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## INTRODUCTION

The absence of innovation implementation can prevent owners or rather, managers of both small medium and large sized enterprises from reaching end goals and the enterprise's maximum growth potential. The core or main purpose of this research was to explore in depth several strategies or ways in which enterprises can improve innovation activities to possibly enhance performance. This research was examined using a noncomplex approach to improving innovation within enterprises or organizations. Using knowledgeable insights gathered and compiling in depth literature review, empirical research, case studies and analyzing company data.

The population of this Thesis consisted of 10 case studies of several well-known enterprises around the world and online interview of 5 managers of 3 small enterprises situated in West Africa (Nigeria). The resource-based view was the ideal framework of this study. Data was collected through review of companies' documents. After writing up, the key element that emerged included: the role of management in cultivating an innovative culture. The study identifies effective strategies closing in on organizational culture, leadership, processes, technology, and external collaborations. The findings of this Research provide insights and practical recommendations for an innovative environment within enterprises. Owners or managers of organizations can benefit from the research by executing this study's recommendations and strategies to improve performance.

# CHAPTER 1: THEORETICAL ASPECT OF THE WAYS FOR IMPROVING INNOVATION IN THE ENTERPRISE

## 1.1 Background of the study

All companies that want to survive in a competitive environment must develop new products and services to adapt and stay up to date and competitive, so innovation responds best to this sentence, as innovation is making things completely new whether products or services or things that have been done but in a much better way. The best innovations are made when product and service innovations are combined, thus paying attention to the two forms of business operation for those businesses that best suit this form. In today's paced business world being innovative is seen as a factor for staying competitive and achieving lasting success. Companies that prioritize innovation are better equipped to respond to market shifts, address changing customer demands and make use of cutting-edge technologies to outperform their rivals. Yet nurturing innovation poses a dilemma that demands a strategy involving company culture, leadership practices, operational procedures, technological advancements and partnerships, with external entities.

Innovation acts as the driving force that pushes companies to lead in their industries. It empowers businesses to create offerings, services and operational strategies that set them apart from their rivals. In a time marked by progress and changing market trends the capacity to innovate is no longer merely advantageous but rather crucial, for thriving and expanding.

forward thinking businesses have the ability to adjust quickly to market shifts. Whether these shifts stem from changing consumer tastes, technological advancements or updated regulations, companies that welcome innovation can take steps of merely reacting. Forward thinking businesses can adjust quickly to market shifts. Creating a culture of innovation in a company is a complex task that involves various aspects. It calls for a strategy that tackles important areas. Innovation is mostly an opportunity even for

microfinance risk mitigation, considering its impact on risk factors (Moro Visconti & Qurici, 2014). When risks are complex and when the regulatory environment is strong, the creation of a risk committee can help to make the profile risk more intelligible to the board.

## **1.2 Problem statement**

While innovation can improve the performance of an enterprise, many times the innovation activities of that enterprise or organization are inefficient (Norek, 2014). Breaking the study down to SMEs; Although SMEs in Dubai constitute 95% of the enterprise population, only 13% of SMEs implement innovation (Dubai SME, 2014). The general business problem is that the lack of innovation impacts organization's performance and competitiveness. The specific business problem is that some managers lack strategies to implement innovation in their organizations to meet performance goals.

## **1.3 Research objectives**

The main goal of this research is to find and study methods for improving innovation in enterprises. Some key goals are:

- Looking into how organizational culture can promote innovation.
  - Studying leadership techniques that encourage and push for innovation.
  - Examining the systems and setups that make innovation possible.
  - Analyzing how technological progress influences innovation.
  - Evaluating the significance of partnerships with entities and open innovation models.
  - Offering insights and top practices for sectors.
- Creating a framework for assessing and appraising innovation.

**Research questions:** What strategies do managers use to implement innovation in their organizations to make sure they are improving innovation and meeting performance?

### **Interview Questions**

The participants answered the following questions during the interview:

- 1. What strategies are you using to enhance innovation?
- 2. What strategy did you find worked best to facilitate innovation implementation?
- 3. What was the impact of innovation in enabling your organization to meet its performance goals?
- 4. What resources that your company have that enabled the improvement of innovation?
- 5. How did you see the importance of competencies for the improvement of innovation?
- 6. How did you compete with other companies in the market?

### **SIGNIFICANCE OF THE STUDY**

This study is of importance because its findings may contribute to local and global economic growth. Exploring successful innovation implementation strategies in organizations can result in useful guidelines that managers can use to reach the goals of their enterprise. Obaji and Olugu (2014) argued that governmental policies are critical to improving business performance.

This research adds to the existing knowledge on managing innovation by examining the factors that boost innovation in businesses. It presents advice for executives and leaders aiming to nurture an environment and enhance their organization's ability to innovate. Moreover, the study underscores the significance of combining components like leadership, procedures and technology to generate an impact on innovation.

## **SRUCTURE OF THE RESEARCH**

The thesis is divided into 12 sections, each exploring an aspect of innovation. Chapter 2 conducts an in-depth analysis of existing literature while Chapter 3 outlines the approach to research. Chapters 4 and 7 close into elements that impact innovation, such as culture, leadership, processes, external partnerships and technological facilitators. Chapter 8 to 10 discusses strategies for innovation tailored to sectors, covers methods for assessing and gauging innovation, offers detailed case studies showcasing practices. In Chapter 11 the results are synthesized with implications and recommendations provided. Finally, Chapter 12 wraps up the thesis by summarizing insights and offering concluding reflections on enhancing innovation.

### **Purpose Statement**

The purpose of this qualitative multiple case study was to explore strategies that some managers use to implement innovation in their organizations to meet performance goals. The target population was five managers from three SMEs in Nigeria, who have successfully implemented innovation in their organizations to meet performance goals. The implication for positive social change includes the potential to create employment opportunities and reduce poverty in developing countries through economic development.

### **Nature of the study**

A qualitative methodology was the basis for this study to explore strategies that some SME managers used to implement innovation in their organizations to meet performance goals. Researchers use the qualitative methodology to focus on the interpretation of a phenomenon in its natural setting by trying to understand the phenomenon from the point of view of the people involved (Denzin & Lincoln, 2013). Researchers can use quantitative methods at later stages of the study to quantify specific variables in a numerical statistical form or to test a certain hypothesis (McCusker & Gunaydin, 2015). Researchers use mixed methods when a single methodology does not provide a sufficient understanding of the topic under study (Lee, 2014). A mixed- method was not suitable for this study because the research question did not require quantitative

statistical data to answer. Because of the exploratory nature of this study and considering the lack of information about innovation of SMEs in developing countries (Xie et al., 2013), qualitative research was more suitable than quantitative or mixed research for this study.

I used a multiple case study as a research design for this study. Yin (2017) suggested using a multiple case study design when the researcher presents more than one case in the study in the absence of clear boundaries between the phenomenon and the context. In addition, case study design is suitable for collecting rich data using how and why questions about a current phenomenon on which the researcher has no control (Yin, 2017). Researchers use phenomenological research design to gain an accurate understanding of the essence of a lived experience in the words of those who went through it (Moustakas, 1994). Therefore, phenomenological research design was not suitable for this study. Similarly, ethnography was not appropriate for this study because ethnography addresses the behavior, customs, beliefs, and behaviors of a specific cultural group (Percy, Kostere, & Kostere, 2015). Narrative inquiry is an in-depth interview where the researcher collects life stories of the participant (Marshall & Rossman, 2016). Since the life stories did not contribute to the subject of this study, narrative inquiry was not a suitable design for this study.

### **The Nature of SMEs**

Various definitions of SMEs exist today that depend on several different criteria. A common and unified definition of SMEs does not yet exist (Berisha & Pula, 2015; Ndesaulwa & Kikula, 2016). Although the definitions differ among countries and organizations, there are common factors that determine the size of enterprises. For example, Ndesaulwa and Kikula (2016) asserted that the total number of employees, total turnover, and total investment are the basis for the definition of SME. Similarly, Petkovska (2015) mentioned that the definition of the enterprise size depends on the number of employees, annual revenue, total assets, and net profit. Katua (2014) mentioned that the definition of SMEs depends on the number of employees, the revenue, or the size

of the balance sheet. The various definitions of SMEs all aim at deciding on a suitable criterion to determine the size of firms. Firms should have a ceiling for the number of employees and the annual revenue to qualify as SMEs. However, having two or more determinants for the classification of firms can create disparities in the classifications of SMEs among countries and global organizations. Different governments, banks, organizations, institutions, and statistical agencies have different definitions of SMEs. For example, in the United States and Canada, an SME can have up to 500 employees (Katua, 2014). In the European Union, an SME employs less than 250 employees with a maximum annual revenue of 50 million euros and/or a maximum total asset of 43 million euros (European Commission, 2014). However, some European countries have different definitions for SMEs. For example, an SME in Germany can have up to 250 employees while in Belgium the number of employees should be less than 100 (Katua, 2014). Another case of the absence of a common definition of SMEs is Pakistan. In Pakistan, the State Bank, the Federal Bureau of Statistics, and the Provincial Labor Departments use different definitions of SMEs (Syed, Ahmadani, Shaikh, & Shaikh, 2012). Each government or organization can have its own definition of an SME. These differences can cause misalignment among the efforts to support SMEs. A unified criterion for defining SMEs can facilitate the study of performance improvement strategies in SMEs by creating significant associations within the literature. In addition to the number of employees and the financial factors that determine the enterprise, the SME definition also depends on the sector in which the SME operates. Katua (2014) mentioned that the rationale behind this is to measure the enterprise size with respect to the sector and the market. For example, an SME in the manufacturing sector in Dubai can have employees up to 250. At the same time, an SME in the trading sector cannot have more than 75 employees (Dubai SME, 2014). Defining SMEs based on the sector provides a logical segregation of SMEs. However, there should be a clear definition for each sector to avoid further confusion. Such a segregation by sector does not contradict with a unified definition of SMEs. The unified definition can include the sector of operation as part of the criteria.

Having a common and clear definition for SMEs allows better monitoring of the performance of this critical sector and meaningful comparisons between countries or regions (Berisha & Pula, 2015). Similarly, Eniola and Ektebang (2014) argued that the absence of a common definition of SMEs complicates the task of comparing the SME performance among countries or regions. The absence of a unified definition of SMEs impacts the eligibility criteria for support programs that can benefit SMEs. A unified criterion for defining SMEs can facilitate the study of performance improvement strategies in SMEs. Without a common definition, researchers should provide their classification of SMEs in each study in order to view the results in the correct perspective.

### **SMEs Versus LEs**

The main differentiator between SMEs and LEs is the size of the enterprise. LEs and SMEs are names that stem from the number of employees, annual revenue, and assets. The definition of the size of the enterprise differs among countries, regions, institutions, and organizations. In addition, the definition can differ among sectors with different market sizes. Besides the company size, SMEs and LEs differ in other factors such as ownership structure, ease of funding, and flexibility. Halme and Korpela (2014) opined that the ownership structure of SMEs differs from that exhibited by LEs. SMEs are often family-owned businesses with a small number of owners while LEs are often publicly-owned companies (Ndesaulwa & Kikula, 2016). Because of their flexibility, SMEs have more potential to innovate than LEs (Halme & Korpela). Although SMEs are significant contributors to growth, it is more difficult and costly to secure funding compared to LEs (Nitescu, 2015). Banks often prefer to lend to LEs more than SMEs because of the high risk associated with SMEs (Paulet, Parnaudeau, & Abdessemed, 2014). The difficulties that SMEs face in obtaining funds add to their inherent resource limitations. At the same time, the capacity of SMEs to innovate increases the potential competitiveness and performance of SMEs. Governments, organizations, and regulatory bodies can support SMEs by easing the funding taking into consideration the risks and the potential gains that SMEs can bring to the economy. SMEs have several disadvantages compared to LEs such

as the possibility of bankruptcy, low salaries, and weak competitive advantages in international markets (Petkovska, 2015). In terms of innovation, SMEs have more potential to innovate than LEs because of their fast decision-making process (Ndesaulwa & Kikula, 2016). Furthermore, Petkovska (2015) argued that SMEs could develop new products or services faster than LEs. Because of the small organizational structures of SMEs, SME managers can make a fast decision on resource utilization (Halme & Korpela, 2014). Similarly, Deshati (2016) argued that SMEs have the advantage of faster innovation implementation compared to LEs because of their shorter lines of communication, relatively informal decision making, and their flexibility. On the other hand, Prajogo and McDermott (2014) argued that SMEs could not accumulate the required knowledge to innovate because of the resource limitations. Furthermore, resource limitations can cause many SMEs to avoid risky activities such as innovation because they cannot afford to fail (Saša, Sezena, & Güzela, 2016). Because of the abundance of human and financial resources, LEs are in a better position to invest in new ideas compared to SMEs (Wikhamn, Armbrecht, & Wikhamn, 2018). Although SMEs face many challenges because of their resource limitations, the relative advantage that SMEs have in terms of innovation capability allows them to compete against LEs. The relationship between SMEs and LEs is not entirely competitive. A strong network and body of SMEs plays a major role in supporting the activities of LEs, including fulfilling many of the peripheral tasks that LEs may not be able to address efficiently. Moreover, SMEs present a growth opportunity for LEs that can fund and acquire small businesses to grow their own business and maintain the relevance of their offerings (Foreman-Peck & Nicholls, 2013). The acquisition for SMEs by LEs creates a potential exit opportunity for entrepreneurs and provide them with additional sources of capital to start new innovative SMEs, thus beginning a new phase of the growth cycle.

### **The Role of SME in Economic Development**

SMEs are major contributors to the economy in both developed and developing countries. Nitescu (2015) stressed the crucial role that SMEs play in the development of

national economies. Eniola and Ektebang (2014), Asare (2014), and Qamruzzaman (2015) described SMEs as the engine of the economic growth. The role of SMEs in the economic development covers several aspects and stems from various factors such as job creation, poverty reduction, and contribution to the GDP (Jitmaneeroj, 2016; Mabhungu & Van Der Poll, 2017; Valaei, Rezaei, & Ismail, 2017; Zafar & Mustafa, 2017). Although SMEs' optimum potential is still unexploited, they have been instrumental in the provision of employment opportunities and have contributed to the gross domestic products of both developed and developing countries (Olughor, 2015). As the backbone of economic development, SMEs should be the center of the attention of authorities and regulatory bodies. Governments should help SMEs to overcome their resource limitations to improve their competitiveness and performance. A strong SME sector ignites innovation, create new jobs, reduces unemployment, improves the economic state, and alleviate poverty.

SMEs are the majority of enterprises all over the world. Shrirame and Soni (2015) declared that SMEs represent 90% of the enterprises in most countries. Similarly, Petkovska (2015) mentioned that SMEs represent around 90% of all businesses in the global economy with an employment share higher than 60% in the private sector. Similarly, Çela and Gaspari (2015) mentioned SMEs represent nine out of 10 enterprises in the European Union. Shrirame and Soni (2015) reported that SMEs represent a significant part of local and global economies by constituting around 90% of the total firms worldwide. Bayarçelik, Taşel, and Apak (2014) reported that SMEs constitute 99% of the total enterprises in Japan, France, and Italy. Asare (2014) mentioned that SMEs in Ghana represent 92% of the registered companies. The Small Business Administration (SBA) reported that there are more than 28 million small businesses in the United States which represent 99.7% of the total national businesses (U.S. SBA, 2015). A similar scale exists in Dubai where SMEs constitute 95% of the enterprise population (Dubai SME, 2014). Being the majority of enterprises in the world (Shrirame & Soni, 2015), SMEs deserve high attention. The support that governments give to SMEs can touch a large

number of employers, employees, and population. Investing to sustain a healthy SME sector may benefit the whole society.

SMEs are significant contributors to the GDPs of countries. For example, Katua (2014) reported that the SMEs' contribution to the national GDP is 60%, 57%, and 55% in China, Germany, and Japan, respectively. Furthermore, SMEs in Singapore and South Korea contribute 49% and 55% to the national GDP, respectively (Pulka, Ramli, & Bakar, 2018). In all the OECD countries, SMEs contribute between 50% and 60% of the national GDP of each country (OECD, 2017). The contribution of SMEs to the GDP is not less than the contribution of LEs.

In addition to being the largest population among enterprises and a strong contributor to GDPs, SMEs are major employers and job creators. Katua (2014) argued that SMEs are the leading employer in the world. The National Research Council of Italy, Research Institute on Sustainable Economic Growth (CNR-IRCRES) (2018) reported that SMEs employ a large portion of employees in most countries. Olughor (2015) reported that SMEs employ about 75% of the workforce in any country. In the European Union, SMEs employ two out of three employees (Çela & Gaspari, 2015; Katua, 2014). SMEs in Dubai employ 42% of the workforce (Dubai SME, 2014). In economic downturns, SMEs still create new jobs whereas LEs make most of the layoffs (Ayyagari et al., 2014; Varum & Rocha, 2013). Job creation and economic growth lead to improving the living conditions and the reduction of poverty (Subhan, Mahmood, & Sattar, 2014). Moreover, Eniola and Ektebang (2015) highlighted that SMEs serve as incubators for entrepreneurs. Therefore, SMEs play a critical role in improving the living conditions, reducing poverty, and reducing unemployment through creating new jobs.

## **CHAPTER 2: PRACTICAL ASPECT OF THE WAYS FOR IMPROVING INNOVATION IN THE ENTERPRISE**

### **2.1 Literature review**

Innovation and invention are closely linked; they are not synonymous. While invention involves generating ideas innovation transforms those ideas into applications. The process of innovation does not foster the birth of concepts but also translates them into tangible products or services that cater to consumer needs. Unlike established disciplines such as engineering or accounting, innovation is still evolving as a field with competencies. Currently there are no defined areas of expertise for innovation.

The journey from concept to product is a challenging one. Research indicates that most ideas do not culminate in products. Only a small fraction of ideas ultimately leads to the development of products with many projects failing to yield commercially viable outcomes. Studies suggest that it typically takes around 3,000 ideas to generate a successful commercial product.

Furthermore, innovation plays a role in driving growth by creating a ripple effect within organizations. This chain reaction begins with increased company revenue. Extends to enhanced working conditions, for employees.

In this scenario when a company pays taxes it contributes funds to the state treasury. This demonstrates an impact on growth based on these basic indicators.

The involvement of shareholders, such as block holders leads CEOs to resort to earnings management as a cost method to enhance short-term performance. This viewpoint supports the argument put forth by Shleifer (2004) that competitive pressures play a role in promoting accounting practices as managers are strongly motivated to boost their stock prices.

When ownership and control of corporations are separated information imbalances emerge between the principal (investor) and the informed agent (manager). In

this conflict between principals and agents, communicating the company's risks is crucial, within governance. Investor decisions related to a company primarily hinge on assessing probabilities and especially risks concerning the success of the enterprise (Theis, 2012):

**Definition of Innovation:**

Innovation is the act of turning ideas into products or services that benefit customers or society. It includes bringing in enhanced goods, processes and business strategies. Different models exist to classify and grasp innovation, such as distinguishing between gradual innovation and innovations, in products, processes and business models.

The concept of innovation has always been intricate. The past decade has added to the complexity due to the changes in political, social and technological aspects of life. For instance, CNR IRCRES (2018) described innovation as having both complex elements. Popa, Preda and Boldea (2010) presented 17 definitions of innovation. Manuylenko Mishchenko, Bigday Putrenok and Savtsova (2015) defined innovation as a modification in forms leading to a result. Bertoni and Tykvová (2015) introduced another perspective on innovation as the utilization of an invention through a transaction involving new devices, processes, products or services. Additionally, McKinley, Latham and Braun (2014) portrayed innovation as any product or service that significantly deviates from existing architectures. Rua and França (2017) characterized innovation as fostering creativity and novel ideas that can lead to processes or services. Omerzel and Jurdana (2016) defined innovativeness as implementing concepts, processes or products. Innovating is about executing an idea efficiently (Halim et al., 2014). Grzegorz and Robert (2018) suggested that the initial stage of the innovation process involves searching for ideas.

Companies must successfully implement ideas to generate value. The diverse nature of innovation leads to a multitude of definitions for the term. While definitions of innovation vary, they commonly emphasize aspects. Innovation inherently involves change with the extent of change dictating whether it is incremental or radical. Moreover, any change must bring about improvement; otherwise, it cannot be considered innovative.

Additionally, the change should deliver added value to users. Innovation extends beyond idea generation to encompass implementation and the realization of added value. In essence innovation can be defined as implementing change that results in improvement and benefits users.

### **The Diffusion of Innovation Theory**

Everett Rogers introduced the diffusion of innovation (DOI) theory in 1962 (Rogers, 2003). According to Rogers, when using the DOI theory, the decision to adopt a new innovation passes through a five-stage process (Rogers, 2003). These five stages are awareness, persuasion, decision, implementation, and confirmation. Mamun (2018) used the DOI theory to study the adoption of innovation by Malaysian SMEs. The DOI applies primarily to decision making through the persuasion of individuals, not organizations (Rogers, 2003). However, Mamun (2018) argued that in SMEs one or a few individuals make decisions. Therefore, the DOI theory can apply to the innovation adoption in SMEs. Comparing the DOI theory with the RBV theory, I choose the RBV theory as a basis of the conceptual framework of this study because it is more suitable for its subject. For the DOI theory to apply to SMEs, the decision-making process must be in the hand of one or few individuals. This condition may apply to small size enterprises but may not apply to medium size enterprises. In addition, the decision path of the DOI theory implies an imitation of an existing product or process whereas the innovation under study is more about novelty rather than replication. On the other hand, the RBV theory applies to the innovation implementation in SMEs without the aforementioned assumptions of decision-making authority or imitation. In addition, the inherent resource scarcity in SMEs makes the RBV theory a suitable lens that I can use to explore innovation implementation strategies in SMEs in light of resource scarcity.

### **The Role of Innovation in Improving the Performance of SMEs**

The significance of innovation, in enhancing the performance of Medium Enterprises (SMEs) cannot be overstated. Research by scholars has highlighted how innovation plays a role in the survival and growth of SMEs. It has been observed that

embracing innovation positively impacts a company's performance ultimately contributing to its long term success. When combined with strategies fostering a culture proves to be a valuable approach for enhancing SME performance. Innovation is seen as a strategy that can provide SMEs with an advantage by offering improved products boosting market performance and establishing a favorable reputation. Scholars have also pointed out that innovation can lead to the development of products expansion of market share enhancement of quality standards increased flexibility in operations greater production capacity and cost reduction. While innovation alone may not guarantee the survival and prosperity of SMEs it is undeniably a component, for their success. Hence it is imperative for SME managers to integrate innovation into their business strategies.

In a study conducted in 2014 researchers discovered a link, between process innovation and financial success. Innovation plays a role in enhancing the efficiency of both small and medium sized enterprises (SMEs) and the countries where these SMEs are based as highlighted by Ukpabio et al. (2017). Moreover Ukpabio et al. (2017) emphasized that implementing process innovation can elevate the performance levels of businesses in developing nations leading to growth and progress. Likewise innovations can enhance both products and processes within SMEs as pointed out by Padilha & Gomes (2016). By embracing innovation SMEs can set their offerings apart from others in the market while also streamlining their business operations for efficiency as noted by Asare (2014). Echoing this sentiment, Ndesaulwa and Kikula (2016) contended that only companies that prioritize innovation will thrive in meeting customer demands and navigating through challenging business landscapes over time. SMEs with a knack for innovation can swiftly address obstacles within their business environment to capitalize on products and market opportunities effectively than those that shy away, from innovating. Innovation serves as a survival tool that SMEs can leverage to stay competitive and relevant in the market.

## **HISTORICAL PERSPECTIVE OF INNOVATION**

Innovation has changed a lot over the years. In the past it was about inventors and big discoveries. Now we see it as a team effort involving different people and ideas. Looking back at history we can see how changes in society, economy and technology have shaped how we innovate.

### **Barriers Against SMEs Innovation**

The implementation of innovation in SMEs is not a straightforward process. Numerous barriers stand between the SMEs and the benefits of innovation. Barriers to innovation can be either internal or external (Asare, 2014; Bozkurt & Kalkan, 2014; Heslina, Payangan, Taba, & Pabo, 2016; Tehseen et al., 2016). Internal barriers arise within the company such as the lack of management experience and poor employee skills (Bozkurt & Kalkan, 2014; Heslina et al., 2016). Likewise, Tehseen et al. (2016) considered the lack of skills, abilities, and knowledge as internal barriers. In addition, Deshati (2016) opined that internal barriers include inadequate resources and the lack of expertise. On the other hand, Bozkurt and Kalkan (2014) mentioned that external barriers arise from external factors in the business environment. Tehseen et al. (2016) considered the market forces and the government regulations as external barriers. Similarly, Asare (2014) considered access to technology providers, macroeconomic conditions, lack of funds, and regulations as external barriers.

Deshati (2016) found that the high cost of innovation, market instability, and inadequate protection of innovation are the major barriers to SME innovation.

Skawińska and Zalewski (2014) stressed that the absence of adequate regulation for the intellectual property (IP) protection could hamper innovation. In addition, Jones and Hooper (2017) found that the major barriers were risk avoidance, leadership mindset, and lack of funds. At the same time, Asare (2014) found that financial constraints, lack of skilled employees, poor infrastructure, lack of information technology knowledge, and market regulations are the main innovation barriers. Kotey and Sorensen (2014) found that poor infrastructure, lack of skills, access to funds, and political instability are common

barriers to innovation. In addition, Lewandowska (2014) considered that poor SME financials and knowledge base as the main obstacles to innovation. In sum, the main factors that can discourage SME innovation are the lack of funds, poor knowledge, risk avoidance, market instability, weak IP protection regulations, and inadequate infrastructure. SME managers should try to overcome the internal barriers such as poor knowledge and risk avoidance while governments and regulatory bodies should work on the external barriers such as the infrastructure and the IP protection regulations.

Barriers against SME innovation causes many SMEs to struggle in implementing innovation and in reaping the expected innovation benefits. Leber, Bastic, and Buchmeisteri (2014) opined that the major obstacle to innovation is the lack of knowledge and the shortage of skills about the innovation management and implementation. Similarly, Norek (2014) and Xie et al. (2013) argued that the innovation is SMEs does not produce the expected results because of the inefficient implementation. Individual SMEs may not have enough influence to remove the innovation barriers and become innovative. Governments should create regulations that foster and protect innovation. SMEs need to acquire new knowledge through employing skilled personnel, training their existing employees, or through establishing cooperation networks for resource sharing.

### **The Role of SME Managers in Innovation and Culture Change**

Innovation management is a critical area of study because of its contribution towards the enhancement of the competitive advantage. Deshati (2016) highlighted that SME managers employ the innovation management to remain competitive and achieve their financial goals. Therefore, SME managers should be capable of analyzing the market trends to identify needs, foresee changes, and look for new opportunities (Rua & França, 2017). To that end, SME managers should make clear strategic decisions about their innovation strategies (Woschke et al., 2017). Likewise, Shafique and Kalyar (2018) opined that leaders with clear vision can stimulate the employees to innovate and go beyond what is required from them. For example, SMEs should choose between acquiring new resources and rearranging the existing ones. In addition, SMEs should choose

between implementing an incremental and a radical innovation. Therefore, SME managers should exert deliberate efforts to foster and manage the innovation within their firms rather than dealing with innovation on an ad hoc basis.

For SMEs to become and remain innovative, it is mandatory that SME managers seek to embed innovation within the corporate culture. Maher (2014) argued that the organizational culture is a major factor which affects the pace of innovation. Similarly, Schiliro (2015) stressed that innovation is about culture and mindset more than anything else. Similarly, Szymańska (2016) argued that organizational culture is the foundation of all the processes within the organization that can play a role in supporting or obstructing innovation. In addition, Zhai et al. (2018) argued that SME managers need to promote the spirit of innovation and risk tolerance within their firms. Likewise, Naranjo- Valencia, Jiménez-Jiménez, and Sanz-Valle (2016) argued that the organizational culture relating to people and behavior can either encourage or hamper innovation. Therefore, innovation implementation is not subject to the sole decision of the SME manager. Managers and employees should contribute willingly to make innovation a part of the corporate culture. SME managers should work on changing the way they and their employees think and act so that innovation becomes part of the company culture. Maher (2014) mentioned seven dimensions of innovative culture which are goals, relationships, tools, rewards, knowledge, risk-taking, and resources. Padilha and Gomes (2016) found that open corporate culture, creativity encouragement, flexible working arrangements, multi- functional teams, reward, recognition, and access to information can facilitate the implementation of innovation. The employees are the ones who will implement the innovation. Therefore, SME managers should direct a major part of their efforts towards their employees.

### **Innovation as an Extension to Imitation**

Yu, Yan, and Assimakopoulos (2015) argued that innovation is not the direct opposite of imitation. Luo and Chanaron (2017) posited that the firm age and size determine its innovation capability and innovation strategy. Lee and Tang (2018)

suggested that firms may utilize innovation, imitation, or both to survive and grow. The three different scenarios are visible in China who had a long history of imitation and a rising trend of innovation. Yu et al. (2015) found that SMEs in China started as imitators utilizing their low-cost advantage to manufacture competitive products. The change in the Chinese government policy regarding counterfeit products moved the strategic orientation of the SMEs away from imitation towards innovation. Yu et al. (2015) segregated this transition into four phases which are pure imitation, learning from the original equipment manufacturers, imitative innovation, and original innovation. Pure imitation cannot secure a good performance in the long term. The low cost of production is not a sustainable competitive edge. The only way for SMEs in China to have a sustainable competitive advantage is to move quickly to the original innovation phase.

### **TYPES OF INNOVATION**

**There are types of innovation each, with its unique features and effects.**

1. Product Innovation; Involves creating greatly enhanced goods or services.
2. Process Innovation; Focuses on improving production or delivery techniques.
3. Business Model Innovation; Refers to alterations, in how an organization generates, delivers and gains value.
4. Radical Innovation; Introduces groundbreaking ideas that establish markets or shake up existing ones.
5. Incremental Innovation; Involves making enhancements to products, services or processes.

I will expand on other theoretical types of innovation, Innovation, in enterprises can take forms as highlighted by Talegeta (2014) who described innovation from a three-dimensional perspective. This includes nontechnological innovations targeting product, process, market or organizational aspects in either incremental or radical ways. These dimensions can overlap, such as when a company introduces a product as a technological innovation. Additionally, Aziati, Tasmin, Jia and Abdullah (2014) noted that business innovation could also focus on areas like practices, management techniques and

organizational structures. Furthermore, Zarei and Baghban (2014) expanded on this by introducing two types of innovation; innovation and closed innovation. The diverse categorizations of innovation contribute to the nature of studying and evaluating practices.

When it comes to how organizations approach innovation there are two methods; innovation and closed innovation. Zarei and Baghban (2014) emphasized that open innovation is gaining traction as an approach where SME managers actively seek ideas from both sources, within the organization and external channels. Mercandetti et al. (2017) viewed innovation as a way of leveraging all available internal and external resources for achieving success. Freel and Robson (2017) suggested that businesses embracing innovation should look beyond resources and incorporate external sources of innovation. Carraresi et al. (2016) proposed that enterprises could engage in innovation by forming partnerships to enhance their resources. The level of openness is reflected in the willingness to collaborate with entities or companies (Stanisławski & Lisowska 2015). Conversely closed innovation entails self-sufficiency and rigorous control across the innovation process from idea generation to sale support (Zarei & Baghban 2014). Both open and closed innovation can be advantageous for SMEs. Closed innovation involves an approach while open innovation relies on partnerships and collaborations with firms. managers must decide when and how to utilize each approach. The selection between closed innovation represents a choice for enterprises (Love & Roper 2015). Like decisions there are pros and cons associated with the decision that a manager makes. Open innovation can mitigate risks by spreading costs and risks across firms rather than concentrating them on a single entity (Petkovska, 2015; Zarei & Baghban 2014). Furthermore, teaming up with partners can offer medium sized enterprises (SMEs) the necessary resources without having to possess them outright as mentioned by Carraresi et al. (2016). While embracing innovation brings benefits to SMEs, an excessive level of openness can harm their performance as noted by Hossain & Kauranen (2016). A potential drawback of innovation is the risk of exposing data and losing knowledge to competitors highlighted in studies by Freel & Robson (2017) and Laursen & Salter (2014). Both open

and closed innovation models have their pros and cons. According to Ahmed, Halim and Ahmad (2018) a combination of both approaches leads to performance enhancements compared to relying on one over the other. It is crucial for organizations to find a balance between embracing collaboration and maintaining an approach. Engaging with firms can be costly while closing off innovation opportunities may lead to missed chances for growth. Therefore, finding equilibrium between closed innovation stands out as a success factor, for SMEs operating with limited resources.

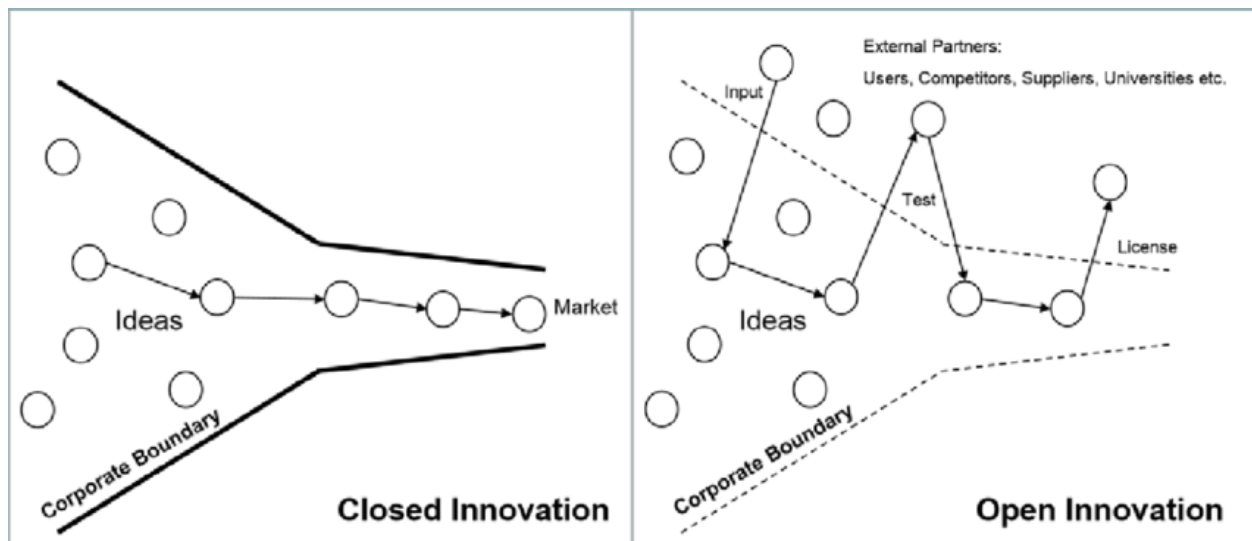


figure 1. illustration of closed and open innovations

source: closed and open innovations [https://www.researchgate.net/figure/Closed-vs-Open-Innovation-model\\_fig1\\_313471173](https://www.researchgate.net/figure/Closed-vs-Open-Innovation-model_fig1_313471173)

### **Incremental and radical innovation**

These are two types based on the level of novelty they bring. According to Papetti, Marilungo, Gregori and Germani (2016) incremental innovation involves improvements to an existing process while radical innovation represents a shift towards a new and improved process. Zarei and Baghban (2014) further explained that incremental innovations involve changes in response to demand whereas radical innovations stem from a perspective on a problem.

Enterprise managers need to determine the level of novelty they aim for and the investment they are willing to make in fostering innovation. Organizations can pursue

either radical innovation strategies. Rexhepi (2014) suggested that different approaches are necessary for enterprises looking to achieve these types of innovations. For instance incremental innovations typically require internal processes compared to radical innovations. Research by Aziati et al. (2014) revealed that the majority of business innovations lean towards incremental than changes. Pinget, Bocquet and Mothe (2015) emphasized that incremental innovation demands skills and resources than innovation. The prevalent focus of enterprises on incremental, over innovation may be attributed to their resource constraints, which significantly influence the level of novelty they can introduce. Innovation encompasses product, process, market and organizational advancements. According to the OECD and Eurostat (2005) innovation is defined as the introduction of an enhanced product, process, marketing approach or organizational method to enhance business operations. Ukpabio, Oyebisi and Siyanbola (2017) view these four categories as the results of innovation. Product innovation focuses on enhancing a product or service while process innovation aims to improve processes. Before 2005 the OECD primarily emphasized products and processes (OECD & Eurostat 2005) associating product and process innovations with advancements. This led to the classification where technological innovations were reflected in product and process innovations while non-technological innovations were seen in marketing or organizational changes. By categorizing innovation into product, process, market and organizational segments effectively separates types of innovation. This enables managers to devise targeted strategies, for each type of innovation.

### **Improving Innovation Capability**

Improving the ability to innovate is crucial, for an organizations success and long term viability. Without this capability a company may struggle to create the innovations for achieving success. Various frameworks have been suggested in literature to enhance innovation within organizations. According to Christensen et al. In their work "The Innovators DNA " they proposed a framework designed for both individuals and companies aiming to boost their innovation capabilities. The framework highlights five

discovery skills that distinguish innovative individuals from those with lower innovative abilities. These skills include questioning, observing, networking, experimenting and associating. Each skill plays a role in shaping an individual's capacity. Questioning refers to an individual's knack for posing questions that challenge thinking about a problem pushing beyond traditional solutions. Observing involves observing one's surroundings and learning from these observations. Networking emphasizes the importance of connecting with peers, across groups those outside one's industry sphere. Experimentation involves an individual's capacity to explore ideas and gain experience. These four skills culminate, in the discovery skill of association, which entails linking elements to create something greater than the sum of its parts. As per the framework the ability to associate is key in driving business ventures. The book further outlines three attributes for innovative teams and organizations; people, processes and philosophies. It emphasizes the importance of leadership prioritizing innovation as many successful companies have leaders who are personally invested in fostering innovation. However, Christensen et al. Also stress that individuals at all levels should be engaged in the innovation process. Effective processes supporting discovery skills are crucial within an organization aiming for innovation success. One recommended process is evaluating employees' creative and innovative abilities during hiring and performance reviews. The core values and beliefs held by a company play a role, in fostering innovation according to Christensen et al.

The beliefs and values of a company should encourage innovation as demonstrated by Christensen et al. They found that a company's innovation potential is higher when there is support, for innovation embedded in its identity through four philosophies. These philosophies, briefly introduced earlier in this thesis include the notions that innovation's a responsibility disruptive innovation should be anticipated small and efficient teams are essential and calculated risks should be taken. By incorporating the five skills and three organizational skills outlined in The Innovators DNA framework an organization can enhance its capacity for innovation.

Another framework discussed in literature is the innovation value chain model. According to this model innovative ideas must progress through stages of generation, conversion and diffusion. Initially ideas are generated either by individuals or teams. Subsequently these ideas undergo a selection process where unfeasible concepts are discarded while promising ones are further developed. Once fully refined the output of the idea can be disseminated within the organization to customers externally and into the marketplace. A similar framework, to the innovative value chain is Creative Problem Solving Styles. The framework of Creative Problem Solving Styles suggests that ideas must go through eight stages before being put into action. These steps include; Identifying the problem, Gathering facts, Defining the problem, Generating ideas, Evaluating and selecting ideas, Planning, Gaining approval, for the plan and Executing the plan. These eight steps resemble the innovation value chain. The initial four steps share similarities with idea generation in the innovation value chain. The process of evaluating and selecting ideas is akin to conversion in the innovation value chain while the remaining steps are comparable to diffusion.

When a company faces challenges with idea generation there are recommendations that can aid in enhancing innovation. External inputs from distributors, suppliers and customers can offer ideas and feedback to drive innovation for existing products well as new ones through collaborative efforts. From the frameworks discussed it is evident that for innovation to thrive within a company there must be a process in place for generating, selecting and implementing ideas. Organizations need to cultivate the capability to acquire, integrate, transform and leverage knowledge and insights, into capabilities. Enhancing knowledge capacity and expanding both the breadth and depth of knowledge are ways to boost innovation capabilities. A business should leverage both knowledge absorption and the incorporation of knowledge to cultivate innovation skills within an organization. It is essential for a company to acquire knowledge or competencies assimilate information into a meaningful context and then transform it into a product, process or service that can be

utilized for the organizations benefit. The thesis has previously explored capabilities, within an organization. Existing literature affirms that fostering values, strategies and policies that promote innovation will enhance innovation capabilities within a company. Furthermore, connections to factors play a role in a firms innovation capacity, particularly relationships with customers and suppliers. Innovation can be seen as an asset that can enhance efficiency and competitiveness in the marketplace. Hence businesses aiming to enhance their innovation capabilities should assess whether their values, strategies and policies align, with fostering innovation.

### **THERETICAL APPROACHES TO INNOVATION MANAGEMENT**

Various theoretical perspectives offer models, for comprehending and overseeing innovation:

- Resource Based View (RBV); Concentrates on the assets and abilities that fuel innovation.
- Dynamic Capabilities; Stresses the capacity of organizations to adjust and reorganize resources in reaction to evolving circumstances.
- Open Innovation; Supports the utilization of concepts and technologies, alongside research and development endeavors.

Absorptive Capacity; Spotlights the significance of acknowledging, integrating and implementing knowledge. But we are only going to expand the Resource based view.

#### **Definition of Resources in the Context of the RBV Theory**

The VRIN model of strategic resources represents the fundamental requirements for a sustainable competitive advantage and above average performance. Eniola and Ektebang (2014) argued that resources are the major player in enabling firms to improve their performance. The differences in resources and their different utilization among firms can explain the differences in performance (Barney,1991; Genç, Özbağ, & Esen, 2013). Furthermore, Norek (2014) argued that the resources that a company owns decide the

ability of the company to innovate. The way firms combine and utilize resources opens the door for the role of competencies and innovation.

Different researchers provided different definitions and classification for resources in the context of the RBV theory. For example, Burton and Rycroft-Malone (2014) and Eniola and Ektebang (2014) classified resources as tangible and intangible. Nada and Ali (2015) considered resources as assets and capabilities. Conversely, Genç et al. (2013) mentioned that many researchers use the terms competence and capability interchangeably. Along the same line, Baumane-Vitolina and Cals (2013) highlighted that the terminology that appears in the literature describing the resources from the RBV perspective is confusing. They divided the resources into material resources, non-material resources, and competencies. They further divided the competencies into basic competencies and special competencies. Despite the critical importance of resources in the RBV theory, the definition of resources remains ambiguous in the literature. Therefore, researchers should clarify the definitions and the classifications of the resources that suit the purpose of their studies.

Two groups of competencies attracted much attention in the literature. The first group is the core competencies. Hamel and Prahalad (1990) introduced the term core competencies stating that a core competency is the firm's knowledge and learning capacity. They argued that core competencies are combinations of competencies that should provide significant value to the customer, be competitively distinctive, and provide potential access to a wide variety of markets. Genç et al. (2013) opined that core competencies differ from resources and capabilities. Rahab, Anwar, and Priyono (2016) argued that core competencies have three dimensions: relationship, adaptation, and innovation. The second group is dynamic capabilities. Teece et al. (1997) introduced the concept of dynamic capabilities to denote the importance of the firm's ability to respond to a rapidly changing environment by renovating and combining its resources in novel ways. When developing dynamic competencies, a firm will be able to reconfigure its capabilities to respond to the changes in the environment (Lara & Salas- Vallina, 2017). To simplify the

nomenclature of the RBV theory, Wang and Ahmed (2007) introduced a four-level hierarchal model to summarize the resources, competencies, capabilities, and the relation between them. The four levels are:

**Zero-order.** Resources are the building blocks of the firm's capabilities. When these resources satisfy the VRIN criteria, they can lead to a competitive advantage.

**First-order.** Capabilities which can improve the firm's performance when deploying the resources to achieve specific goals.

**Second-order.** Core capabilities which are bundles of resources and competencies that the firm assembles in alignment with the firm strategy. These bundles are essential for the firm's competitive advantage at a specific point in time. When the external environment changes, the core competencies can become obsolete. Core capabilities can become core rigidities if the firm fails to react to market changes.

**Third-order.** Highest level in the model which contains the dynamic capabilities. Dynamic capabilities are vital for the renovation, realignment, and rearrangement of the resources, capabilities, and core competencies to adapt and respond to market changes. Dynamic capabilities are responsible for the sustainable competitive advantage and the long-term performance of the firm.

The terminology that researchers use to describe and classify the resources, capabilities, and competencies is diverse. The nomenclature that describes the resources differs among researchers. In the context of the RBV theory, words like resources, capabilities, and competencies should have specific meanings. Because of the absence of unified definitions, researchers should define these terms to avoid misunderstanding.

### **Using the RBV Theory to study Innovation in the Enterprise**

The Resource Based View theory is deemed appropriate for examining how enterprises implement innovation by analyzing their utilization of resources and capabilities to drive innovation. According to Carraresi, Mamaqi, Albisu and Banterle (2016) innovation is regarded as a capability of organisations. Rahab et al. (2016) also identified innovation as one of the competencies of SMEs. Similarly, Baumane Vitolina and Cals (2013) suggested

that the capacity to generate innovations lies within competences that are challenging for other firms to replicate. Furthermore López Cabarcos, Göttling Oliveira Monteiro and Vázquez Rodríguez (2015) contended that innovation forms a part of business strategy serving as a mediator in transforming resources into profits. Therefore, innovation plays a role as an intermediary between resources and performance (De Zubieta, Lindsay, & O'Connor, 2014; Tamayo, Romero, Gamero, & Martínez Román, 2015). In his work from 1985/2014 Drucker defined innovation as the process that empowers resources with capabilities to generate wealth. This definition by Drucker implies that innovation acts as a bridge converting resources into value whose magnitude is determined by both the resources and the competence, in leveraging them. Given that innovation plays a role, in the success of enterprises the Resource Based View (RBV) theory proves to be a valuable framework for examining innovation within this context. Within businesses, where resources are limited, the RBV theory serves as a foundation for understanding how innovation thrives. Hadjimanolis (1999) emphasized the relevance of the RBV theory to the enterprise, noting that their innovativeness is heavily influenced by their resources. Likewise, Woschke et al. (2017) suggested that resource constraints in organizations could hinder their ability to innovate effectively. In a study by Eniola and Ektebang (2014) it was argued that the RBV theory holds significance in exploring resources like managerial expertise and experience which are critical for businesses considering their limitations in acquiring such assets externally. In the context of this research applying the RBV theory suggests that its principles can provide participants with insights into strategies, perceptions and experiences related to implementing innovation, in the enterprise.

### **IMPACT OF INNOVATION ON THE ENTERPRISE PERFORMANCE**

Innovation plays a role in how a business performs influencing its growth, profits and market presence. Research indicates that companies that embrace innovation generally outshine those that're less innovative in aspects. Nonetheless the effects of innovation on performance can differ based on factors, like industry trends, market situations and the strengths of the organization.

## **2.2 Research methodology**

Innovation plays a role in how a business performs influencing its growth, profits and market presence. Research indicates that companies that embrace innovation generally outshine those that're less innovative in aspects. Nonetheless the effects of innovation on performance can differ based on factors, like industry trends, market situations and the strengths of the organization. Based on insights from professionals and organizational leaders the questionnaire was developed as an instrument for gathering primary data. The secondary data was obtained through an examination of diverse academic literature, both domestic and international focusing on workplace standards regulation and innovative practices.

### **RESEARCH METHOD**

I used a qualitative methodology for this study. Researchers use qualitative research methods to explore the perceptions and experiences of individuals . Qualitative methods are suitable for exploratory or descriptive studies that aim to uncover tacit knowledge (Marshall & Rossman, 2016). In addition, Yin argued that qualitative research methods can allow researchers to obtain an in- depth understanding and rich contextual description information about the research question. McCusker and Gunaydin (2015) suggested that researchers use quantitative methods at later stages of the study when the researcher comes to exactly know what he or she is looking for and wants to quantify specific variables in a statistical form. Considering the lack of information about innovation of enterprises in developing countries in general (Xie et al., 2013) and the limited information about the business behavior of organization in Nigeria in particular (Ubaka Ezemonye., 2013), qualitative research was more suitable than quantitative research for this study. Besides qualitative methods, I considered quantitative and mixed methods. McManamny, Sheen, Boyd, and Jennings (2015) mentioned that quantitative research is useful when testing the hypothesis using quantifiable variables. Park and Park (2016) argued that qualitative research is suitable for exploring or generating a hypothesis about a phenomenon while

quantitative research is suitable for testing a hypothesis or a relation between variables. Since the aim of this study was to explore managers' strategies to the improvement innovation and since there was no intent to compare variables nor test a hypothesis, quantitative methods was not suitable for this study. Mixed methods use a combination of qualitative and quantitative methods. The quantitative component of mixed methods would not add value in the exploratory stage of the research question. Therefore, mixed methods was not suitable for this study.

## **RESEARCH DESIGN**

I conducted this research using a multiple case study design, which's great, for gathering data by exploring how and why questions about a current phenomenon that the researcher cannot control. According to Yin (2017) the multiple case study design is like replicating a single case study in two or more instances. He believes that this approach yields findings compared to a single case study because it avoids repeating conditions. Phenomenological research design as described by Moustakas (1994) aims to capture the essence of lived experiences in the words of those who have gone through them. However this design was not appropriate for my study. Ethnography on the hand delves into the customs, beliefs and behaviors of cultural groups (Percy et al., 2015). Since my study did not focus on these aspects ethnography was not a choice.

Narrative inquiry involves conducting in depth interviews to gather life stories from participants (Marshall & Rossman 2016). As these life stories were not relevant to my research topic narrative inquiry was deemed unsuitable for this study. When conducting research, data saturation is also known as reaching a point of redundancy when researchers stop encountering new information as highlighted by El Hussein, Jakubec and Osuji in 2015. They further emphasized that data saturation plays a role in ensuring the rigor of research. The presence of data saturation contributes to bolstering the credibility of research practices as discussed by Houghton, Casey, Shaw and Murphy in 2013.

## **Population and sampling**

I gathered data through, in virtual interviews. The individuals interviewed were the source of information for this research. Knowledgeable participants with expertise can contribute insights to the study (Yin, 2017). Unlike research, which relies on sampling for reliable inferential outcomes qualitative researchers opt for a non probabilistic method when selecting samples. Applying the principles of quantitative research sampling to qualitative case studies can result in misleading findings (Yin, 2017). Keep involving participants until no further novel information is obtained (Gibbins, Bhatia).

For this investigation I employed nonrandom sampling to select the participants. Robinson (2014) described purposive sampling techniques as a selection of participants based on their knowledge of the research subject. Purposive sampling allows researchers to gather data from participants who possess experience in the studys area (Wagstaff & Williams 2014). Choosing subject matter expert managers who have effectively implemented innovation within their organizations exemplified the use of nonrandom sampling.

The number of participants, in studies varies depending on each case.

Ando, Cousins and Young (2014) described data saturation as the point, in research where delving into an issue yields no insights. According to Gibbins et al. (2014) interviews should be conducted with participants until no novel information arises. I achieved data saturation after speaking with five managers from four SMEs.

While determining the number of participants before beginning the study can be challenging, having a preliminary estimate is crucial for research preparation (Robinson, 2014). Marshall, Cardon, Poddar and Fontenot (2013) analyzed 83 studies. Found that in multiple case studies the minimum number of cases was two and the median was five. The minimum number of interviews was ten with a median of 39 (Marshall et al., 2013). I reached data saturation after interviewing five managers from four SMEs. Data saturation occurs when further exploration of a research problem does not yield themes (Ando et al., 2014; El Hussein et al., 2015).

The specific group studied comprised managers from four SMEs in Dubai who have effectively incorporated innovation within their organizations. I achieved data saturation after conducting interviews with five managers, from these four SMEs.

Leedy and Ormrod (2015) emphasized the importance of conducting interviews in a setting, free from disturbances or distractions. Choosing a low noise environment can help minimize disruptions and is ideal for recording purposes. Mitropolitski (2015) allowed participants to select both the location and timing of the interviews. Arsel (2017) recommended that researchers establish a rapport with interviewees before delving into the interview questions. Building a rapport can alleviate discomfort leading to more insightful responses during the interview process. I arranged the interviews in locations that suited each individual interviewee, considering their preferences for time and place. Flexibility was key to ensuring that all interviewees felt at ease and relaxed, during our discussions.

### **ETHICAL RESEARCH**

I have emphasized the importance of securing informed consent from participants as an aspect of ethical research. Before conducting data collection interviews, I made sure each signed the informed consent form. During this process, I explained to participants their right to choose whether to participate in the study. Participants were also told they could withdraw from the study at any point without facing repercussions. No incentives were provided to participants in exchange for their participation.

Prior to commencing data collection, I obtained approval from KROK university Kyiv. This study was conducted under KROK university Kyiv approval. The informed consent form contains information regarding privacy and confidentiality measures in place to ensure that participants' identities and their organizations' identities are kept confidential.

I made sure not to reveal any details in the research that could reveal who the participants or their organizations are.

## **2.3 Evaluating the effectiveness of the ways for improving innovation in the enterprise**

### **Understanding Organizational Culture**

When we talk about culture we're referring to the shared values, beliefs and norms that influence how people act within a company. A culture that fosters innovation is, about being open working together and being willing to try things.

### **Components of an Innovative Culture**

Aspects of a culture that promotes innovation include;

Support from Leaders; Having leaders who're enthusiastic about innovation and have a vision for the future.

Empowerment; Encouraging employees to take the lead and test out ideas.

Collaboration; Teams from departments coming together to solve problems. Come up with new concepts.

Focus on Learning; Making sure there's an emphasis on learning and getting better.

Reward Systems; Offering incentives and recognition for initiatives.

### **Establishing a Supportive Atmosphere**

Creating an environment that supports innovation means; Providing Resources; Making sure there's time, money and tools, for projects. Encouraging Risk Taking; Letting employees try out things without worrying about failing.

Building Trust; Cultivating an environment where theres respect and everyone feels safe to share their thoughts.

### **Promoting Risk Taking and Experimentation**

Encouraging risk taking and experimentation includes;

Setting Clear Objectives; Defining what risks are acceptable and what outcomes are expected.

Acknowledging Failure; Learning from attempts of punishing them.

Encouraging Employee Autonomy; Empowering staff to make decisions and take charge of projects.

Offering Assistance; Providing guidance, resources and training to support employees in their endeavors.

Acknowledging Achievements;. Celebrating contributions.

Leading as Role Models; Being Innovation Champions

Innovation champions are individuals who:

Advocate for Innovation;. Back innovation initiatives, within the company.

Mentor Colleagues; Guide and assist coworkers involved in ventures.

Driving Change; Spearheading efforts to implement and expand innovations.

Developing Leadership Innovation Skills

Enhancing innovation skills in leaders involves;

Education and Training; Providing programs that improve thinking, problem solving and strategic planning abilities.

Hands On Learning; Offering opportunities for leaders to engage in innovation projects and gain experience.

Collaboration; Encouraging leaders to connect with experts and peers for knowledge sharing and best practices exchange.

## **Leadership and Innovation**

### **The Importance of Leadership, in Fostering Innovation**

Leadership plays a role in driving and maintaining innovation within organizations. Effective leaders establish a vision for innovation inspire and motivate employees and allocate resources strategically.

#### **Visionary and Transformational Leadership**

Visionary and transformational leaders;

Communicate a Clear Vision; Share a vision for the future with employees.

Instill a Sense of Purpose; Align innovation endeavors with the organizations mission and values.

Lead by Example; Demonstrate thinking and behavior.

### **Empowering Employees and Promoting Autonomy**

Empowering employees includes; Granting Authority; Allowing employees to make decisions and take charge of innovation projects.

Offering Support; Providing guidance, resources and training to assist employees in their endeavors.

Acknowledging Contributions; Celebrating contributions.

### **Setting an Example; Champions of Innovation**

Innovation champions are individuals who; Advocate for Innovation; Support and encourage initiatives, within the organization.

Mentor Others; Guide and assist colleagues involved in projects.

Initiate Change; Lead efforts to implement innovations on a scale.

### **Enhancing Leaders Innovation Skills**

Enhancing leaders innovation skills involves;

Training Program

### **Methods and Structures, to Foster Innovation**

#### **Embracing Agile Approaches**

Agile methods advocate for adaptability, incremental progress and swift responses to changes. Embracing entails; Utilizing Scrum and Kanban; Implementing frameworks that support step by step advancements and ongoing feedback. Building Diverse Teams; Creating teams with a variety of skills to collaborate on initiatives. Regular Assessments. Conducting reviews to evaluate progress and make adjustments.

#### **Establishing Innovation Hubs and Startup Nurseries**

Innovation hubs and startup nurseries offer designated spaces for experimentation and growth. Key components include:

Resource Support; Offering financing, tools and guidance to back innovation endeavors.

Empowerment: Granting teams the autonomy to work on concepts.

Encouraging Collaboration; Promoting teamwork with both external partners.

### **Data Analysis**

The organization of research data is one of the unique challenges of qualitative research. During qualitative research, researchers use CAQDAS to manage the overwhelming research data (Houghton, Murphy, Shaw, & Casey, 2015). Researchers have been increasingly using CAQDAS since the first generation of tools appeared in the 1980s (Woods, Paulus, Atkins, & Macklin, 2016). To improve research reliability, Yin (2017) proposed the use of case study protocol and the development of case study database. In addition, Yin (2017) suggested that researchers use a computer-assisted qualitative data analysis software (CAQDAS) or a word processing tool to arrange the interviews results. Antoniadou (2017) listed a number of software packages for qualitative data analysis such as Transana, Atlas.ti, and NVivo. I transcribed the interview recordings to ensure confidentiality of the data. I used Microsoft Word and Microsoft Excel for data storing, data coding, theme finding, and organizing the interview comments in tabular forms.

Bernard (2013) mentioned four types of field notes that a qualitative researcher must take. The contents of these notes are either personal feelings or a list of research steps and decisions in chronological order. I had a research log that contained all the research steps and decisions. A research log would be useful in case of an audit or any future data reanalysis. I had a reflective journal that contained my feelings and perceptions during the research. The reflective journal was useful in bracketing my emotions to reduce researcher bias. To ensure confidentiality, I referred to each participant using a unique alphanumeric symbol. I used P1C1 to identify the first participant of the first SME. Similarly, PxCy referred to participant x from company y. I will keep all the research data (i.e., audio recordings, interview transcripts, interview comments, consent forms, invitation letters, flash disk, and all the relevant documents and files) in a safe place for 5 years. At the end of the 5 years, I will destroy all the records and documents.

### **Infusing Design Thinking**

Design thinking is a people method for innovation that focuses on empathy, idea generation and prototyping. Infusing design thinking involves;

Understanding User Needs; Conducting in depth research to grasp user requirements and behaviors.

Brainstorming Sessions; Facilitating idea generation through brainstorming sessions.

Prototyping and Validation; Building prototypes, for user testing to gather feedback for refining ideas.

### **Strengthening Research & Development (R&D) Processes**

Strengthening R&D processes involves;

Investing in Research and Development; Devoting resources, to research and development endeavors that innovation.

Continuous Enhancement; Applying methodologies like Lean and Six Sigma to consistently enhance processes and products.

Partnerships with Educational Institutions; Engaging with universities and research centers to utilize leading edge knowledge and technologies.

### **Frameworks for Structured Innovation**

Innovation frameworks offer an approach to managing innovation. Instances include;

Stage Gate Process; A phased strategy that steers innovation initiatives from inception to launch.

Innovation Funnel; A model that screens and prioritizes ideas based on alignment with strategy and potential impact.

Portfolio Management; Maintaining a portfolio of innovation projects for value maximization and risk oversight.

## **Case Studies Illustrating Successful Innovation Practices**

Case studies showcasing innovation practices provide in-depth examples of how organizations have implemented approaches to innovation along with the benefits reaped. These case studies underscore practices obstacles faced and success factors.

### **Collaborations with External Entities and Open Innovation**

#### **The Significance of External Collaborations**

Collaborations play a role in fostering innovation by granting access to fresh knowledge, expertise and resources. They empower organizations to tap into skills and technologies, cut down development costs and hasten time to market.

Open innovation models promote the idea of organizations seeking ideas and technologies, beyond their borders. These models encompass;

1. Inbound Open Innovation; Acquiring ideas and technologies from partners.
2. Outbound Open Innovation; Sharing innovations with partners for commercialization or further advancement.
3. Coupled Open Innovation; Integrating both outbound strategies to create synergies and maximize innovation potential.

Effective external collaborations through case studies offer examples of how organizations have utilized outside partnerships to foster innovation. These cases showcase strategies, benefits and valuable insights gained.

## **CHAPTER 3: IMPROVEMENT OF THE WAYS FOR IMPROVING INNOVATION IN THE ENTERPRISE**

### **3.1 Presentation of the findings**

The main focus of this research was to explore the approaches utilized by managers of medium enterprises (SMEs) in driving innovation within their organizations to achieve performance targets. Data was gathered from both secondary sources, across four SMEs based in Dubai. I conducted structured interviews with five managers from these SMEs ranging from 31 to 43 minutes each. While four interviews were audio recorded one participant preferred note taking instead. Following transcription member checking involved sharing my analysis with all participants for validation. The data analysis process included transcribing and coding the interview content.

To enhance the findings, primary data from interviews was cross referenced with data obtained from archival sources such as documents, websites, reviews and press releases of the SMEs. This triangulation method allowed for an analysis by confirming company objectives clarity through communication materials and assessing employee diversity, at Company C4 through LinkedIn profiles revealing a workforce representing seven different countries among its ten members.

I utilized a platform that reviews smartphone apps to observe how Participants P1C3 and P2C3 utilized feedback comments to enhance their product. Notably Company C3 rolled out 11 updates within eight months equating to an update every 21 days. These updates, by Company C1 introduced 11 features to their app. Additionally I explored Zamato reviews for Company C2. Discovered that than 500 customers rated the company 4.1 out of 5 stars.

As I conducted interviews the frequency of discovering codes decreased over time. Initially I gathered 21 codes in the interview and only one in the fourth interview. I concluded the interviews after the session due to data saturation; information began

repeating itself with no insights emerging (see Table 3.1). The analysis of secondary data revealed themes; innovations significance in competition and sustainability; ideas as catalysts for innovation; top managements role in fostering an innovative environment; idea validation, assessment and soliciting genuine feedback; and customers serving as a valuable resource, for companies.

**Table 3.1**

**Number of codes per interview**

interview	participant	Number of unique codes	Number of new codes
1	PIC1	20	20
2	PIC2	21	14
3	PIC3	21	6
4	PIC4	21	1
5	P2C3	21	0

*Source: I. S. Haddad Innovation management oct 2018. 135*

**Theme 1: The Role of Innovation in Competition and Survival**

In the world of medium enterprises (SMEs) staying relevant and thriving heavily relies on embracing innovation as highlighted by Farsi & Toghraee in 2014. One participant emphasized that innovation is the key to staying competitive while another noted that being unique is essential for success. Another participant mentioned that innovation sets them apart and allows them to seize opportunities with another highlighting the importance of preparing for the future. Additionally, a participant pointed out that in the realm of technology companies keeping up with advancements through innovation is crucial for survival. This recurring theme was an aspect, throughout the interviews comprising 15% of all discussed topics.

**Table 3.2.****Frequency of main theme one**

Theme	Number of occurrences	Percentage of occurrence
The role of innovation in competition and survival	44	15%

*Source: I. S. Haddad Innovation management oct 2018. 135*

Similarly, Asare (2014) argued that SME managers could increase the competitiveness of their SMEs by incorporating innovation into their organization. Furthermore, Hajar (2015) noted that innovation positively influences the performance of the company. Boachie-Mensah and Acquah (2015) considered innovation to be a corporate strategy that can lead to a competitive edge through producing better products, improving the market performance, and building a good reputation. Participant P1C3 said that we compete for the future. Participant P1C3 added that to survive in the technology market, innovation should be at the core of the organization DNA because technology changes fast.

Innovation acts as a mediator between resources and performance (De Zubielqui et al., 2014; Tamayo et al., 2015). Participant P1C1 used innovation to automate the existing processes, to improve the speed of ordering and replying, and to acquire a competitive advantage by differentiating the company from other similar companies.

The Role of Innovation in Competition and 44 15% Survival Automating an existing process can save paper for the company, save time for employees and customers, save effort for the employees, and improve the customer experience. Participant P1C2 used innovation to increase the cooking speed, to differentiate the company C2 from other companies, and to turn disadvantages into advantages. Participant P1C2 said that to improve the cooking speed, the cooking process should be divided into smaller steps and then decide on the steps that can be done in parallel or prepared beforehand. Participant P1C3 used innovation to reduce cost and to compete for the future. Participant P1C3

mentioned that technology companies should never be late in adapting to the market trends. Each participant used innovation in a different way and for a different reason. Some of the drivers for innovation were to reduce cost, improve efficiency, gain a competitive advantage, and have a differentiating factor. All these drivers can contribute towards better performance.

The role of innovation in competition aligns with the RBV theory. Innovation is one of the resources that are rare (R), inimitable (I), and non-substitutable (N). Barney (1991) argued that competitive advantage comes from implementing a unique value-creating strategy while sustained competitive advantage comes from implementing a unique value-creating strategy that other firms cannot duplicate (Barney, 1991). Baumane-Vitolina and Cals (2013) opined that the ability to produce innovations falls under special competences which are difficult to reproduce by other firms. Narek (2014) opined that many times the innovation activities of SMEs are inefficient. Dubai SME (2014) mentioned that only 13% of SMEs implement. Therefore, innovation is a rare (R) resource that few SMEs have. Resources that are difficult to reproduce by other firms are rare (R), inimitable (I), and non-substitutable (N). Barney (1991) argued that firms could achieve and sustain their competitive advantage if they possess resources that are valuable, rare, inimitable and non-substitutable (VRIN). If SME managers can utilize innovation (RIN) resources to create value (V) for their companies, then these SME managers can achieve a sustainable competitive advantage. The key role of innovation in SME competition and survival is in line with the RBV theory.

### **Theme 2: Ideas are the Starting Points for Innovation**

All the participants stressed the importance of a good idea as a starting point for their innovation. Participant P1C3 mentioned that the first important thing about innovation is ideas. Participant P1C2 believed that the initial idea was the reason for the success of the business. Rua and França (2017) described innovation as the encouragement of creativity and new ideas that can result in new processes, services, or products. Similarly, Omerzel and Jurdana (2016) defined the ability to innovate as the

successful implementation of new ideas, processes, or products. Ideas are major contributors towards successful innovations. This theme appeared 24 times in the interview transcripts, which represented 8% of all the codes

The process of innovation has several distinct phases. Heikkilä, Bouwman,

Heikkilä (2018) opined that any innovation process consists of initiation, ideation, experimentation, and implementation. Similarly, Perry-Smith and Mannucci (2017) argued that the journey of an idea starts with idea generation and ends with idea implementation. Likewise, Grzegorz and Robert (2018) opined that searching for ideas is the first step of the innovation process. Therefore, ideation or idea generation is the first step that comes after initiating the requirement for innovation because of a specific need. However, one cannot achieve innovation without a proper implementation of the ideas. To innovate is to implement a good idea in an efficient way (Halim et al., 2014; Tehseen et al., 2016). A good idea is a necessary condition for innovation, but it is not sufficient. To realize the benefits of innovation, the good idea must be implemented.

Ideas can come from several different sources such as the top management, the employees, and the customer. Participant P1C1 said that their ideas come from the customer needs and the employee needs with the aim of improving the employee working conditions and making the customer experience hassle-free. Benbya and Leidner (2018) mentioned that large companies like IBM, Shell, and Citibank gather innovative ideas from their customers, employees, and business partners. Participant P1C3 stated that he uses meditation to clear his mind and allow ideas to flow. Participant P1C2 mentioned that he gets ideas by looking at a problem in different ways. He added that sometimes using an old idea in a new way is also innovation. Despite the various ways participants use to generate and elicit ideas, all participants agreed on the key role that ideas play in enabling innovation. Hargadon and Sutton (2000) considered ideas and the innovation that comes from ideas as the most valuable resources a firm can have. In addition, De Zubieli et al. (2014) concluded that ideas can have an impact on the performance of the firms when these ideas are mediated by innovation. The consideration of ideas as valuable resources

that can improve the performance of a firm is in line with the RBV theory. Since the ideas that produce innovation are valuable resources, they can provide companies with a competitive advantage. Even if other companies try to copy the same ideas, it is the implementation of these ideas through the mediation of innovation which makes the results unique, valuable, and inimitable. Unique and valuable resources provide companies with competitive advantages and the inimitability of resources makes a competitive advantage sustainable. Therefore, a company that generates ideas to fuel innovation will possess a sustainable competitive advantage in line with the RBV theory.

### **Theme 3: The Customer as a Resource for the Company**

Customers as buyers and users for the products are a key resource for the company. Tobiassen and Pettersen (2018) argued that customers could contribute to the innovation process from start to finish. Furthermore, Wikhamn et al. (2018) argued that SME managers can encourage customers to present their ideas and to participate in the innovation process through continuous communication. Similarly, Tottie, Lager, and Nordqvist (2016) found that companies should maintain a constant communication with their customers to provide the best value for their customers. New and improved products will require collaboration with the customers who will be using these products (Tottlie et al., 2016). This theme appeared 34 times in the interview transcripts, which represented 12% of all the codes. Tobiassen and Pettersen (2018) found that involving the customers in the innovation process provide a complimentary competency for the company and produce solutions that are consistent with the customer needs. Participant P1C1 mentioned that they cared for our customers, and they wanted them to be their friends. Participant P1C1 added that the customer experience was always on the mind of the CEO who measured the sales team performance against (three hours, three minutes, three rings): three hours to provide a quotation, three minutes to reply to emails, and three rings to answer the phone. Fidel, Cervera, and Schlesinger (2016) concluded that companies involved in continuous communication with their customers would be in a better position to identify and respond to new market opportunities before their competitors which will

create value for their customers and the company as well. Participant P1C3 mentioned that customer needs and pain points represented an invaluable input for innovation. Participant P2C3 turned to the social media and review sites to get the customer feedback about the company products and the competing products.

A good customer relationship is a win-win relationship between the customer and the company. Ueki (2017) found a significant correlation between customer relationships and product innovation. Abrell, Pihlajamaa, Kanto, Brocke, and Uebernickel (2016) mentioned that customer knowledge includes explicit information about the difficulties with exiting products or services and the requirements for new products or services. Szymańska (2017) opined that both the customers and the companies gain from having direct communications because the customers will fulfill their needs and the companies will guarantee a certain level of sales. Being close to the customer enables the company to improve their current products and plan for future ones

A customer can be a valuable resource for the company. Fideletal. (2016) argued that the customer knowledge is a strategic resource that companies can use to improve innovation. Abrell et al. (2016) mentioned that customer knowledge includes explicit information about the difficulties with exiting products or services and the requirements for new products or services. The company can use the customer knowledge to improve the current position and compete for a better position in the future. Since customers differ from one company to the other and since such customers can provide value to the company, then such customers can be considered valuable and inimitable. Therefore, the customer as a resource aligns with the RBV theory. Furthermore, Fidel, Cervera, and Schlesinger (2016) concluded that companies involved in continuous communication with their customers would be a better position to identify and respond to new market opportunities before their competitors. Such a capability gives the company a sustainable competitive advantage which is aligned with the RBV theory as well.

## **PHASE 2 – THE ROLE OF MIDDLE MANAGERS IN INNOVATIONS**

During this phase we focused on examining how middle managers impact factors to drive innovation and enhance project performance, within the company sponsoring the research. The research question explored was centered around the role of managers in fostering innovation within construction professional services firms. The study revealed that the supportive actions of managers played a role in enabling the observed innovations. Their behavior influenced the atmosphere for innovation and advocacy for innovation ultimately affecting project outcomes. Middle managers significantly contributed to creating a work environment to innovation, where project managers were open to experimentation during project delivery. Additionally their actions influenced how project managers championed innovation. Unlike top level management middle managers hold a position within organizations due to their proximity to both clients and staff members; they are often the point of contact, for client feedback or concerns regarding service delivery. Addressing client concerns prompted support behaviors in designing project solutions.

Middle managers often draw upon their experiences to effectively guide projects to successful outcomes. Research indicates that middle managers tend to have tenures, within organizations compared to managers (Huy, 2001) allowing them to acquire a deep understanding of the business that they leverage when evaluating new and challenging ideas. Furthermore having climbed the career ladder over years starting from lower positions (Huy, 2001) middle managers typically possess extensive networks within the company that they can tap into for support in advancing innovations (Kanter, 1982). These factors underscore the role that middle managers play in driving innovation within construction service firms challenging earlier negative perceptions about their impact on organizational performance. The behaviors exhibited by managers in supporting innovation –, to those associated with transformational leadership – will be briefly explored below.

## **Improving Innovations Strategies**

In today's business landscape it is crucial for leaders to stay ahead by being innovative and competitive, in order to establish themselves as industry frontrunners and even expand their business operations. According to a study by Hacklin, Björkdahl and Wallin in 2018 Nokia, a force in the mobile phone industry in 2009 faced closure in 2015 due to the emergence of new players like Apple, Samsung and LG who brought fresh approaches to the market that Nokia struggled to match (Alibage & Weber 2018; Vuori & Huy 2016).

One effective way for businesses to foster innovation and competitiveness is through the development and implementation of technologies (Jones et al. 2016). Research by Makkonen et al. (2016) indicates that organizational leaders leverage advancements to enhance infrastructures and strengthen customer relationships through strategic business approaches.

The competitive edge of both global enterprises hinges on factors such as networks, technological prowess, strategic planning, marketing strategies, international reach and establishing an online presence (He et al., 2017). In today's business landscape of 2019 having IT capabilities alongside high speed internet connectivity are resources, for gaining a competitive edge. In a real world example showcasing the use of technology, B. Singh and Ratha (2016) illustrated how business leaders could enhance their distribution networks by transitioning from push type to a push pull approach, with the help of technology. When technology advancements are implemented effectively they can boost the competitiveness of business leaders (Makkonen et al., 2016; B. Singh & Ratha 2016).

Modern business leaders must grasp the significance of factors and internal management innovations (Bocken, Rana, & Short 2015; von den Eichen, Freiling, & Matzler, 2015). Innovations in products and processes serve as sources of advantage that impact business performance positively (Prajogo, 2016). According to Bicen and Johnson (2014) four key attitudinal factors. Intentionality, inspiration, integration and perseverance. Play roles in driving innovation amidst resource constraints. Intentionality

involves understanding the task at hand and available resources. Inspiration reflects a passion for an idea and the commitment to pursue it. Integration signifies creating synergy throughout the value chain. Perseverance entails working towards a goal despite facing challenges and setbacks. These attitudinal factors are crucial, for achieving innovations.

Business leaders need to set goals have a defined vision and show strong determination to achieve success. Leaders who successfully implement strategies can drive business outcomes (Bocken et al., 2015; Radomska & Soloduchko Pelc 2015). In a study authors emphasized the significance of adopting business management strategies to gain a competitive edge in the market. Agarwal and Thiel (2014) analyzed the strategies employed by Kraft Foods in their business management approach. The focus was, on implementing growth strategies in a competitive environment. Kraft Foods aimed to establish partnerships and alliances that fostered mutual value creation and sustainable product innovations across their business network.

Agarwal and Thiel (2014) highlighted six elements that Kraft Foods leaders utilized to achieve long lasting results. These elements included leveraging information for insights optimizing enterprise operations for effectiveness and efficiency enhancing agility empowering employees through connectivity and fostering innovation, in products and services.

The leaders, at Kraft Foods utilized risk management, security measures and adherence to business regulations as elements in their strategies. Implementing business practices has proven beneficial for achieving success within organizations (Cho, Halford, Hsu, & Ng, 2016; Karaoulanis, 2018). It is essential for business executives to dedicate time adopt perspectives provide training opportunities and allocate resources towards fostering innovation in their operations to expand their market presence. In Koreas service industry companies relied on a combination of service advancements and strategic approaches (Ryu, Lee, & Choi 2015). Research suggests the importance of cultivating forward thinking market intelligence strategies. Chari et al. (2017) and E. Singh (2016) emphasized the necessity for leaders to formulate five business strategies to enhance

performance. These strategies include maintaining a flow of market insights in emerging markets than sporadic updates. Additionally leveraging up to date market intelligence to drive decisions and adaptations in emerging markets is crucial. Diversifying information sources and methodologies for acquiring market intelligence in emerging markets is another recommended approach. Lastly collaborative efforts between leaders and country managers are vital for developing scenarios that align with market intelligence findings, in emerging markets. Kumar (2016) focused on the importance of maintaining an edge highlighting how employees skills, in turning acquired information into fresh business insights are crucial. E. Singh (2016) recommended that managers create a work environment by promoting data sharing leveraging cutting edge technology and encouraging practices. E. Singh delved into aspects such as technologies, knowledge transfer, sharing information, modern management methods and building knowledge networks.

Today's business leaders are increasingly driving innovation for advantage through implementation of new product development (NPD) strategies. Racela (2015) argued that leaders who embrace customer centric approaches demonstrate spirit and effectively leverage IT resources can boost NPD capabilities and enhance performance in this area. Racela affirmed that thinking business leaders have the potential to tap into resources like funding beyond their current confines to launch innovative products and services that drive profitability. Viardot, Sherif and Chen (2016) emphasized the delicate balance between standardizing business practices and fostering innovation among leaders as standardization could lead to tendencies in local as well, as global markets. Some major international companies are employing business management tactics to set themselves apart (Saebi, Lien, & Foss, 2016). Platforms, like Hotmail, Yahoo, Gmail and others offer email services while still making profits through advertising (Zhu, 2013). Forward thinking business leaders explore avenues to drive revenue for their firms while staying competitive. Internal networks can spark business concepts and solutions that may catch rivals off guard (Rooks, Sserwanga & Frese, 2016). Developing an environment is an

innovative approach that empowers internal networks (brokers, connectors and energizers) to facilitate the exchange of ideas, information and resources within organizations to foster creativity (Cross et al., 2017). Brokers serve as conduits of information and ideas within a company. They have access to information sources early insights into new data and influence over how new information is shared. Connectors play a role in shaping and executing adopted ideas. These individuals hold authority within a group, in the organization.

In organizations there are individuals known as Energizers who champion ideas and encourage others to adopt and implement them. A modern approach, in thinking among business leaders involves blending competition with collaboration. When companies share strategies they can enhance their market influence and access to a supply chain. Business managers sticking to practices may face challenges in competing and ensuring sustainability, on both local and global scales.

### **3.2 Strategies, for innovation in different sectors. Digital transformation and innovation**

Digital transformation entails incorporating technologies across all facets of an organization to drive innovation and enhance performance. Key components include:

Automation; Deploying technologies like robotics and AI for process optimization and efficiency enhancement.

Data Analytics; Utilizing data and analytics for decision making.

Digital Platforms; Leveraging digital platforms for fostering collaboration, knowledge exchange and innovative practices.

#### **Role of Artificial Intelligence in Innovation**

Artificial intelligence (AI) plays a role, in boosting innovation through;

Predictive Analytics; Harnessing AI algorithms to analyze data, predict trends, customer behaviors and market opportunities.

Utilizing AI to streamline production processes, cut costs and boost quality is an aspect of process optimization. Another crucial area is product innovation, where AI plays a role in creating offerings that cater to evolving customer demands.

In the realm of data and analytics organizations can leverage these tools to gain insights by examining large datasets for patterns and trends. This data driven approach also aids in making decisions and enhancing the customer experience through personalized products and services tailored to individual preferences.

Moving on to the Internet of Things (IoT) this technology fosters innovation by facilitating the connectivity of devices and systems providing real time data for monitoring processes and enabling the development of products with advanced functionalities for users.

Blockchain technology offers opportunities for innovation by ensuring transparency in transactions, bolstering security measures to safeguard data and intellectual property as paving the way for new business models. Decentralized and peer, to peer business models are being supported.

### **The Rise of New Technologies and Future Developments**

New technologies, like quantum computing, augmented reality (AR) and virtual reality (VR) hold the promise of spurring advancements. Staying informed about these developments and exploring their uses can give companies an edge.

### **Real Life Examples of Technological Progress**

Real life examples showcasing how organizations have effectively integrated and profited from technologies offer insights. These examples shed light on the obstacles encountered strategies implemented and results attained.

### **Strategies, for Innovation in Different Sectors**

#### **Advancements in Manufacturing**

Enhancements in the manufacturing sector encompass;

Cutting Edge Manufacturing Techniques; Incorporating methods like 3D printing and sophisticated robotics.

Streamlined Manufacturing; Embracing practices to minimize waste and enhance productivity. Environmentally Friendly Practices; Introducing methods to reduce footprints and promote social responsibility.

### **Innovations in Healthcare**

Progress in healthcare involves;

Medical Innovations; Creating devices, diagnostics and therapies.

Virtual Healthcare Services; Utilizing tools to offer medical assistance.

Patient Focused Care; Concentrating on enhancing outcomes and experiences through approaches.

### **Advancements in Financial Services**

Developments in services include; Financial Technology Solutions; Pioneering technologies such as online payments, blockchain and AI powered investment platforms.

Regulatory Technology (RegTech); Implementing technology to simplify compliance procedures and regulatory tasks.

Enhanced Customer Service; Improving customer experiences by providing products and services.

## **3.3 Assessment of innovation progress. Innovations in retail**

Progress in the sector encompasses; Online Retailing and Integrated Strategies; Combining offline channels, for a seamless customer experience.

Data Driven Marketing Tactics; Utilizing data analysis to shape marketing strategies and personalize customer engagements. Supply Chain Innovation; Utilizing technology advancements to streamline supply chain operations and boost effectiveness.

### **Technological Advancements and Software Innovations**

Exploration of technology and software innovations includes; Agile Development; Embracing approaches to hasten software development and enhance adaptability. Cloud Computing; Utilizing cloud infrastructure, for scalability, flexibility and collaboration

capabilities. Cybersecurity; Creating security solutions to safeguard data and systems against cyber threats.

### **Comprehensive Analysis Across Industries**

A comprehensive analysis across industries offers insights into innovative strategies and practices. Extracting practices and key learnings from sectors can enrich innovation initiatives in any organization.

### **Suggestions, for Taking Action**

Incorporating innovation is crucial for the survival and growth of medium enterprises (Farsi & Toghraee 2014; Kuo & Chao 2014). SME managers can enhance the competitiveness of their businesses by integrating innovation within their organization (Asare, 2014). Additionally Hajar (2015) highlighted that innovation positively impacts the well being of the SME sector which's essential for development in Dubai. This study may contribute to fostering growth for SMEs and Abujas economy.

### **Social Impact Considerations**

Moreover SMEs play a role in creating job opportunities and alleviating poverty (Ali et al., 2014). Improving company performance is also linked to embracing innovation. To adopt practices SME managers can consider the following recommendations derived from this study:

#### **Foster a Culture That Encourages New Ideas**

Ideas serve as the foundation for innovation. It is imperative that SME managers motivate their employees to share any ideas they have. Providing channels such as suggestion boxes, dedicated email addresses, for ideas idea submission platforms, regular contests and meetings can facilitate idea generation among employees.

Encouraging employees to share their thoughts is beneficial, for both sides; it boosts employee morale by showing appreciation from ups. It provides management with fresh ideas to enhance company performance.

## **Fostering an Environment of Innovation**

The corporate culture within a company is heavily influenced by its management. To foster innovation managers in to sized enterprises (SMEs) should cultivate a culture that aligns with their objectives. Encouraging innovation entails giving employees the freedom to experiment with approaches even if they may not always succeed. Therefore SME managers must be willing to take on some level of risk and tolerate an amount of setbacks.

### **Establishing Clear Vision and Objectives**

A step for SME managers is to articulate and communicate the vision and goals for all employees. Defined goals motivate employees to work towards achieving them. Moreover when a team focuses collectively on objectives they are more likely to accomplish them

#### **Assessing and Piloting Novel Concepts**

Innovation begins with ideas; however not every idea will materialize into a product or service. SME managers should objectively evaluate all ideas without bias towards their source. Following evaluation it is essential for managers to pilot test these concepts, before full scale implementation. Testing helps determine market demand and assess customer feedback. medium enterprise (SME) managers should explore ways to test ideas without causing financial strain.

### **Encouraging Honest Feedback and Embracing Critique**

During the process of evaluating ideas SME managers should actively seek feedback from all stakeholders. It's important to avoid giving treatment to an idea simply because it originated from the CEO. To mitigate bias SME managers should establish an objective system, for evaluating ideas. An effective approach is to present ideas without revealing the source. Of shying from dissenting opinions SME managers should welcome them as criticism can lead to valuable insights.

## **Maintaining Ongoing Communication with Customers**

Customers and their insights are assets for companies. SME managers should engage in dialogue with customers to harness these resources. Customers often provide feedback on existing products, which can be used by SME managers to enhance product offerings. By understanding customer needs SME managers can shape product development strategies accordingly.

To disseminate the findings of this research study, to SME managers I plan to share the results with groups using communication channels. Initially a summary of the findings will be provided to the five participants involved in the study.

Next I plan to donate a copy of my thesis to the library at my workplace. Following that I am contemplating sharing my research findings in both business publications. To efficiently engage with the SME community, in Abuja, Nigeria and across ECOWAS nations I intend to deliver a presentation at SME conferences held annually in Dubai like the SME World Summit. In order to connect with an audience in Abuja I will offer lectures to Abuja SME and DEA organizations, for all small and medium enterprise managers and owners.

## **Assessment of Innovation Progress**

### **Key Performance Indicators for Innovation**

Assessing innovation progress entails monitoring metrics, such as; Input Metrics; Resources allocated to innovation encompassing R&D investments and employee dedication. Process Metrics; Efficiency and efficacy of innovation processes including time to market and project success rates. Output Metrics; results of innovation endeavors, such as product launches, patent applications and revenue growth.

### **Evaluation Through Innovation Audits**

Innovation audits analyze an organizations capacity to pinpoint areas, for enhancement.

Key elements consist of;

Evaluation Frameworks; Utilizing established frameworks to assess innovation processes, culture and results.

Comparison with Industry Standards; Evaluating performance against targets and external industry standards.

Practical Suggestions; Offering recommendations to strengthen innovation capabilities.

### **Benchmarking Innovation**

Benchmarking entails comparing an organization's innovation performance with that of industry leaders and best practices. Key stages include;

Identifying Benchmarks; Choosing benchmarks based on industry, company size and innovation objectives.

Data. Analysis; Analyzing data to pinpoint performance disparities.

Implementing Enhancements; Formulating and executing strategies to address performance gaps.

### **Continuous Monitoring and Feedback Loops**

Monitoring and feedback loops involve consistently evaluating innovation performance. Making necessary adjustments. Essential practices include:

Real Time Metrics; Installing systems for tracking real time innovation metrics.

Feedback Mechanisms; Soliciting feedback from employees, customers and other stakeholders. Incremental Refinements: Continually improving innovation processes based on feedback and performance data.

### **Tools and Techniques for Assessing Innovation**

Tools are available for measuring innovation, such, as;

Balanced Scorecard; A planning system incorporating innovation metrics.

Innovation Dashboards; tools showcasing innovation metrics and trends.

Survey Tools; Questionnaires, with questions used to collect information on how companies innovate and the results of their efforts.

Case Studies on Measuring Innovation

These case studies show how organizations have effectively put measurement tools and techniques into practice to benefit from innovation. They discuss strategies, challenges encountered and key takeaways.

### **Real Life Examples**

#### **Google's Innovative Environment**

Google's innovative environment features projects like Google X, the company's ambitious ideas lab and its approach to open innovation. The case study delves into how Google promotes a culture of experimentation and utilizes partnerships for innovation.

#### **3M's Innovative Culture**

3M's innovative culture is based on principles like the 15% rule granting employees time for projects. The case study explores how 3M fosters creativity and ongoing enhancements.

#### **Procter & Gamble's Collaborative Approach**

Procter & Gamble emphasizes innovation, through its Connect + Develop program by teaming up with collaborators. The case study showcases the programs' influence on product development and market achievements.

#### **Tesla's Game Changing Innovation**

Tesla's disruptive innovation plan revolves around vehicles, energy storage solutions and self-driving technology.

The case study delves into how Tesla disrupts industry norms and propels progress.

#### **Amazon's Approach, to Putting Customers First**

Amazon's customer centric approach involves utilizing data analytics to tailor customer experiences and creating business models. The case study investigates how Amazon sustains its advantage through innovation.

#### **Apple's Emphasis on Design and Innovation Practices**

Apple prioritizes user experience, design and the seamless integration of hardware and software in its design and innovation strategies. The case study explores how Apple's design principles fuel product innovation and market triumph.

### **GEs Evolution through Innovative Initiatives**

General Electric (GE) has experienced changes driven by innovation in digital industrial technologies and the Industrial Internet of Things (IIoT). The case study delves into how GE adjusts to evolving market landscapes through innovation.

### **Samsungs Strategy for Technological Advancement**

Samsung focuses on research and development efforts along with diversifying its product range as components of its technology innovation strategy. The case study examines how Samsung maintains its position at the vanguard of technology trends.

### **IBMs Culture of Innovation**

IBM is known for its dedication to research open innovation practices and collaborative ventures, with partners that define its culture of innovation.

The case study delves into how IBM utilizes its innovation capabilities to propel business growth. Microsofts evolution, through innovation includes its transition to cloud computing, AI and open-source technologies. The case study delves into how Microsofts strategic moves have rejuvenated the company and established it as a leader in the technology sector.

### **Recommendations for Action**

Innovation is a significant element for SME survival and growth (Farsi & Toghraee, 2014; Kuo & Chao, 2014). SME managers can increase the competitiveness of their SMEs by incorporating innovation into their organization (Asare, 2014). Furthermore, Hajar (2015) noted that innovation has a positive influence on the healthy SME sector is vital for the economic development in Dubai; this study can be helpful in promoting economic growth for SMEs and for Dubai economy. Implications for Social Change Furthermore, SMEs play an essential role in creating employment opportunities and reducing poverty ( Ali et al., 2014).

In addition, performance of the company. To adopt innovation, SME managers can follow the following recommendations that resulted from this study: company.

### **Encourage the Employees to Generate New Ideas**

Ideas are the starting points for innovation. SME managers should encourage their employees to come forth whenever any of them have an idea. SME managers can provide several channels for submitting an idea by the employees like a suggestion box, an email address for ideas, an idea submission system, monthly contests, and periodic meetings. Encouraging employees to present their ideas is a win-win situation where the employees will feel appreciated by their top management, and the management will get free ideas that can improve the company performance.

### **Create an Innovative Corporate Culture**

The top management is the main influencer on the corporate culture. To promote innovation, SME managers should create a culture that matches their goals. Promoting innovation requires allowing the employees to experiment and try out new things which may succeed or fail. Therefore, SME managers should accept a certain degree of risk and a certain degree of failures.

### **Formulate and Communicate a Clear Vision and Clear Goals**

The first thing SME managers should do is to formulate and communicate clear vision and goals for all their employees. The clarity of goals encourages employees to work toward these goals. Furthermore, when a group of people focuses on a certain set of clear goals, they will have a better chance to achieve them.

### **Evaluate and Test New Ideas**

Ideas are the starting points for innovation. However, not all ideas will reach commercialization. SME managers should seek to evaluate ideas objectively regardless of who submitted the idea. After evaluation, the SME managers should test the ideas before going fully commercial. The purpose of testing is to measure the market need and gauge the customer response. SME managers should find ways for testing that have the minimum financial impact.

### **Seek Honest Feedback and Accepting Criticism**

As part of idea evaluation, SME managers should seek honest feedback from all those around them. An idea coming from the CEO may get a high evaluation just because it came from the CEO. SME managers should avoid such bias by devising a transparent and objective approach for idea evaluation. One way for achieving transparency and objectivity is to present ideas without mentioning who submitted each idea. SME managers should look for those who differ with them rather than avoid them. Criticism can be a good source of new knowledge.

### **Seek and Maintain a Constant Communication with the Customers**

Customers and customer knowledge are strategic resources for companies. SME managers should maintain a constant communication with their customers to benefit from these resources. Customers have valuable information about the issues in the current products which SME managers can use to improve these products. SME managers can design future products based on their customers' needs. To deliver the findings of this study to the SME managers, I plan to distribute the results of this study to several groups through a number of channels. First, I will provide the five participants with a summary of the findings. Second, I will present a free copy of my dissertation to my company's library. Third, I will consider publishing the findings in academic and business journals. A faster way to reach the SME sector in Dubai, the UAE, and the GCC countries will be to conduct a presentation through one of the SME conferences that take place in Dubai every year such as the SME World Summit. To reach the largest possible audience in Dubai, I will offer Dubai SME and DEA a number of free lectures which will be available for all SME managers and owners.

## CONCLUSIONS

The research wraps up with a summary of discoveries concerning the drivers of innovation in businesses. These discoveries underscore the significance of culture, leadership, processes, external partnerships and technological facilitators. The purpose of this qualitative multiple case study was to explore strategies that SME managers use to achieve performance goals. The overarching research question of this study was: What strategies do SME managers use to implement innovation in their organizations to meet performance goals? I interviewed five SME managers from four different SMEs. After analyzing the primary and the secondary data, five themes emerged.

I concluded that corporate culture that tolerates risk, allows for mistakes, and encourages employees to generate ideas is critical in fostering innovation. The role of the top management is cultivating an innovative corporate culture, recruiting people with the right mindset, and maintain continuous communication with their customers can lead their companies to successful innovation implementation. Finally, ideas are the seeds of innovation and the top management should collect as many ideas as possible, evaluate the ideas objectively, and test the potential ideas before going fully commercial.

Limitations refer to factors that're, outside the researchers control (Yin, 2017). It is essential for researchers to acknowledge the limitations of their studies in the way they present their findings (Elo et al., 2014). This particular study encountered three challenges. The first challenge was associated with the studys sample. Since the study focused on the SMEs in Dubai, the strategies for implementing innovation might not be universally applicable to all SMEs operating in Dubai or across Nigeria. The second challenge was determining how broadly the findings could be generalized to all SMEs across sectors especially considering that none of the SMEs were medium sized enterprises. The third challenge stemmed from this studys reliance on a researcher with experience, in qualitative research.

The purpose of this study was to explore strategies that SMEs managers use to implement innovation to meet performance goals. The findings of this study can help SME managers formulate their strategies to implement innovation in their firms. The population consisted of five SME managers from four SMEs. I did not consider the specific sector or category of the SME when choosing the participants. Future research can target innovation implementation in a specific sector like tourism, manufacturing, trading, IT, real estate, construction, or telecommunications. Such studies that address a particular sector may result in implementation strategies that may be more relevant to that specific sector. Furthermore, such strategies may be more effective for a specific sector than what I identified during this study. Researchers can conduct more targeted research by considering the three business categories within SMEs which are micro, small, and medium.

Because of the resource limitations, an SME manager may not be able to implement all the findings of this study. Therefore, future quantitative studies can focus on finding the correlation between each of the findings and the improvement in the SME performance. Such a study can identify the actions that can have the highest impact on the company performance. My study and the other recommended studies can be repeated in other areas within Nigeria such as Abuja . Studies can also be conducted throughout the ECOWAS countries which may result in a unified innovation implementation strategy for all SMEs operating in Nigeria and its neighbors.

Drawing from the research insights several recommendations are outlined for businesses seeking to boost their innovation capabilities:

Promote an Innovative Culture; Cultivate an environment that encourages creativity, teamwork and willingness to take risks.

Empower Leaders; Cultivate leaders who can lead and sustain innovation initiatives.

Establish Systematic Procedures; Put in place processes and structures that support activities.

Engage in External Collaborations; Collaborate with partners to tap into knowledge and resources.

Embrace Technological Tools; Invest in technologies and resources that facilitate innovation efforts.

Future Avenues, for Research

The research study points out areas, for exploration, such as;

1. Conducting Longitudinal Studies; Delving into how innovation practices impact business performance over the term.

2. Sector Specific Investigations; Examining the relationship between innovation practices and outcomes in industries.

3. Studying Innovation Ecosystems; Understanding how innovation ecosystems play a role in boosting enterprise achievements.

This organized structure gives a summary of the thesis outlining the chapters and sections to be discussed. Each chapter builds on the one analyzing the elements contributing to successful innovation within businesses.

The goal of the thesis was to increase understanding of how a company can effectively use hiring and retention to improve innovation capabilities. The literature review showed there is a large amount of research on company capabilities, including innovation capability. However, the literature review also showed a lack of research on how to use staffing to improve innovation capability. A framework was developed to help a company hire innovative individuals and another framework to improve employee retention. In combination, both should improve the innovation capabilities of a company. The hiring framework will help a company add innovative employees and the retention framework to keep the employees once hired. If employees are not retained, then the hiring process will spend the effort to backfill spots vacated by employees leaving the company.

A company first needs to understand the individual who will best contribute to innovation. Research question one examined the attributes of an individual who will

positively impact the innovation capabilities of a company. The model in Figure 1 was developed to improve a manager's understanding of how the company's employer brand influences the applicant pool of open positions. Next, a company needs to have the individual who will positively impact innovation to apply when a position is opened. The applicant pool is increased by increasing the employment brand image of an institution.

Research question two examined the company employment brand and how it attracts individuals to apply to job openings of an organization. Once the company employment brand attracts a talented pool of individuals to a job opening, the next step is to filter down the applicants until the best candidate is hired. Research question three examined how to correctly select innovative candidates from the applicant pool to aid a company in the process of narrowing the applicant pool a framework was presented. The framework was summarized in Error! Reference source not found.. The framework proposed a working model of how a few tests should be used in combination to improve the selection process.

The framework proposed a selection method using a combination of research-validated evaluation methods into a process that will allow potential employees to be evaluated for their potential contribution to a company's innovation capabilities. The framework suggests how to evaluate a new employee to place them into a job function where they would be best positioned to innovate. The final component of the framework was to add the employee into the best possible team using a two-part evaluation method designed for this purpose. The first part analyzes the teams already present in the company to create a team profile. The second part creates an individual profile of the employee, used in combination with the first part. The results will place the employee into the best fitting team. The evaluation framework will improve the potential of a new employee to increase a company's innovation capabilities.

The innovation capability will not be improved for long if a company loses employees who innovate, no matter how well the employee was vetted. The employee must stay with a company long enough for innovation to happen. This consideration

resulted in two more research questions. The fourth research question asked what will positively impact a company's ability to retain innovative individuals. The fifth research question was about how to correctly use rewards and compensation so that retention is not negatively influenced. To help a manager with the question about employee retention, two more models were developed. The first model, Error! Reference source not found., addressed retention in a way that would generally apply to all employees. The second retention model in Error! Reference source not found. is more specifically directed at retaining creative employees who will contribute to innovation. Retaining creative employees will improve overall innovation capabilities since innovation and creativity are linked. If a manager follows both models, they should reduce the turnover of innovative employees at a company. A company will never be able to eliminate

employee's leaving since there are factors outside of a company's control like partner work relocation, family concerns, and the employee changing career directions to another field of interest. But a company can reduce the reasons for employees quitting due to something within the company's control by making a modification to its strategies, aligning them to the models proposed in this thesis.

Even with a lack of research directed at hiring for innovation, there is associated research that can be combined into frameworks and models to improve the understanding of how to improve a company's innovation capability in the hiring process. This thesis adds to the body of work on innovation management, including research about the innovation capability of a company.

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