

Innovative Management Practices and Organizational Performance

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Article Info

Volume 84

Page Number: 52 - 72

Publication Issue:

January - April 2021

Article History

Article Received: 04 October 2020

Revised: 14 November 2020

Accepted: 22 December 2020

Publication: 23 January 2021

Abstract

The study examined Innovative Management Practices and Organisational Performance in the telecommunications Industry. The objectives centred on the effect of innovation strategy on organizational performance and the impact of organizational structure on organizational performance. A descriptive survey research design adopted was appropriate to the study because it allows the use of descriptive and inferential statistics in processing the collected data to answer the research questions. The respondents of 205 were determined using the purposive sampling technique. A 5point Likert Scale and closed-ended questions were used to draw responses from the respondents used. The sample was drawn from the respondents because of the small size permissible by census statistical application in research. Data presented and analyzed was dichotomized into three parts of

simple percentage, descriptive statistics and Standard deviation applications. Findings revealed that both independent variables innovation strategy and organizational structure have a significant relationship with organizational performance in the Telecommunications Industry. It was recommended that Innovation strategy and overall company goal should always be in sync when planning enhanced development and organisations should continue with a flat structure system but built around creativity and reduced centralized system of administration that could lead to reduced interest on the part of employees

Keywords: Compensation Management, Salary, Benefits Programme, Employee Performance

1.0. Introduction

As business enterprises operate in an environment marked greatly by intense and cut-throat competition, one of the keys to profitability and achieving a leading position in any industry hinges on innovation. Technological advancement, global competition, deregulation, consumers empowerment, ubiquitous connectivity are some of the forces that have brought about unprecedented fast-paced change being witnessed in today's business landscape (Kalay&Lynn, 2015). All over the world, organizations are encountering a joint challenge on the need to improve their performance by capitalizing on new opportunities, and to establish or recapture competitive advantage for profitability and survival in a dynamic competitive environment. Consequently, contemporary firms are

embracing innovative practices in their business model to survive and thrive profitably, (Ghosh, 2015).

At the start of the twenty-first century, innovation has been one of the fundamental aspects of industrial and business policies all over the world in that it is a strategic process that assists organizations to adapt both internally and externally. The competitiveness of organizations depends on their ability to innovate and improve, and that organizations achieve competitive advantage through innovation, (Porter, 1996). The term innovation as first used by Schumpeter refers to product, process and organizational changes that do not necessarily originate from new scientific discoveries but may arise from a combination of already existing technologies and their applications in a new context (Hana, 2013). Innovation is an unavoidable means for organizations to take advantage of opportunities, whether through the development of new markets or to reinvent their market (Alam, 2013; Vargas, Goncalo, Ribeire& Souza, 2017).

Sanchez, Lago, Ferras and Ribera (2011) postulated that companies adopt a series of innovation practices as a result of strategic adaptations which are triggered by any change in the environment or by an internal proposal of strategic innovation.

Innovation has become the strategic goal of all organizations. The increasingly fierce competition and turbulent economic situation have made innovation a highly sought-after capability for business

organizations. Instead of relying on long-range strategies, organizations need to be able to anticipate and react to fast changes and take advantage of the unknown. Therefore, it is not enough for organizations to recruit creative individuals; instead, the whole organization needs to be adaptive, flexible and innovative. These requirements have brought the notion of innovative management practices to the centre of managerial interests.

Innovative management practices can be grouped around several dimensions to describe company practices regarding innovation. These dimensions include innovation strategy, management systems, innovation culture, creativity, organizational structure, project management, process innovation, technological change, and technological innovations. However, in this study, the focus shall be on the leading determinants of innovative management practices as outline by Kalay and Lynn, (2015). They include; innovation strategy, organizational structure, innovative culture, technological change and innovative service delivery.

The notion of organizational performance is connected to the survival and success of an organization. It is considered to be the sum of accomplishments that have been achieved by all departments and the organizational goals that have been set in a given period. Performance is a comprehensive measure that can include productivity, quality, consistency, and so

on. As Richard (2002) pointed out performance indicators may also involve (criterion-based) results, behaviours and (normative) relative measures, concepts of education and training and instruments, involving management development and leadership training for developing attitudes of performance management and essential skills. Assessing organizational performance is a critical part of strategic management in that it helps in gauging how well an organization is doing in reaching its vision, mission, and goals. Essentially, executives must understand how well their organizations are performing to figure out what strategic changes, if any, to make.

There is no doubt that innovation exerts great influence on various performance metrics of a firm as seen in strands of studies, theories and literature on the concept (Andriopoulos, 2001; Bharadwaj&Menon, 2000; Ghosh, 2015; Zhou &Hoever, 2014). Few of those studies have focused and analyzed factors within an individual that foster innovative outputs (Khandwalla& Mehta, 2004; Mumford, 2003). Some of which are intelligence, cognitive thinking, personality, and leadership traits, etc. Others have explored key external conditions in the work environment such as organizational culture and resources that can inhibit or facilitate innovation for higher levels of performance in the firm (Jansen, Van Den Bosch &Volberda 2006). While others still have combined the effects environmental or individual internal factors have on work outcomes

(Ghosh, 2015; Mostafa, 2005). However, a thorough review of these studies shows that a gap exists as there is little or no published work to the best of the researcher's knowledge, which has provided evidence on the role a comprehensive list of innovative management practices plays on organizational performance. Against this background, this study aims to fill this yearning gap by examining the relationship between innovative management practices and organizational performance using an extant literature review.

Business innovation is essentially a differentiator as business managers and executives are increasingly embracing innovation as a tool to drive businesses forward. Ironically, although innovation is commonly associated with new products and services, evidence suggests that launching new products is the least successful means to accomplish profitability and growth, with a failure rate of over 70 per cent. Perhaps to be effective, business owners may need to have different approaches to innovation, learn from their past mistakes and set reasonable goals. The thing is, as a process to bring new products to markets, innovation carries multiple risks, and not even the most experienced executives can predict with certainty which products will be successful and which ones will flop. However, having a set of innovative management practices in place to originate and validate innovative ideas might improve organizations chances at

succeeding and help them get luckier more often.

A critical issue with innovation in many organizations is that it is often regarded as the sole responsibility of functional groups, like research and development or product development. This misconception that one functional group is more suited to innovation than others is a severe hindrance to the pace of innovation since each department provide a unique perspective on the problems of customers. By extension, this is also a barrier for employees to interact with people from different departments which could provide information that is beneficial for the generation of ideas.

On the other side, in few organizations where innovation is taken as an activity that cut across different functional areas, lack of collaboration arising from not empowering employees and workplace diversity are becoming challenging issues. It stands to reason then that internal collaboration and the building of diverse teams that can provide the organizational innovation initiatives with a wealth of ideas generated from different perspective tends to suffer.

It is surmised that the explanation to the tripartite issues might be nested in the fact that the determinants of successful innovations have not been integrated into a cohesive strategy. On this account, this study attempts to examine the relationship among components of innovative management practices that could exert on organizational performance. Specifically,

it will provide answers on how innovation strategy, culture, organizational structure, technological change and customer/supplier relationships are connected to organizational performance using literature.

Objectives of the study

- a. Establish the effect of innovation strategy on organizational performance.
- b. Determine the impact of organizational structure on organizational performance..

Hypotheses:

In order to provide evidences to find Innovative Management Practices and Organizational Performance, the following hypotheses were developed that were further tested.

Ho₁: Innovation strategy has no significant impact on organizational performance.

Ho₂: Organizational structure has no significant impact organizational performance.

Review of Related Literature Conceptual Review

Innovative Management Practices

Innovation is defined as "the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations." (OECD, 2005).

Considering definitions of innovation, it is seen obviously that innovation is indicated as a process in some of these definitions, whereas innovation is indicated as an output in the other part of definitions. Namely, innovation can be explained as both process and result of this process (Narayanan, 2000). Innovation can be both a response to changing environment and a reason for the change (Damanpour, 1996). This can be an internal or external environment of the firm. Both of them are effective in the development of innovation, also, they are affected by results.

From a strategic viewpoint, innovative management practices is *the entire set of innovative practices involving the analysis of competition mechanisms, such as creating an innovative vision, harmonizing business strategy, expanding the strategy to all organizational levels, market tendencies, technologies and competitor acts* (Sanchez, Lago, Ferras, & Ribera, 2011). Giving the fact that the concept of innovative management practices describes a process composed of many parts, there is not a common and clear definition on which all scholars agree regarding the content and components of the concept.

To overcome this confusion, Dankbaar (2003) suggested two approaches that are different from each other but, at the same time, complementary. According to Dankbaar (2003), innovative management practices can be defined as either establishing preconditions in the enterprise that will encourage human creativity or the

process of information usage. It refers to firms managing technology, business processes (customers, suppliers, financial and external resources, etc.) and human relationships (culture, communication, organization, etc.) in a way that will support and encourage innovation. In this context, the success of innovation depends on owned resources (human, equipment, technology, information, etc.) and the ability of the organization to manage these resources. Innovative management practices is a process that has different components and, at the same time, requires the management of these different components as a whole (Igartua, Garrigos, & Hervas-Oliver, 2010).

Creativity and Innovation

The word creativity and innovation are mostly used interchangeably because many assume they mean the same thing. However, there exists a difference between the two concepts. Creativity, simply put is an individual's ability and capacity to create and develop new, novel and useful ideas about the firm's products, practices, services or procedure (Mumford, 2003). When the ideas generated in creativity are successfully implemented, it becomes an innovation. Aptly put Innovation is the successful implementation of creative ideas. Creativity is therefore regarded as the cornerstone and precondition for Innovation.

Creativity requires absolute novelty of the idea, whereas innovation only requires relative novelty of the idea to the unit of adoption (Woodman, Sawyer and Griffen,

1993). Therefore, adopting a new policy from another organization to the current organization would be innovative but not creative. The definition of creativity also includes an essential requirement for the idea or product to be useful.

Brief on the telecommunications industry in Nigeria

Telecommunications is generally referred to as the "infrastructure of infrastructures" to underscore its importance in the general development of a society. Telecommunications is seen as a tool, not an end in itself, and it is regarded as the most vital factor in the information revolution. It increases the capacity of many sectors of a modern economy to deliver effectively the services essential for equitable and sustained development. The Nigerian telecommunications consists of the Federal Ministry of Communications (FMOC), as the supervising authority, the Nigerian Communications Commission (NCC), as the regulatory agency, and authorized carriers companies.

According to Andrey (2011), the month of August 2001 represents a milestone in the history of telecommunication in Nigeria. Before that date, which marks the commencement of GSM mobile telephone services, and the pursuant of liberalization of the industry, the state-owned NITEL was a monopoly that did everything possible to stifle growth and development in the sector. In 40 years of operation, the utility was only able to account for

approximately 450,000 telephone lines, nearly all of them fixed landlines, servicing a population that is the largest in Africa, estimated at 120 million people. It was one of the lowest connectivity rates in the world. The potentials of the market had long been recognized by investors as huge and only begging to be tapped despite glaring deficiencies in backbone infrastructure.

South Africa's MTN and Zimbabwe's Econet (now Airtel) were first to enter into the industry, recording what was regarded as the fastest take-off in the history of GSM operation. At that point, MTN and Econet operated a virtual duopoly and tacitly collaborated in what was largely regarded as an exploitive regime of product offerings and call rates. Not faced with an alternative, Nigerians continued to subscribe overwhelmingly, even as they groaned under the weight of high call rates and inflexible product packages. This was the scenario when Glo Mobile arrives as the only indigenous, non-government operator. Glo Mobile caused a huge stir in the sector by introducing per second billing denied by other networks. From that period up till 2011, many telecom operators have entered the industry, with Etisalat being one of the biggest who entered the industry in September 2008. This has increased competition among the many network providers in the country.

Concept of Innovation Strategy

To develop meaning and forge a better understanding of the term innovation concept, it is expedient to define strategy

as a distinct concept. According to Hough, Strickland, Gamble and Thompson (2008) strategy are the determination of basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals.

An Innovation strategy is a collection of business initiatives that seek the creation of new sources of earnings to maximize the value of an organization within a given period. Innovation strategy is a guide that forces organizations to think about why they innovate before attempting to innovate. It is the overall criteria providing a set of filters through which the concept of strategic roles and a new product or service should pass, thereby defining the strategic missions of new products or services (Kalay& Lynn, 2015). Innovation strategy consists of financial objectives and growth areas relating to a new product or service.

As with all business processes, the decisions made and how the process is implemented are all governed by a strategy. The strategy governing innovation in an organization is called innovation strategy. Integrating the various definitions, Katz Preez and Schutte (2015) comprehensively defined innovation strategy *guides to decisions on how resources are to be used to meet a firm's objectives for innovation and thereby deliver value and build competitive advantage.*

Concept of Organizational structure

Jones (2013) defined it as the formal system of authority relationships and tasks that control and coordinate employee actions and behaviour to achieve goals in organizations. Organizational structure describes the formal arrangement of jobs and tasks in organizations (Robbins and Coulter, 2007); it describes the allocation of authority and responsibility, and how rules and regulation are executed by workers in firms.

Cosh and Hughes, (2012) proposed two divergent ideas of organizational structure, namely 'organic' organizational structure and 'mechanic' organizational structure. In mechanic organizational structure, authority and control are often centralized, and task standardization and specialization occur frequently. In contrast, in an organic organizational structure, a 'flatter' structure occurs. That is, the hierarchy consists of fewer levels, decision making is more frequently decentralized, and multifunctional employees, who work in systems where greater degrees of horizontal integration occur, are more widely found.

Organizational performance

What organizational performance means is an issue subject to debate among academic scholars, practising manager and researchers. As a recurrent theme of great interest, it is affiliated with the endurance and success of an organization. Organizational performance can be defined as the "organization's ability to attain its

goals by using resources efficiently and effectively" (Daft, 2000) or as "the ability of the organization to achieve its goals and objectives" (Richardo, 2001). It is also a measure of the change of the state of an organization or the outcomes that result from management decisions and the execution of those decisions by members of the organization. Organizational performance is considered to be the sum of accomplishments that have been achieved by all departments. The organizational goals that have been set in a given period, outline its accomplishments that are involved in each stage (Lee and Huang, 2012). The idea of organizational performance is affiliated with the survival and success of an organization. organizational performance is "the ability to acquire and process human financial and physical resources properly to achieve goals of the organization". Organizational performance is the outcome of an organization so that it is measured based on its goals and objectives (Lee, 2008).

Organizational performance has become one of the multi-dimensional and complex phenomena in the business literature. Although the concept of organizational performance is very common in the academic literature, there is no unanimous agreement on its definition and measurement. There are two ways of measuring organizational performance: subjective and objective. Subjective measures are non-financial or non-economical indicators of performance measurement like sales growth, market share, employee satisfaction, customer

satisfaction, product development, competitive advantage, customer retention, innovation and some other factors.

March and Sutton (1997) opined that most studies in strategic management conceptualize performance as a dependent variable and seek to identify variables that explain variation in performance. Performance is a comprehensive measure that can include productivity, quality, consistency, and so on. On the other side, performance indicators may also involve (criterion-based) results, behaviours and (normative) relative measures, concepts of education and training and instruments, involving management development and leadership training for developing attitudes of performance management and essential skills. Alam (2013) posits that organizational performance is a multidimensional construct that consists of four elements. Customer-focused performance, including customer satisfaction, and product or service performance; financial and market performance, including revenue, profits, market position, cash-to-cash cycle time, and earnings per share; human resource performance, including employee organizational effectiveness, including time to market, level of innovation, and production and supply chain flexibility.

Many researchers like Kaplan (1991), Bromwich and Bhimani (1989), demonstrated the need for multidimensional performance: financial and non-financial, internal and external, quantitative and qualitative. In the last

years, academics and practitioners embraced the use of non-financial measures as they treat both causes and effects. Measures like customer satisfaction and innovation activities are considered to be the drivers of future financial performance (Kaplan and Norton, 1992)

Innovation strategy and organizational performance

According to Sriteska and Propkop (2020), innovation strategy can have a significant impact on the innovative production of the business and overall business results when it flows from and is fundamentally embedded in a company strategy. This is because it is a key element of the innovation ecosystem. Innovation is of great essence when it comes to strategy. It can create superior business growth, reduce costs, eliminate competition and even create entirely new markets. Kalay and Lynn (2016) pointed out that the application of innovation strategy in an organization ensures the implementation of successful innovations by curtailing critical internal and external exigencies that may threaten the chances of progress.

Pisano (2015) found out that there is a lack of innovation strategy in many companies which causes the biggest issue in innovation improvement efforts, because creating a capacity to innovate begin with a strategy. Furthermore, sustainable business models as an innovation strategy, consisting of various innovation outputs, are prerequisite for sustainable growth for

companies and within the industry innovation ecosystem.

Organizational structure and organizational performance

Organizational structure does have both negative and positive impacts on employees' creative and innovative behaviours that are designed to produce new ideas, processes, products and services (Hassan, Anwar, Rafique and Saeed, 2014). Past investigations have come up with different findings on centralization's impact upon the innovative performance of organizations. A few studies have come to find that centralization has a positive impact on innovative output (Rogers, 1995; Gosselin, 1997) while others have discovered otherwise (Damanpour, 1991).

Kalay and Lynn, (2016) stated that when a positive effect occurs through centralization, upper-level managers have increased control, and those making decisions have more freedom when doing so. This greater level of authority and responsibility in management can make them more receptive to opportunities of the technological, market, and organizational variety.

Conversely, the adverse effects of centralization include: narrower channels of communication, increased layers in the transfer of information and the further filtering of information (Cardinal, 2001). So, in a centralized structure, the progress of information from lower levels to upper management are impeded; and thus, the

quality and frequency of ideas, employee initiative and problem-solving are reduced (Jansen et al., 2006). Such a reduction will result in decreased levels of innovative performance, the consequences of which are the substandard development of products, processes, and management. Additionally, employees working within an organization that employs centralization make less frequent attempts to pursue the finding of new and innovative solutions to problems proactively. As regards, formalization, Lewis, Welsh, Dehler, and Green, (2002) found that formalization discourages the generation of ideas due to the inflexibility of this mode, which constrains creativity. Formalization prevents divergence from standard knowledge and from the tendency to seek a variation. Kalay and Lynn, (2016) posit that flexibility within a system is facilitated by a low level of formalization, and this flexibility is key for the generation of ideas that will boost organizational output.

It was concluded from a literature survey that creativity impact on organizational outcomes is usually highest when the structure is organic and when it is composed of individuals drawn from diverse fields (Woodman et al.1993). Andriopoulos (2001) from findings advocates for a flat structure that allows decision making at all level, while evaluation should be supportive and informative.

Theoretical Review

This study relied heavily on the componential theory of creativity

Componential Theory of Creativity

Teresa Amabile propounded the componential theory of creativity in 1983. It is a comprehensive theory that proposes psychological and social components necessary for an individual to produce creative work in an organizational setting. According to this theory, four components are necessary for any creative response: three components within the individual and one component outside the individual. Domain-relevant skills (expertise in the relevant domain or domains), creativity-relevant processes (cognitive and personality processes conducive to novel thinking), and task motivation (specifically, the intrinsic motivation to engage in the activity out of interest, enjoyment, or a personal sense of challenge) are the three within-individual components. The component outside the individual is the surrounding environment – in particular, the social environment.

The theory specifies that creativity requires a convergence of all components; creativity should be highest when an intrinsically motivated person with high domain expertise and high skill in creative thinking works in an environment high in supports for creativity. Similarly, Amabile (2012) emphasized that the theory is hinged on two important assumptions. First, there is a continuum from low, ordinary levels of creativity found in

everyday life to the highest levels of creativity found in historically significant inventions, performances, scientific discoveries, and works of art. The second, related underlying assumption is that there are degrees of creativity in the work of any single individual, even within one domain. The level of creativity that a person produces at any given point in time is a function of the creativity components operating, at that time, within and around that person.

The componential theory is a perfect match for this study because innovation is an offshoot or the outcome of creative initiatives. It is relevant to the study in that the constructs of innovative management practices adopted in this study such as innovation strategy, organizational structure, innovation culture, technological change and customer-supplier relationships are an aspect of the surrounding or social environment components in the theory. Specifically, these are the work environment created by management which influences process and outcome of innovation. In the postulations of the theory, the interplay of favourable social contexts and psychological processes within creative individuals usually yields significant work-related outcomes.

Empirical Review

Pertuz and Perez, (2020) worked on innovation management practices in organizations. This study employed a scoping review methodology proposed by MedicinaSeguridadTrabajo 2009. A total

of 322 documents were located and screened by two reviewers. They applied the inclusion and exclusion criteria, 19 articles were analysed in depth. The article, identified the innovation management practices used by different kinds of companies, focusing on small and medium-sized enterprises. The review found a total of 116 practices, grouped into 13 categories. These categories were classified based on the innovation management process.

The study revealed that practices most frequently cited by authors were the application of project management fundamentals, product changes and process improvements, idea generation techniques, and practices related to human talent management for innovation. The recommendations were drawn along that line. This article provides a framework of good practices for companies that wish to improve their innovation management process that validates the work under study.

Abdul, Shafique, Raja, Muhammad, and Altaf, (2017) carried out a research study to investigate the relationship of innovation with the organizational performance of the telecommunication sector. The independent variables are process innovation, product innovation and organizational innovation as an organizational culture and a moderating variable. The research was survey research in which a questionnaire was administered to 200 employees that are concerned with innovation in the telecom industry present

in Islamabad and Rawalpindi to ensure a reasonable response. The data was analyzed through the SPSS v.20 software. Results showed that product innovation, process innovation and organizational innovation has a positive impact on organization performance. Results showed that product innovation, process innovation and organizational innovation has a positive impact on organization performance. The study also indicates that the moderation effect of organisational culture on the connection of product innovation with organizational performance is positive. The moderation effect of organization culture on the connection of process innovation with organization performance be optimistic. In finally, the moderation effect of organization culture on the connection of organizational innovation with organization performance was also positive. The study further validated the work significant impact on moderating organizational performance.

Faruk and Gary (2015) studied the impact of strategic innovation management practices on firm innovation performance. Their study pointed out that in a highly competitive environment, innovation is the essential key to a firm obtaining a dominant position and gaining higher profits. Therefore, the understanding of which strategic innovation management practices lead to success is very important. The purpose of the study was to investigate the impact of innovation strategy, organizational structure, innovation culture, technological change

and innovative service delivery, which appear in the literature as strategic innovation management practices in business enterprises, on firm innovation performance. In this context, data collected from 132 managers at 66 firms operating in the manufacturing sector in the TRB2 zone of Turkey were analyzed. The partial least squares structural equation modelling (PLS-SEM) method was used to test the hypotheses of the study. The analyses revealed that innovation strategy, organizational structure and innovation culture significantly increased firm innovation performance. However, no significant impacts of technological change and innovative service delivery on firm innovation performance were determined, a gap the study under review would address.

Tools and Methodology

The study is a Survey design based on the samples collected and the data gathered through sampling. Samples are drawn from permanent staff categorized from the manufacturing Firms selected in Delta

State Metropolis (MTN and Glo). The variables are only being observed and not controlled and the hypotheses are based on the relationship between Innovative Management Practices and Organizational Performance and are valid only for the Stratified sampling technique, keeping in mind the effective coverage and lower cost. The statistical techniques were adopted for processing the data and testing the hypotheses formulated for the study regression statistical tools of analysis via the use of statistical package for social sciences.

Results and Analysis

Table 4.1: Analysis of the field survey

Patter n focuse d	Number adminis tered	Num ber retur ned	Percen tage used
Emplo yees	256	205	80.

Source: *Researchers Distributed Questionnaire (2021).*

Table 4.1: Model Summary

Mode l	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	0.319 ^a	0.785	0.767	1.14566	0.525

a. Predictors: (Constant), Innovation strategy, organizational structure, b. Dependent Variable: Organizational Performance

Table 4.1 above showed the extent to which the independent variable accounted for change on the dependent variable as shown on the model summary. It shows that change in project management is

brought about by the sub variables of organizational policy as indicated by the adjusted R2 value by 76% (.76).

Table 4.2: Fitness of the Model ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	18.422	5	3.070	72.339	.036 ^b
Residual	162.753	200	1.313		
Total	181.176	205			

a. Dependent Variable: Project Management, b. Predictors: (Constant), Innovation strategy, organizational structure

The F-ratio in table 4.2 above shows if the overall regression model is a good fit for

the data. The table showed that organizational policies statistically and significantly predict project management, $F(6, 124) = 72.339, p < .0005$. This implies that the regression model is a good fit for the data.

Table 4.3: Multiple regression analysis of Innovative Management Practices and Organizational Performance.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.675	0.310		8.625	0.000
Innovative Strategy	0.049	0.309	0.050	0.159	0.037
Organizational Structure	0.275	0.297	0.292	0.929	0.035

a. Dependent Variable: Organizational Performance, b. Independent variable: Innovative Strategy, Organizational Structure

Decision Rule

If the probability value calculated is greater than the critical level of significance, then the null hypothesis is accepted and the alternate hypothesis is rejected. If the probability value of 0.00 is smaller than the critical value of 5% (i.e.

$0.000 < 0.05$) we conclude of the given parameter is statistically significant. In this situation, it is accepted and there is a need to reject the null hypothesis to accept the alternate hypothesis. Therefore, the P-value = 0.005(5%).

Test of Hypothesis One: Innovative Strategy has no significant impact on organizational performance. The level of significance that was calculated in table 4.4 is lesser than the established p-value ($0.037 < 0.05$), therefore the null hypothesis was rejected while the alternate was accepted which states that Innovative Strategy has a significant relationship with organizational performance. The statement is supported by Striteska and Propkop (2020), the argument that innovation strategy can have a significant impact on the overall business results when it flows from and is fundamentally embedded in a company strategy. Findings from Kalay and Lynn (2016) study also show that the application of innovation strategy in an organization ensures the implementation of successful innovations by curtailing critical internal and external exigencies.

Test of Hypothesis Two: Organizational structure has no significant impact on organizational performance. Table 4.4 shows that the calculated level of significance is lesser than the p-value of 0.05 (5%) i.e. ($0.035 < 0.05$). Similarly, the null hypothesis was rejected and the alternate was accepted implying that organizational structure has a significant relationship with organizational performance. From the outcome, organizational structure relationship with organizational performance could be positive or negative. Support for the positive comes from (Wood, 1993) statement that innovation impact on organizational outcomes is usually highest when the structure is organic and when it

is composed of individuals drawn from diverse fields. Andriopoulos (2001) also theorizes that for a flat structure that allows decision making at all level, while evaluation should be supportive and informative. On the other side, support is provided by Jansen et al.,(2006) statement that a centralized structure where the progress of information from lower levels to upper management are impeded will result in decreased levels of quality of ideas, employee initiative and innovative performance

Conclusions

The study concludes from the literature that an innovation strategy that is enmeshed and in tandem with the company-wide strategic goals; implemented cross-functionally usually leads to higher levels of organizational performance. This is because the two strategies cannot be effective in isolation. The study concludes that when the organizational structure is flat and built around teams positive out results from organizational creativity initiative. Conversely, a highly centralized structure tends to be related negatively with it because employees will get less chance to take creative initiatives

Recommendations

1. Innovation strategy and overall company goal should always be in sync when planning enhanced development
2. Organisations should continue with flat structure system but built

around creativity and reduced centralized system of administration that could lead to reduced interest on the part of employees.

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