

PROMOTING INNOVATIONS IN COMPANIES THROUGH NOVEL MANGEMENT APPROCHES

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Abstract

In the present age of information, fostering innovation stands as a pivotal factor for organizations seeking to enhance their performance. Within this study, we delve into the effective enhancement of business innovation within organizations by employing appropriate management strategies. Among the array of strategies devised and executed to facilitate innovation, we uncover certain methods that wield more direct and efficient impacts. These encompass unique and innovative HR practices, the establishment of set goals, inspiring creativity at the workplace, building a corporate environment, encouraging diversity and inclusion, changing organizational culture, and establishing teams to oversee innovations. The purpose of the study is to explore and analyze the effective upliftment of innovations in organizations by revealing the various management strategies. In the present era of information, innovation plays a vital role in the performance of organizations, and the study aims to reveal strategies that directly foster innovation. The objectives of the study are to evaluate the strategies to foster innovations within the workplace and analyze the impact of those strategies. As a study related to the promotion of innovations through the implementation of novel management strategies, the researcher needs to remain contextual rather than deducing from literature, whereby a qualitative approach is undertaken. The research paradigm is a constructivist study where a general qualitative data analysis is done. Findings include unique and innovative HR practices, the establishment of set goals, inspiring creativity at the workplace, building a corporate environment, encouraging diversity and inclusion, and changing organizational culture. Suggestions include investigating the allocation and management of resources, particularly funds, for various forms of innovation and catering to the pressing need to explore strategies that facilitate and promote innovation, particularly within small and medium-sized enterprises (SMEs). These practices are derived from interviews with professionals at selected leading companies in Sri Lanka.

Keywords: Innovation, Unique HR practices, Diversity and inclusion, Inspiring creativity,

Organizational culture

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Introduction

Along with the thorough competition prevailing in the business world, businesses have to find unique and innovative ways of competing with others. With the rapid and turbulent changes in the environment, organizations have to invest time, effort, and money in innovations. Thus, to remain in the respective industries with improved productivity, lower costs, and drive business growth, innovations are salient. The McKinsey reports show that 84% of managerial positions agree with the fact that their future success thoroughly depends on innovations, which lead organizations to remain alive in rival markets while contributing to economic growth (Birshan et al., 2022). Statistics prove that companies that do invest in innovation are enjoying a 16% higher rate of growth than others (Zipdo, 2023). With the higher consideration given to innovations, business statistics hold brilliant potential, as the role of business innovations has already been a game changer. The reason behind the failure of a majority of startups is a lack of innovation. Companies that lack innovation are left behind in their industries and will have to stay left behind in their respective industries. Lack of innovation itself implies a loss of productivity, a lack of customer engagement, and a decline in profits (Dowsett, 2023).

In this manner, since there is an existing problem on how to accelerate innovation globally, the echelons of management must be responsible for the generation and implementation of suitable strategies to uplift the innovation level of the companies. Initially, the top management should increase the amount invested in idea generation and make the necessary arrangements to stimulate workers towards idea generation. Establishing a favorable company culture, utilizing external sources and ideas, and allocating additional sources for innovations can be identified as strategies to encourage innovation (Tanner, 2023). Furthermore, the study is based on industries that thrive on innovation and creativity. Thus, leading companies in Sri Lanka representing different industries were generally taken into consideration. Subsequently, interviewees who were engaged and responsible for thriving for innovations were picked among them.

Throughout this chapter, firstly, the concept of innovation in organizations will be given. Furthermore, the innovative outlook in these countries will be put forth. After these, with the help of existing literature, novel strategies for increasing business innovation capacity will be discussed. Consequently, successful examples from large corporations operating will be given.

Literature Review

Innovation in Organizations

Innovation is an important factor for the survival of organizations its profitability, and growth (Zahra & Covin, 1994). It can be further defined as an idea or address that a market needs and creates value, which every company should look into (Walkowiak, n.d.). Lucidly, innovations are about the fruitful implementation of novel ideas and the generation of value for the stakeholders of a business. Innovation involves the ability of an organization to identify the point of pain and address it. Irrespective of the above definition, there are certain definitions implying that the definition of innovation is “any idea or practice accepted to be new and original by the unit of adoption in organizations” (Plessis, 2007).

Among different definitions of innovation, another one that is mostly identified is “any idea or practice accepted to be new and original by the unit of adoption in organizations” (Zaltman, et al. 1973). Innovation itself brings useful ideas. Simply put, innovation is a product, service, business model, or strategy that’s novel and useful (Boyles, 2022). Boyles (2022) states that innovations can be clustered into two major groups. (1) Sustaining Innovations; (2) Disruptive Innovations Sustaining innovations imply innovations that enhance the processes of organizations and the prevailing technology that improves the product line for existing customers. Disruptive innovations are innovations that occur

when smaller companies bring challenges to larger businesses. Furthermore, it can be classified into two groups: low-end disruption and new-end disruption. Low-end disruption implies companies entering and claiming a portion at the bottom of a prevailing market. In contrast, new market disruption emphasizes companies creating an extra market in order to serve a customer base that is not covered by the existing market. Furthermore, based on the comprehensive study of Baregheh et al. (2009), innovation was classified into “product,” “service,” “process,” and “technical” in their definitions (Dogru, 2021). However, innovations in this study are considered to be the creation of novel ideas and solutions for technical and procedural improvements for producing goods and services in organizations where any other innovations are excluded.

The Innovative Outlook of Organizations in Emerging Economies

The reasons behind global research innovations lie only in developed countries, where considerable budgets remain only in developed economies in the UK (Dutta et al., n.d.). As per the evidence available, innovativeness is relatively higher in business companies owned by developing economies (Anand et al., 2021). As per the information available, latecomer countries are filling up the space between other competitive countries in terms of research and development (What is the future of innovation-driven growth? 2022). According to the report 1996, high-income countries spent 568 billion US dollars on research and development, while middle- and low-income countries (with China) spent only 83 billion US dollars. In 2017, high-income countries spent 1,079 billion US dollars on research and development, while this time, middle- and low-income countries (with China) spent only 598 billion US dollars (Dogru, 2021).

Methodology

Research Approach

This study is qualitative due to the evaluation of the Novel Management Approaches implemented, which is simply a study in a non-numerical form. Furthermore, as there is a shortage in the literature on novel strategies practiced to foster innovations, qualitative research is one of the best options in an instance like that since the literature is lacking. Furthermore, as per the information available (Qualitative Data, Analysis, and Design, n.d.), since the researcher needs to remain contextual rather than deducing from literature rather than inducing hypotheses from literature, the qualitative approach is undertaken.

Research Paradigm

The research paradigm for the study is grounded in a constructivist framework, aiming to explore and interpret the dynamic interplay between novel management strategies and their impact on fostering innovation within organizations. This paradigm identifies the subjective nature of reality and emphasizes the social construction of knowledge. By using a qualitative research approach, the study delves into the nuanced and context-dependent aspects of how novel management strategies influence the innovation landscape. Overall, the research paradigm emphasizes a holistic and contextually embedded approach, aiming to contribute not only to theoretical frameworks but also to practical insights that can inform organizations seeking to enhance their innovation capabilities through innovative management strategies.

Research Design

Research design can be considered a framework of research methods and techniques chosen by a researcher to conduct a particular study. Since the constructivist paradigm is used here, lengthy and deep conversations were conducted with target participants related to the novel strategies implemented by organizations to foster innovations.

Unit of Analysis/Sample

The population for this study comprises professionals and key stakeholders within diverse organizations across various industries within Sri Lanka. The study investigates the effectiveness of novel management strategies in fostering innovation. As such, the population includes individuals actively involved in innovation practices like the Managers and Senior Executives within the selected organizations in Sri Lanka.

Sampling Method:

The study employs a purposive sampling method to ensure the selection of participants with the specific characteristics required for an in-depth exploration of the research questions. Participants were identified based on their roles, responsibilities, and expertise related to innovation and management strategies at their workplaces.

Sampling Size:

The sample size for this study is 10 participants drawn from a diverse range of industries. The goal is to capture a broad spectrum of perspectives and experiences related to the implementation of novel management strategies for promoting innovation.

Data Collection:

Data were collected through semi-structured interviews, allowing participants to provide detailed insights into their experiences with management strategies and innovation within their organizations. The interviews will be conducted until data saturation is achieved, ensuring a comprehensive understanding of the themes and patterns emerging from the participants' narratives.

Data collection instruments

Since the constructivist approach is applied and used here as the first step in collecting data, the top management of the selected organizations met and collected data. Subsequently, based on the data collected through the literature, probing questions were asked by the resource persons.

Data analysis method

In this study, data analysis was carried out based on the qualitative constructivist protocol guideline. According to Creswell (2013), by establishing themes based on the different perspectives of the interview participants, the researcher adds validity to the study. As a summary, three steps would be practiced: data reduction, data display, and data presentation, for the analysis purpose that was suggested by the coding paradigm in the grounded theory (How to Do Open, Axial, and Selective Coding in the Grounded Theory," n.d.).

Quality of the research

The quality of this research itself depends on the maintenance of its validity and reliability. Qualitative research is trustworthy when it accurately represents the experience of the study participant (Streubert & Carpenter, 1999).

Findings and Discussions

Innovation requires thinking bigger; it is not just about research and development spending. Spending on research and development will be successful only if the strategies set by the top management are meaningful (Dogru, 2021). It is a multifaceted process that extends beyond the simple allocation of funds to research and development (R&D). It encompasses a broader perspective on how organizations can adapt, improve, and ultimately succeed in an ever-evolving business landscape. Innovation starts

with a clear strategic vision from top management. This vision outlines the long-term goals and direction of the company, aligning R&D efforts with the organization's overall objectives. It is about a holistic approach to growth and adaptation. The success of innovation is closely linked to the strategic decisions and vision set by top management. When these strategies are meaningful, forward-thinking, and aligned with the organization's purpose, innovation becomes a powerful driver of sustained success in a rapidly changing world. So, within the scope of this study, the internal strategies and practices of companies to foster innovation are discussed below.

Unique and innovative HR practices

The practice of unique and innovative human resource (HR) practices is paramount when the target is to uplift innovations within an organization. Traditional and older HR practices often fall short in emphasizing creativity and developing fresh ideas from the employees' end. To promote a culture of innovation and expect innovative contributions from employees, embracing and putting into practice modern HR practices is not just a mere requirement but essential (Vance, 2006). Innovation thrives in a setting where employees are motivated, empowered, and pushed to think from varied angles and propose new ideas. Innovative HR practices can play a pivotal role in creating such an environment. They can encompass a wide range of strategies, from flexible work arrangements that encourage employees to study their creativity to reward systems that recognize and incentivize innovative thinking (Pathak, 2019).

Moreover, innovative HR practices can also comprise skill development programs that nurture critical thinking, problem-solving, and adaptability skills—skills crucial for innovation. Furthermore, they can enable cross-functional collaboration and knowledge sharing, breaking down silos within the companies and motivating the exchange of diverse ideologies. In summary, an organization must go beyond traditional and outdated HR practices to expect business innovations from employees. It should proactively embrace innovative HR practices that foster a culture of creativity, empower employees to think outside the box, and provide the necessary support and resources for innovation to flourish (Dhoria, 2023). In doing so, organizations can position themselves to not only keep up with the evolving market but also to lead in generating fresh ideas, solutions, and approaches. According to the facts, a positive relationship exists between strategic and novel human resource practices and business innovations, according to Aryanto et al. (2015). Moreover, innovative HR practices like fostering team cohesion to validate expectations, novelties in screening recruitment processes, the introduction of flexible hours, fostering more self-directed knowledge-seeking, scenario planning, and the development of leadership and management capacity (Author, 2023)

Establishment of set goals

According to Gartner (n.d.), executive leaders play a pivotal role in improving the chances of success for innovation initiatives. One of the key elements they emphasize is the importance of setting clear and well-defined innovation goals (Kirchberger, 2023). These goals serve as guiding beacons that inform the entire innovation process, specifying the desired outcomes and their significance, establishing timelines for execution, and facilitating the strategic selection of innovation activities. Furthermore, they help identify the resources and competencies required for successful innovation. Goal setting is integral to enhancing innovation for several compelling reasons. First and foremost, it aids in resource allocation and utilization, ensuring that financial, human, and time resources are directed toward the most critical innovation activities (Chellappa, 2023). It also helps prioritize these activities, essential in a world of limited resources where not all ideas can be pursued simultaneously.

Moreover, setting innovation goals is a means of effectively communicating the value propositions that a company aims to deliver. These goals serve as a common language that aligns the entire organization around a shared vision of what innovation should achieve. According to Gupta (2011), organizations can better address customer needs and generate profits by anchoring innovation efforts to well-defined goals. It enables a structured and purposeful approach to product and service development, ensuring that the resulting innovations are creative and aligned with the company's strategic objectives. The concept of SMART goals is particularly valuable in the realm of business innovation. SMART stands for Specific, Measurable, Achievable, Relevant, and Time-bound. When innovation goals adhere to these criteria, they become actionable and provide clear guidance for innovation teams (SamhsaA,2017).

In conclusion, setting structured, common, and general goals is a crucial aspect of fostering innovation. Such goals provide clarity, direction, and purpose to innovation initiatives, helping organizations enhance their products and services, address customer needs, and ultimately drive profitability while improving their innovation culture and processes. Therefore, goal setting in the context of innovation is an indispensable element of successful innovation management.

Inspiring creativity at the workplace

According to Bradley (2023), Wholeheartedly embracing creativity and actively displaying a readiness to innovate existing processes are indispensable for adapting to the ever-evolving demands of the market. Moreover, this approach frequently unveils substantial opportunities for growth and expansion. In contrast, companies that resist change may rapidly become outdated and struggle to maintain their foothold in the market. A global survey conducted by McKinsey on the subject of innovation unequivocally underscored the importance of nurturing creativity within organizations if they expected their employees to drive innovation (McKinsey & Company, 2018). The key takeaway is that companies should proactively challenge conventional practices and encourage innovation by providing a platform for employees to present novel solutions and ideas. In essence, this underscores the fact that focusing on creativity within the workplace is the key to unlocking the potential for fostering business innovation (Unlocking Creativity, 2023). By fostering a culture that values creativity and innovation, organizations position themselves to adapt swiftly to market shifts, address changing customer needs, and seize new opportunities for growth and expansion. In today's dynamic business landscape, creativity is a valuable asset and a strategic imperative for staying competitive and relevant.

Building a corporate environment

The culture and atmosphere within a team wield immense power in determining whether innovation thrives or withers. According to Hobcraft (2023), creating a conducive environment for innovation is a challenging but essential task for organizations seeking to unlock the full potential of their teams. An effective innovation environment is one where every team member feels empowered to generate fresh ideas, is motivated to exchange them with their colleagues openly, and has confidence that each idea will be given the attention it deserves (Lancefield, 2023). To establish such an environment, a workplace dedicated to innovation must prioritize cultivating mutual trust and respect among its employees. When trust is established, employees become more inclined to share their ideas without fear of judgment or ridicule (Psychological Safety in Workplace, 2023). Respect for one another's opinions and contributions fosters a sense of psychological safety, where individuals can voice their thoughts and engage in collaborative efforts without reservations. This is the foundation upon which a culture of innovation is built. In addition, fostering innovation requires a shift in focus from the individual to the collective. While individual contributions are valuable, the emphasis should be on collaborative efforts. This shift is greatly facilitated by strong support from top management. When leaders actively champion and endorse innovative initiatives, it signals to the entire organization that innovation is a priority. (The Role of Leadership in Driving Innovation and Change, 2023).

Furthermore, it is essential to cultivate a team spirit that thrives on shared goals and a collective vision. Unified by a common purpose, such a team is better positioned to achieve its innovation objectives. Lucidly, creating an environment where innovation flourishes is a challenging yet indispensable undertaking. It requires the establishment of trust, respect, and psychological safety among team members, all of which encourage the free flow of innovative ideas. A culture of innovation prioritizes collective efforts over individual achievements, and it benefits immensely from strong leadership support and a team spirit that is driven by a shared commitment to innovation. In such an environment, teams can harness their full potential and work cohesively to achieve innovation goals, driving the organization toward greater success.

Encouraging diversity and inclusion

The foundational concept of diversity is currently amid a rapid and profound transformation. It has evolved beyond the simple notion of assembling a workforce with a mix of backgrounds and demographics. Now, diversity encompasses a strategic imperative for organizations, one that involves harnessing the unique perspectives and experiences of a diverse workforce to drive innovation and differentiation in the products, services, and business strategies they offer (Yong Kim, 2008). In today's fiercely competitive global landscape, diversity and inclusion must adapt to the various markets and cultures that shape the business world, each with its nuanced interpretation of diversity. To realize the full potential of diversity in innovation, organizations must recognize that it is not merely the presence of a diverse team but the active leveraging of that diversity that fuels creativity and problem-solving (Hewlett, 2013). When employees with varied backgrounds, life experiences, and worldviews collaborate, they bring a multitude of perspectives to the table. This diversity of thought is a powerful catalyst for generating innovative solutions and breakthrough ideas. It is like a canvas; the more colors and shades you add, the more vibrant the picture becomes.

Consequently, organizations should actively promote diversity and inclusion in the workplace as a cornerstone of their innovation strategy. This entails creating an environment where employees from all backgrounds feel welcomed, valued, and empowered to share their unique viewpoints. In such an inclusive setting, individuals are more likely to offer fresh insights, challenge the status quo, and drive innovation.

Moreover, by embracing diversity, organizations are better equipped to understand and cater to their customers' diverse needs and preferences in an increasingly global marketplace. Diversity has transcended its traditional boundaries and is now integral to driving innovation and competitiveness (Pouriet, 2023). It is not just about the composition of the workforce but about actively tapping into the wealth of perspectives and experiences that diversity brings. In a diverse and inclusive workplace, innovation thrives as employees from different backgrounds collaborate and create solutions that stand out in a dynamic and ever-evolving business landscape.

Changing organizational culture

Fostering innovation within a company is intricately tied to the organization's culture. The role of leaders in shaping this culture is paramount, as their guidance and communication can significantly impact the innovation mindset among employees (Rae, 2023). Merely instructing employees to adopt innovative practices is unlikely to yield success. Instead, leaders must craft a vivid and transparent narrative that underscores the importance of innovation. To create this narrative, leaders must consistently emphasize the value of innovation and its relevance to the company's goals and objectives. They should be adept at articulating how innovation aligns with the company's vision and mission, helping employees see the bigger picture. This communication should go beyond words, extending to

actions that demonstrate a commitment to innovation. Crucially, employees should perceive that their innovative contributions are not only welcomed but also recognized and appreciated by the organization. This recognition fosters a sense of trust and psychological safety, encouraging employees to take calculated risks and explore new ideas. It is this trust that underpins the belief that innovation is not just a corporate buzzword but a core value upheld by the company. In essence, the creation of an innovation-friendly culture is pivotal for stimulating innovative thinking and action. It's a culture where employees are not only encouraged to think creatively but are also empowered to act upon their ideas. When employees see innovation as an integral part of the company's identity, when they understand how it aligns with the organization's mission, and when they feel valued for their contributions, it cultivates fertile ground for innovative ideas to flourish and drive the company's progress (Alves, 2023).

Establishing teams to oversee innovations

A truly collaborative work environment, where connections are established through teamwork and social interactions, is vital for fostering innovation within a team (Miller, 2023). Managers will observe a notable transformation when efforts are directed toward breaking down organizational silos. Rather than remaining isolated and solely focused on their projects, employees have the opportunity to engage with colleagues from different departments, gaining a comprehensive understanding of the company as a whole. This, in turn, sparks creativity and enables the free flow of ideas and inspiration across various departments. Rather than an individual, the formation of teams is more effective. Thus, establishing volunteer teams promotes team cohesion, where the echelons of management set strategies and expect teams to implement them. Subsequently, with a strong culture and guidance, innovations start to occur. So, to give birth to fresh knowledge and maintain product or process innovation, highly skilled employees and an innovation culture should be synthesized in solid and goal-oriented teams.

Suggestions for Future Research

Innovation is a fundamental pillar for achieving success in the contemporary business landscape. Consequently, any endeavors directed toward the advancement of innovation assume a position of paramount importance. As we delve into this domain of study, it becomes evident that significant progress has been made, thereby warranting a thoughtful consideration of prospective research avenues. Researchers can be instrumental in this pursuit by making substantial contributions by exploring the driving forces behind innovation.

To shed light on the multifaceted nature of innovation, it is imperative to investigate the allocation and management of resources, particularly funds, for various forms of innovation. This encompasses not only technological innovation but also business and social innovation. By delving into the intricacies of how organizations allocate and oversee financial resources in pursuit of innovation, we can gain a comprehensive understanding of the decision-making processes that underpin progress and change.

Qualitative and quantitative research methodologies should be harnessed to facilitate a well-rounded examination of innovation. This should extend beyond a single sector or industry, encompassing companies from diverse sectors. The amalgamation of qualitative and quantitative approaches ensures a holistic perspective, allowing in-depth qualitative insights and quantitative data to support robust, evidence-based findings.

Finally, there is a pressing need to explore strategies that facilitate and promote innovation, particularly within small and medium-sized enterprises (SMEs). These enterprises, often the backbone of economies, face unique challenges and opportunities regarding innovation. Research should identify

the best practices and approaches that enable these SMEs to thrive and contribute significantly to innovation within their respective domains.

In summary, innovation is a critical driver of success in the contemporary business landscape. To advance our understanding and application of innovation, researchers must focus on factors driving innovation, examine resource allocation, embrace diverse research methodologies, and explore strategies for fostering innovation, especially within small and medium-sized enterprises. This comprehensive approach will undoubtedly contribute to innovation's continued growth and evolution in the business world.

Conclusion and Discussion

Without a doubt, both at the micro-level for organizations and at the macro-level, encompassing local and global economies, innovation is an indispensable factor. This chapter delves into strategies for fostering business innovation. Throughout the chapter, it was clear that sustaining innovation needs more than just monetary-based investments in research and development; it demands innovative strategies. These strategies include unique and innovative HR practices, setting goals, inspiring workplace creativity, building a corporate environment, encouraging diversity and inclusion, changing organizational culture, and establishing teams to oversee innovations. These innovative strategies, discussed in the chapter, draw from existing literature and are substantiated by interviews with professionals. The professionals were picked from multiple companies employing diverse management strategies, with a shared emphasis on innovative approaches to business and technological advancement, surpassing mere budget increases for research and development. The management strategies explored in this chapter provide valuable guidance for organizations fostering innovations. Thus, organizations must spend time, money, and resources implementing these strategies. Consequently, a combination of allocating resources for research and development and implementing innovative organizational strategies will empower organizations to generate innovation and maintain high performance continuously in the long term.

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