ensure that the current innovation implementations will yield significant improvements. With innovation comes change and organizations will need not only to adopt innovative processes, but should also be able to implement change; this is when innovation management becomes apparent. Every organization adopt innovation approach of varying scale such modest, moderate, and strong. From each approach strategies can be derived depending on the how the innovation will be used and how it will impact the organization as a whole. In the case of Oman, different strategies were created to leverage on the capabilities of an organization. Some organizations form partnerships to achieve a common goal and to create a platform in which managing the implemented innovation becomes a shared responsibility of the partnering organizations. In some cases, strategies employed in innovation management is being done to accelerate development as a form of innovation improvement outcome.

Keywords: Innovation Management, Change Strategy, Innovation Process, Innovation Strategy

INTRODUCTION

Innovation is a way for organizations to ride the fast-paced world of technology and discovery. Given that innovation plays a pivotal role in ensuring the business and the organization is moving towards the future, it is important to note that innovation concepts have to be carefully managed. Innovation management on the other hand requires specific and strategic approach in order to implement strategic changes for improvement. When speaking about strategy, it involves making choices between a number of feasible options that presents the best potential for success. The absence of strong strategic approach in innovation management makes it difficult for organizations to achieve long-term growth. This is because strategic approach orients the business to pick up speed in securing competitive advantage. According to Dogan (2017), having a strategic perspective on innovation allow organizations to look at the whole business beyond product and process in order to create value. The success of world-renowned companies leverages on innovation along with systematic and holistic approach by means of allowing innovation to fully integrate with its objectives, and align the systems to be compatible with the strategy.

Organizations in Oman are working to replicate the same growth that successful organization has achieved. In order to do that, organizations in the country needs to realize the importance of having a strategic approach to innovation management and strategic changes to improve innovation management. The discussion will demonstrate the importance of strategy when it comes to managing innovation. This also includes discussion on change strategies in improving innovation management. In terms of geographical focus, strategic approach to change and innovation management will be explored with Oman organizations in mind. Managing innovation takes consideration of the four main attributes namely capabilities, culture, structures, and strategy. When it comes to strategic changes for innovation management improvement, the people in the organization represents the implementation side of change. The final stage of innovation happens at the implementation level and the people in the organization plays an important part of the innovation process. Most of the struggling organization can improve on innovation through effective change and strategic approach.

OVERVIEW ON INNOVATION MANAGEMENT IN OMAN

For decades Oman has been reliant to its oil-driven economy, but the recent decline in the global oil prices has led the country to explore other economic streams. At the same time, organizations both public and private area learning to adapt to changes brough by innovation. The only challenge that organizations on Oman that needs to overcome is how to sustain innovation and adapt to the changes as the situation demands. Part of the strategic management approach is through collaboration between organizations in the country. One example is the joint collaboration between the International Sustainability, Resources & Technology Conference, International Solid Waste Association, G-STIC, and Oman Environmental Services Holding Company (G-STIC, N.D.). The collaboration aims to establish a regional technological innovation platform in Oman with the objective of accelerating the deployment of various technological solutions that can help Oman to transition to a circular economy. The project provides a platform for the business sectors to innovate in terms of resource management and environmental sustainability. One of the advantages of collaboration as a strategic approach is that managing innovation can be done through a joint effort between organizations. This is because the strategies involved are developed based multiple organizational perspectives with experts and professionals leading the change.

The described strategic approach resonates with the objectives of the bio-industry sector in Oman. The only difference is that that the collaborative efforts are focusing on strengthening open innovation. Innovation management involves a process of creating and introducing new ways to develop the business one way or another, and one of the ways in which the bio-industry organizations to manage innovation is by creating a network of stakeholders (Al-Belushi et al., 2018). The collaboration network provides a communication platform for the bio-tech organizations to share ideas and allow it grow into an executable concept by combining ideas shared by the other organizations in the network. The approach helps organizations in the network to reach innovation maturity because outcomes are measured and assessed based on the shared knowledge by other organizations. The driving force in the described strategy in innovation management among the bio-industry organizations is the presence of an open community in which knowledge of risks, compliance, culture and outcome measures are shared. In addition, the emerging innovation from an open collaboration will have a disrupted attribute considering that the management of its conception and implementation is at an industry level.

STRATEGIC APPROACH TO INNOVATION MANAGEMENT

Strategic innovation can be described as a future-oriented concept that encompasses creative discovery. Several literatures were dedicated to examining strategic innovation and management. One of the notable studies that demonstrated a clear perspective on innovation management is the conceptual framework suggested by Horn and Brem (2013). It was found in the study that strategic innovation management should be built on external and intra-firm openness. The conceptual framework also suggests that change encompasses seven main attributes namely frugality, global innovation alignment, intellectual property, customer orientation, business model, sustainability, and network organization. This concept involves relates corporate entrepreneurship behaviors with the organization's strategic models (Tseng and Tseng, 2019). It resonates with the result of the study by Prokop and Stejskal (2017) where the authors emphasized the importance of differentiating the activities surrounding innovation management between strong, moderate, and modest approach to innovation. The aforementioned are modes of innovation that organizations can adopt and each mode encompasses varying impact on innovation output.

For modest innovators, the technological capabilities are limited and the efforts made are less likely to render an effective output (Parrilli et al., 2020). Whereas, moderate innovators have a higher absorptive capacity and could dedicated resources towards more in-depth activities in research and develop. As for strong innovators, the capabilities are much greater and have the capacity to use all set of drivers that are guaranteed to produce the highest impact. In terms of approach, innovation management can be done either through emergent, iterative, or integrative approach. Emergent approach can be described as a transformation of novel ideas that will enable the business to achieve value. In this regard, organizations should demonstrate proactiveness to innovate and does not only do so re respond to pressing situations caused by environmental change. In iterative approach, the process of idea generation to implementation involves planning, taking action, checking output based on top-down, bottom up, or middle management style. In integrative approach, innovation management happens by enriching existing innovation ecosystems and integrate its concepts to enable a systematic approach to management and applied disciplines. The general concept of innovation management is to create something that will lead the organization to a more progressive future. Every strategy has to be aligned with the organization's goals since no strategy will fit all success formula.

In the case of Oman, organizations are starting to realize the advantage of having strong strategies in innovation management. In an article submitted by FTI Consulting to Ooredoo in Oman (Ooredoo, 2020), it was stated that the telecom company has undertaken a digital transformation through collaboration with industry leaders in technology and pioneers of digital development. Another important milestone that Ooredoo has achieved in terms of innovation management is partnerships with startups such as MATRIX software to develop new technologies. This is an example of a strategic approach in a form of collaboration. Using the innovation management employed by Ooredoo (2020), it can be assumed that the management approach uses collaboration as a strategy. In addition, the strategy encompasses an integrative approach considering the role of MATRIX software in Ooredoo's innovation programs. For example, MATRIX software integrates their development concepts into Ooredoo's existing systems and network infrastructure to overcome the challenges of upgrading legacy architectures. This allowed Ooredoo to avoid a full stack replacement of their infrastructure (Ooredoo, 2020). Based on the example, it is apparent that the organization have

demonstrated the concept integrative approach in which the software startup supplied the necessary technologies to enrich the existing innovation ecosystems.

The same strategic approach can be observed in the innovation management efforts undertaken by small and medium enterprises in Oman. The study by Pauceanu (2016) show a varying perspective on innovation based on industry responses. For example, organizations that belong in the food process states that their strategic approach starts with providing support to their employees when it comes to attending seminars and training conventions. This implies that the industry is leveraging on employees to develop the knowledge increase their competitiveness and make significant contribution to the organization's innovation plans. For SMEs in Oman engaged in software solutions, being able to collaborate with bigger firms as a strategic approach to innovation allowed them to acquire resources and venue to research develop innovations that are mutually beneficial to all collaborators (Pauceanu, 2016). The key aspects of innovation management exemplified in the Pauceanu (2016) study involves capabilities, structure, strategy, and culture; where capabilities refer to the enhancement of knowledge of the organization members, structures and culture refers to the prevailing behaviors and attitude of the organization to be open to both external and internal inputs to improve innovation processes. More importantly, strategy refers to the ability of the organization in making deliberate choices.

STRATEGIC CHANGES TO IMPROVE INNOVATION MANAGEMENT

The talking points in change management is mainly about organizational transformation and along with that is the changes that the people in the organization have been able to adopt for the better. The concept of change in order to support innovation management improvements. Various factors contribute to the conception of change in an organization. Furthermore, the changes are evident not only on how the organization make decisions regarding their products and services, but also in the way the public perceive the changes in organization as a whole. At the organization level, change pertains to the behavioral response of the people towards a particular change. Therefore, the impact and effectiveness of any change rely on the people in the organization and their willingness to adapt into it. According to the study by (Ildikó-Csilla, 2018), the main purpose of innovation is to foster change and ensuring success in improving innovation management is to determine the strategic positions that are directly correlated with the organization's objectives. At the core of innovation, includes management, process reconfiguration, strategy, and corporate. However, innovation management will only render successful outcome if the changes that it brings along in the implementation process are openly embraced by the people in the organization, which will be apparent depending on culture.

In a study by Mateescu et.al (2015), it was found that the international and local organizations recognized change as equally important as the innovation itself. More and more organizations are taking considerations to implement change methodologies primarily because history tells how other organizations have failed despite the innovation efforts. This is because the organization its leadership and people are resisting change. Even larger and seemingly undefeated global market leaders have suffered decline because of the lack of focus on change management. One of the most notable examples is Nokia, a Finland based mobile phone giant that earned a massive global leadership in the mobile phone industry from the mid 90's until the end of its era in the first decade of 2000 (Peltonin, 2019). The downhill turn of Nokia has originated from the fact that they refused to recognize the fast evolution of handheld phone

technology in the world and the innovation that competitors have produced over the years. Change did not happen at the organization level, its culture, innovation management, and products, and as a result the company lagged behind competition. It is a lesson that organizations particularly in an emerging circular economy like Oman need to take notes from regarding the importance of having change strategy to improve innovation management.

The goal of change management is mainly to improve the workforce ROI in which all changes are targeting to improve efficiency and productivity. In addition, change management also creates competitive advantage in a way that organizations are able to modify structure, spot opportunities, reduce cost, highlight specialization areas, and increased value. Furthermore, change management also empowers employees which involves making sure the employees feel recognized and supported, thereby allowing the employees to support the change initiatives. In the case of Oman, one of the strategic changes to enable improvement in innovation management comes in a form of management transition. In a study by Al-Moosa and Sharts-Hopko (2017), findings indicated that improving the current health education in higher education organizations requires a clear vision of management strategies. This is to avoid adverse psychological impact on the participants during the process of change implementation. The lack of systematic communication in the process of change creates mistrust between the faculty and the higher management. It is important for the organization leaders to take greater consideration of the people side of change as the main driver for the organization to move towards the desired goal including planning, cultural reform, communication, and management transition.

The context of the findings from Al-Moosa and Sharts-Hopko (2017) study resonates with the key strategies in change management such as minimized disruption, promoting communication, keeping the change desirable and necessary, and recognizing change as the norm and not the exception. A large number of organizations in Oman follows the hierarchical structure of organization, which encompasses attributes such as lack of openness and flexibility that are not compatible with the requirements of an effective strategic change. In addition, change will not likely to produce positive outcome if the organization's culture does not align with the objectives of the change in relation to the goals of the innovation management. This is when transition and communication become a vital part of the strategic approach for innovation. The concept of transition cultures and management profession was explored by Alhashemi (2017) focusing on the socio-political practices among organizations in Oman. The study suggests that fostering improvement in innovation management requires that individual organizational managers will need to look at leadership as a behavior that exhibits managerial professionalism. Leadership with more open communication with the employees and other members of the organization, will enable organizational leaders in Oman to see culture change as the first step towards influencing motivation to accept change (Alshoukri et al., 2020).

CONCLUSIONS

A strategic approach to innovation management requires the organization to see beyond the organizational system, model, process, and products in order to create value. Time and time again the world sees one strong organization after another see the end of its industry domination because of failing to recognize change as it happens. Most of the successful organizations today see the importance of innovation as a catalyst of growth, future stability, and increased value. In order to develop a fully integrated innovation management strategy organizations should

come up with holistic and systematic approach that will clearly emphasize mission and vision. In addition, organizations with a strong strategic position are able to align strategic approaches with its culture and systems. Several approaches were found to be effective in creating a favorable outcome for organizations provided that the key aspects of innovation management are met in the process namely capabilities, structure, culture, and strategy. At the same time, innovation is without success if the implementation does not constitute change. Innovation and change management complement one another and the absence of change will render the innovation implementation to produce minimal to no results. On the other hand, change management encompasses the need to look into the people side of the strategy in which management transition, communication, change in organizational culture plays an important role in the process of innovation implementation.

RECOMMENDATIONS

The discussion focuses on the strategic approach to innovation management and the change strategies needed for the organization to achieve success. The majority of concepts mentioned in this discussion will need a more in-depth analysis of the impact of the strategic approaches on organization performance. Furthermore, scaling organizational performance should also look into the development of measurement models to assess the impact of each strategic approach towards innovation management. More importantly, further research needs to be done in order to relate the concept of strategic innovation management and strategic change to the business model of the organizations in Oman. There is a limitation in this discussion that lies on the lack of quantitative measure to substantiate the impact of the described strategic approaches and strategic change to innovation management; hence, it is recommended that future research should provide more context of this subject from a statistical perspective.

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