

Organization's Characteristics that Facilitate the Innovation Process and Techniques- Case of Oman

Dr. Maria Teresa Matriano

Assistant Professor, Department of Management Studies
Middle East College, Al Rusayl, Muscat, Oman

ABSTRACT

Many global organizations today have shown tremendous growth year after year and the measure of their success is beyond what the competition has achieved. The most common characteristic of the globally successful organizations is their continuous engagement in innovation that not only changes the playing field in the competition, but also creates a disruption in which the influence of the innovation impacts social, economic, and political dynamics of the modern world. Facilitating innovation requires a strategic approach by organizations in the processes of implementation. Some of the key characteristics of an organization that successfully facilitates the innovation process include flexibility, openness, agility, adaptiveness, and cultivation. In the case of Oman, facilitating innovation and strategically applying the techniques to achieving a positive outcome is a challenge that organizations are striving to overcome. Notable examples of innovation process approach by Omani organizations include creating a network of other organizations that are willing to partake in information exchange. Another example is collaboration in which a less capable organization collaborates with larger firms creating a mutually beneficial partnership to facilitate innovation and development.

Keywords: Organizational Characteristics, Innovation process, Innovation Strategies, Innovation and Organization's Characteristics

INTRODUCTION

Innovation has always been the main driver for growth for the majority of organizations in the world today. A lot of well-known brands were founded from conceptualized innovation and translated into high value products and services. In some cases, the resulting output from an innovative idea becomes a phenomenon that creates disruption in the status quo. One of the quick examples would be the popular streaming websites such as Netflix. It did not only introduce a new age of entertainment consumption, but also disrupted multiple industries that currently are either no longer existing or reduced to a relic. This example provides a picture of an organization's achievement that goes beyond growth when innovation process and application of its techniques were used while embodying relevant organizational characteristics. In this discussion, the concept of organizational characteristics will be explored in relation to the facilitation of innovation process and techniques. Furthermore, the discussion will focus on the characteristics of organizations in Oman and how it influences innovation.

Oman is known to having an oil-dependent economy and the majority of its organizations were founded on the ownership structure that follows a hierarchical construct of a conventional

organization. This means that the flow of information, decision, and input always starts from the top and cascaded down to the bottom. A type of organizational structure that provides emphasis on authority and responsibility, but slows down the innovation process and implementation of important changes because of bureaucracy (Al Zefeiti, 2017). In this regard, facilitation of innovation process and techniques will require a closer look into the various characteristics of organizations in Oman. In addition, these characteristics will be assessed to determine the capability of the organizations in Oman in facilitating innovation given its characteristics. Most of the organizations in Oman that are able to successfully facilitate innovation have common characteristics that relates with the term flexibility and quick to adapt to environmental changes. These characteristics are just two of the many attributes that encompasses the behavioral prerequisites of an innovative organization.

CHARACTERISTICS OF ORGANIZATIONS IN OMAN

The characteristics of organizations in Oman depends on the type of business and type of ownership. For most business organizations, a limited liability company (LLC) is the most preferred while larger organizations are formed as a joint stock company (SAO). Other businesses were formed following limited partnership (LP), Oman free zone, foreign owned, branch office, representative office, and commercial agency. Each of the business type follows specific regulatory policies to operate. For smaller scale businesses, sole ownership is consisting of startups and has more creative room when it comes to characteristic impressions. There are not many literatures that explicitly defines the characteristics of organizations in Oman. However, based on the organizational structure of the majority of large companies in the country, it can be assumed that a large majority of major organizations in the country follows a conventional hierarchical structure. The key features of hierarchical organizational structure is having an organized work specialization, traditional departmentalization, hierarchy of authority, centralization and decentralization, and line-staff relationship (Billinger and Workiewicz, 2019). However, this structure is not very effective when it comes to quick facilitation of innovations within the organization.

The drawbacks of the hierarchical structure in relation to its characteristics is that bureaucracy is prevalent and the decision points including inputs only comes from the top management. This limits the organization from being able to tap into the ideas that some of the organizational members can provide. In addition, the specialization form of role delegation creates a repetitive and narrow focused work environment in which leaves no room for creativity. More importantly, the aforementioned characteristics makes the organization slow in developing innovation and the adaptability to new changes also becomes limited. In a study by Al-Matari and Alarussi (2016), it was found that corporate governance and its characteristics directly impact organizational performance. This means that the structure, hence, the characteristics of the organization has a significant implication towards performance. As observed from many business organizations in Oman it is apparent that the prevailing organizational models and the characteristics thereof is ineffective in terms of fast facilitation change. This is because the hierarchical characteristics hampers the free expression of ideas for the organization.

PERSPECTIVES ON INNOVATION AND ORGANIZATIONAL CHARACTERISTICS

In order to determine the appropriate process and techniques to use in facilitating innovation, it is important to identify the type of innovation that the organization is aiming to adopt. For example, if the organization is looking to improve its products and service the appropriate

innovation type would be ideation. Meanwhile, innovating customer experience, product promotion, and customer involvement innovation; therefore, the best approach should focus more on branding, co-creation, and technology. On the other hand, organizational innovation aiming to improve internal processes, corporate culture, and greater involvement of stakeholders; therefore, the best approach innovation approach should focus on open innovation, business model, and social innovation. In the study by Gupta (2018), it was mentioned that innovation is consists of generation and adoption in which the former revolves around finding new opportunities while the latter exploits existing resources. On the other hand, generation and adoption can only achieve positive outcome if the organization has the right attitude and characteristics that will enable its members to easily adapt to the change. In the case of Oman, the capability to adapt to change is an important characteristic which a few organizations have failed to recognize.

In any given day, an organization's capacity to innovate rely upon these five important characteristics adaptability, openness, flexibility, agility, and cultivation. Openness encompasses the concept of cultural change that needs to happen in the organization in order to bring down the walls that limits the flow of new ideas. Participatory management style and more dynamic and positive organizational communication must be in place to ensure that innovation process deployment does not hit a roadblock brought by any prevailing bureaucratic processes in the organization. In terms of adaptability and flexibility, both shares the same attributes, which includes more accommodating policies and process, commitment from top management to foster curiosity, resilience; and having the ability to create mutual interest communities to identify common grounds for risk and benefits (Alyahya'ei et al. 2020). In the case of Oman, the prevailing organizational culture of hierarchical nature hampers the progression of innovation process development because the decision-making and flow of ideas are restricted in a one-way direction.

Stories of failed ventures of organizations that failed to see the importance of having the right characteristics to foster innovation in Oman can be found all over the internet. For example, Qais Al-Khonji is an Omani serial entrepreneur who had four failed ventures have learned the importance of having the right attitude to establish a more successful attempt to business. According to Qais Al-Khonji, knowing the customers and conducting market research are two of the critical components of nurturing a growing business (Rahal, 2013). In a larger scale organization, failures also taught the company to go beyond the traditional approach to doing business. Another example of an organization in Oman that falls short in recognizing the importance of having a positive characteristic is an institution specialized in installing security and safety systems in residential properties. The Primary Court in Wilayat Sahamin ruling described in the Times of Oman (2020) report in which the organization was not named, decided that the organization has violated the Consumer Protection Law promulgated by Royal Decree 66/2014. In this case, the organization is obliged to provide the services to the consumer in proper manner in accordance with the commitment to the transaction.

What can be taken from the aforementioned case is that commitment is part of the critical attributes that makes an organization's characteristic conducive to innovation. The study by Thumiki (2017) suggests that the root cause of entrepreneurial failure in Oman is the lack of creative knowledge and active pursuant of innovation and its applications. Furthermore, several businesses that opened in the country by both large and small-medium scale

organizations are either similar to one another or a copy-paste of an existing business. The other issue described by Thumiki (2017) is about the limited knowledge on managerial skills to handle operational dilemmas. In some cases, the business will introduce a product and expects that it will sell on its own without the additional efforts to market, what market segment to target, and what the market demands. From a global perspective, facilitating innovation process begins with identifying the problem followed by coming up with a solution, testing the solution, and lastly implementation. The process will work with organizational characteristics that demonstrates flexibility, adaptability, and openness. In the Oman cases mentioned earlier it is apparent that the failure to take off is a result of lacking in one or more of the said characteristics; and failing to innovate in their approach to business at the same time.

FACILITATING INNOVATION PROCESS AND TECHNIQUES IN OMAN

The definition of innovation and the encompassing techniques in facilitating them varies depending on the organization's innovation focus. For example, improving customer service will require a closer look at customer feedback, which can be considered as a technique in the process of problem detection. On the other hand, product focused innovation will require a careful and comprehensive market research to determine market demand as a way of identifying the problem. The second step of the innovation process involves formulating a solution in relation to the identified problem. For instance, if the customer feedback suggests that the organization is inefficiency in handling customer or even takes a long time to answer an inquiry; therefore, the appropriate innovation approach is to adopt a Customer Relations Management system that will allow the customer representatives to easily access patient information and historical data of their transactional activities. On the subject of response time, one of the techniques in improving that area is to come up with a ticketing system that will allow the organization to scale the priority level of each customer complaint. This concept resonates with the findings of the study by Matriano and Khan (2019), stating that customer-centric innovation revolves around applying key innovation process in addressing customer concerns.

Part of the process of facilitating innovation is the formation of project units in the organization that will oversee the lifecycle of the innovation implementation, which represents the final stage of the innovation process. The study by Bibarsov et al. (2017) provides a guideline in managing innovation projects which involves conceptual basics covering enterprise development, management, and resource management. In enterprise development, a series of steps are recommended in defining the type of project that will be appropriate for the targeted innovation. It begins with brain storming, inputs collections, gathering data from research, deliberation, and forming strategies. The management aspect of an innovation project involves selecting an implementation model and setting up target parameters to measure the outcome of each process that will take place before, during, and after the innovation implementation. Resource management on the other hand provides a mechanism of control to mitigate risks and to ensure that the resources are being utilized within the allocated time and cost.

In the case of the organizations in Oman, several small and larger firms have demonstrated remarkable milestones in innovation following the facilitation process described earlier. One example is Genesis International LLC owned by Qais Al Khonji and currently regarded as one of the successful startups in the country following its inception in 2012 (The Business Year, 2018).

According to Al Khonji, his organization's success was a result of adopting relevant strategies that along with innovative thinking. The technique applied by Al Khonji is to attempt in creating startups every year and use it as a testing ground for new business models, measure its performance, and then take the successful aspects of the attempts and apply it on the next startup project. In the process, the organization is able to identify the problematic areas of the business, create solutions, and implement the solutions on the current and future startups. Furthermore, the approach allowed the organization to continuously develop and innovate existing ideas in a real world set up such as an actual startup business. This is an example of practical market test which provides realistic outputs, which is different from theoretical market assessment derived from published literatures. Other examples of innovative organizations are Clickformel and Alatool Muscat.

Both Clickformel and Alatool Muscat were founded on the idea that the new generation of consumers no longer rely on the in-store/walk-in experience. Clickformel is an online restaurant and delivery service that allow users to search restaurants or specific businesses within a specified area, place and order, and have it delivered at home. On the other hand, Alatool is an ecommerce website where customers can browse items, order them, and have it delivered at home. Although the concepts are not new, in fact both Clickformel and Alatool were modelled from the existing global brands that offers the same service such as Uber Eats in the U.S or Grab in South East Asia. The notable characteristics of both Clickformel and Alatool is that the foundation of the business was built on the idea that Omanis uses the internet a lot and people are beginning to trust websites more in terms of transactional integrity (Mayard, 2013). This demonstrates one of the important points in innovation process and that is identifying opportunities while leveraging on the existing phenomenon, and that is the growing number of people using the internet in the country. At the same time, both brands also utilize readily available technology to create customer solutions and engagement.

CONCLUSIONS

Organizational characteristics is relative to how the organization see itself, its culture, its perception of change, and eagerness to innovate. One of the challenges for organizations in terms of implementing change or facilitate process for innovation is that the organizational structure is not conducive to a creative environment. Larger firms are still following the hierarchical organizational structure, which previous and current research suggests as a structure that slows down innovation. This is because the hierarchical structure has a predefined level of authority where the inputs, decision, and implementation happen mostly at the top management. In order for an organization to facilitate innovation faster is to change its characteristics to having the flexible, adaptable, agile, open, and cultivating attributes. These characteristics allow innovative ideas to flow through and makes facilitation less challenging. When it comes to facilitating innovation, part of the process is to identify problems through various techniques such as market research, accounting customer feedback, or testing strategies in a real-world environment and use the outcome as reference points for implementation. Part of the process is to also formulate solutions that are directly aligns with the needs of the identified issues. In order to determine outcome, solution test needs to be done to assess areas of improvement and where the innovation performed best.

RECOMMENDATIONS

The discussion is limited in terms of providing statistical data on the relationship between organizational characteristics and facilitating innovation. It is recommended for future research to look more closely on this relationship to determine the impact of organizational attributes on innovation outcomes. In addition, the current literatures that features an in-depth focus on the Omani organizations are limited, which would be an interesting subject to explore for future research. Furthermore, the available literatures that features statistical measure of success of organizations in Oman after the implementation of specific innovation strategies are also limited, which is an important area to explore for future research. The discussion is an empirical approach to the context of organizational characteristic in relation to innovation process and facilitation, which provides an observational basis for future studies in the same concept.

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