

**FACTORS THAT INFLUENCE APPLICATION OF INNOVATION  
STRATEGIES AT ROYAL MEDIA SERVICES IN KENYA**

**CAROLINE KABUI WACHIRA**

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**DECLARATION**

This research project is my original work and has never been presented for the award of any degree in any other university

Signature. .... Date.....

**CAROLINE KABUI WACHIRA**

**D61/P/7158/04**

This Research Project has been presented for examination with my approval as the University Supervisor.

Signature. .... Date.....

**MR. JEREMIAH KAGWE**

**DEPARTMENT OF BUSINESS ADMINISTRATION**

**SCHOOL OF BUSINESS**

**UNIVERSITY OF NAIROBI**

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## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>ii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iii</b>
<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>vii</b>
<b>ABSTRACT.....</b>	<b>vii</b>
<b>CHAPTER ONE: INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.1.1 Innovation Strategies .....	3
1.1.2 Media Industry in Kenya .....	6
1.1.3 Royal Media Service in Kenya .....	7
1.2 Research Problem .....	8
1.3 Research Objectives.....	10
1.4 Value of the Study .....	11
1.5 Chapter Summary .....	11
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>12</b>
2.1 Introduction.....	12
2.2 Theoretical Foundation.....	12
2.2.1 Resource-Based View .....	12
2.2.2 Knowledge-Based View .....	13
2.2.3 Theory of Strategic Balancing .....	14
2.3 Application of Innovation Strategies .....	14
2.4 Factors Influencing Application of Innovation Strategies .....	20
2.4.1 Organizational Culture.....	20
2.4.2 Management Value .....	21
2.4.3 External Environment .....	22
2.4.4 Co-ordination and Service .....	23
2.4.5 Technical Capabilities.....	24
2.4.6 Leadership.....	25
2.4.7 Internal Communication .....	25

2.4.8 Flexibility and Adaptability .....	25
2.4.9 Goal Unification.....	26
2.4.10 Process Implementation .....	27
2.4.11 Cultural Alignment .....	27
2.5 Empirical Literature Review and Research Gap.....	27
2.6 Chapter Summary .....	29
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>30</b>
3.1 Introduction.....	30
3.2 Research Design .....	30
3.3 Data Collection .....	30
3.4 Data Analysis .....	31
3.5 Chapter Summary .....	31
<b>CHAPTER FOUR: DATA ANALYSIS FINDINGS AND DISCUSSION .....</b>	<b>32</b>
4.1 Introduction.....	32
4.2 Findings .....	32
4.2.1 Demographic Information.....	32
4.2.2 Application of Innovation Strategies .....	33
4.2.3 Factors that Influence Application of Innovation Strategies .....	36
4.3 Discussion.....	37
4.4 Chapter Summary .....	38
<b>CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS ...</b>	<b>39</b>
5.1 Introduction.....	39
5.2 Summary .....	39
5.3 Conclusion .....	42
5.4 Recommendations and Implications for Policy and Practice .....	43
5.5 Limitations of the Study .....	44
5.6 Area for Further Research.....	44

<b>REFERENCES.....</b>	<b>45</b>
<b>APPENDICES.....</b>	<b>49</b>
Appendix I: Letter of Introduction.....	49
Appendix II: Interview Guide.....	50

## **ABBREVIATIONS AND ACRONYMS**

<b>CEO</b>	Chief Executive Officer
<b>ICT</b>	Information Communication Technology
<b>IT</b>	Information Technology
<b>KBV</b>	Knowledge-Based View Theory
<b>R&amp;D</b>	Research and Development
<b>RBV</b>	Resource-Based View
<b>RMS</b>	Royal Media Services

## ABSTRACT

An organization which is serious about competing in the fast changing markets with fast changing technology must make things happen, it must innovate. If it does not innovate, it risks being overtaken by competitors. Sometimes a business underestimates the competitive challenges it faces. The risk of this happening is high when competitors react to potential challenges in much the same way. The study was guided by the following objectives to establish extent of the application of Innovation strategies at Royal Media Services, to identify the factors influencing the application of innovation strategies at Royal Media Services. A case study research design was adopted the study hence considers case study design suitable since data was gathered from a single source; Royal Media Services and used to represent the factors that influence application of innovation strategies at royal media services. Royal Media Services has undergone through eras of evolution and business development as a media house is operating in an extremely competitive market. Royal Media Services have adopted the enhanced human resources management and market positioning strategies in responding to external environment. In the media industry, customers preferences are ever changing and the technologies for serving customer requirement are continually evolving thus banks must establish capabilities for continuing streams of innovations. The media industry demands for continuous development and implementation of innovation strategies. This is the rationale that motivates royal media services in its pursuit to conquer the market amid the ever changing environment. The study employed face to face interview as a primary data collection method. Primary data is data that has not been previously published, that is, data derived from a new or original research study and collected at the source. It is information that was obtained directly from first-hand sources for example by means of surveys, observation or experimentation. An interview guide was employed as the sole research instrument. The researcher used the interview guide to gather information from top management staff of Royal Media Services as they are the one aware of factors that influence application of innovation strategies at royal media services. The data was analysed using content analysis. Content analysis enabled the researcher to sift through large volumes of data with relative ease in a systematic fashion. It can be a useful technique to discover and describe the focus of individual, group, institutional, or social attention. It also allowed inferences to be made which can then be corroborated using other methods of data collection.



# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

An organization which is serious about competing in the fast changing markets with fast changing technology must make things happen, it must innovate. If it does not innovate, it risks being overtaken by competitors. Sometimes a business underestimates the competitive challenges it faces. The risk of this happening is high when competitors react to potential challenges in much the same way. Since most media house offer similar products and services, they continually search for a competitive advantage that will attract new customers and to retain the existing. Much emphasis has been placed on building innovative organizations and the management of the innovation process, as essential elements of organizational survival (Brown, 1997). Innovation can be transformational, radical or incremental depending on the effect and nature of the change.

Firms, according to the resource-based approach, compete according to their different capabilities. Strategies to cope with a changing competitive environment are associated with the firm's capabilities. The resource based theory argues that competitive advantages lie in the heterogeneous firm specific resources possessed by the firm (Rumelt, 1984, Wernerfelt, 1984). The ability to innovate is increasingly viewed as the single most important factor in developing and sustaining competitive advantage (Tidd, et al., 2001). It is no longer adequate to do things better, it's about "doing new and better things" (Slater & Narver, 1995).

The knowledge-based theory of the firm considers employee competency as the most strategically significant resource of the firm. Its proponents argue that because knowledge-based resources are usually difficult to imitate and socially complex, heterogeneous knowledge bases and capabilities among firms are the major determinants of sustained competitive advantage and superior corporate performance.

Strategic balancing theory is based on the principle that the strategy of a company is partly equivalent to the strategy of an individual. Indeed, the performance of companies is influenced by the actors' behaviour, including the system of leaders' values (Hendrickx, 2000). Further to an empirical study on technological alliances, Aliouat deduced the principle of the strategic balancing according to which a technological alliance generates paradoxes and lives by its paradoxes. An alliance wavers between multiple antagonistic poles that represent cooperation and competition. This gives room to various configurations of alliances, which disappear only if the alliance swings towards a majority of poles of confrontation.

Media House all over the world are experiencing stiff competition from competitors. To gain a competitive edge, they need to be innovative in their modes of operations. Intense competition and market saturation are forcing Media House in Kenya to look for new revenue streams by expanding their products and services offerings and focusing on customer loyalty. There have been a lot of strategic moves such as rebranding, opening of media house, increasing of new line of business. Use of ICT has created efficiency and increased delivery channels with such products as media teaming through facebook twitter and other (Central Bank of Kenya, 2012).

Royal Media Services has undergone through eras of evolution and business development as a media house is operating in an extremely competitive market. Royal Media Services have adopted the enhanced human resources management and market positioning strategies in responding to external environment. In the media industry, customers preferences are ever changing and the technologies for serving customer requirement are continually evolving thus banks must establish capabilities for continuing streams of innovations. The media industry demands for continuous development and implementation of innovation strategies. This is the rationale that motivates royal media services in its pursuit to conquer the market amid the ever changing environment.

### **1.1.1 Innovation Strategies**

A strategy is a long term plan of action designed to achieve a particular goal, most often winning (Thompson et al., 2007). Strategy is differentiated from tactics or immediate actions with resources at hand by its nature of being extensively premeditated, and often practically rehearsed. Strategy is a deliberate search for a plan of action that will develop a business's competitive advantage and compound it. If a firm is in business and is self-supporting, then it already has some kind of advantage, no matter how small or subtle.

The objective is to enlarge the scope of the advantage, which can only happen at some other firm's expense (Clayton, 1997). Strategic management is a combination of three main processes namely strategy formulation; strategy implementation and strategy evaluation. On the same note, strategy development is a multidimensional process that must involve rational analysis and intuition, experience, and emotion. Whether strategy formulation is formal or informal, whether strategies are deliberate or emergent, there can be little doubt as to the importance of systematic analysis as a vital input into the strategy process. Without analysis, the process of strategy formulation, particularly at the senior

management level, is likely to be chaotic with no basis for comparing and evaluating alternatives. Moreover, critical decisions become susceptible to the whims and preferences of individual managers, to contemporary fads, and to wishful thinking.

Innovation is an ambiguous concept, attracting multiple and often conflicting definitions, and conveying different things to different people both in the literature and in organizations (Lees, 1992). Innovation is to introduce a new or improved product, process, or service into the marketplace. Tidd et al. (2001) defined innovation as a process of turning opportunity into new ideas and putting these into widely used practice. Afuah (1998) proposed that innovation is the use of new technical and administrative knowledge to offer a new product or service to customers. Therefore, innovation is any practices that are new to organizations, including equipments, products, services, processes, policies and projects (Ekvall, 1999).

Innovation is a management discipline, which focuses on the organization's mission, searches for unique opportunities, determines whether they fit the organization's strategic direction, defines the measures for success, and continually reassesses opportunities (Gaynor, 2002). The term innovation refers to both radical and incremental changes in thinking, things, and processes or in services (McAdam & McClelland (2002). In many fields, something new must be substantially different to be innovative, not an insignificant change, in the arts, economics, business and government policy. In economics, the change must increase value, customer value, or producer value. The goal of innovation is positive change, to make someone or something better. Innovation leading to increased productivity is the fundamental source of increasing wealth in an economy.

Innovation strategy provides a clear direction and focuses the effort of the entire organization on a common innovation goal. Management needs to develop the strategy and communicate the role of innovation within a company, decide how to use technology and drive performance improvements through the use of appropriate performance indicators. Oke (2002) suggested that the first step in formulating an innovation strategy is to define what innovation means to the firm or the areas of focus in terms of innovation. By understanding the drivers of innovation needs, a firm can develop its focus areas for innovation.

The importance of having a clearly defined new innovation strategy guiding the innovation process was recognized by Griffin (1997). Innovation strategy provides a clear direction and focuses the effort of the entire organization on a common innovation goal. The innovation strategy needs to specify how the importance of innovation will be communicated to employees to achieve their buy-in and must explicitly reflect the importance that management places on innovation (Clayton (1997). Sustainable competitive advantage is not bound only to the physical environment. It includes different perspectives from society and environment, to the economy and organizational processes. As Kim and Mauborgne (1999) mentions, sustainable competitive advantage has three main pillars which organizations should contribute to their improvement; they include economic, environmental and social performance. Maintaining a competitive advantage requires a strategy that makes the business unique and carries the company forward as the world around it changes.

### **1.1.2 Media Industry in Kenya**

Kenyan media has been operating in an unpredictable and swiftly changing political, social, cultural, economic and technological environment that has heavily influenced its development. The media industry in Kenya has been somewhat vibrant especially since 1992, a time when Kenya became a multiparty state. According to BBC World Service Trust (2006), private entities were given some level of freedom to register FM radio stations, and as a result there was clamor from the civil society for individuals and institutions to air their views openly through the media. A study conducted by the Commonwealth Secretariat (2008) found that, media in Kenya consists of more than 90 FM stations, more than 15 TV stations, and an unconfirmed number of print newspapers and magazines. Publications mainly use English as their primary language of communication, with some media houses employing Swahili. Vernacular or community-based languages are commonly used in broadcast media; mostly radio. Kenya's state-owned Kenya Broadcasting Corporation remains the only broadcaster with countrywide coverage.

Howard (2008) established that, today the media in Kenya is regulated by a statutory body called the Media Council of Kenya. This is an independent national institution which was established by the Media Act, of 2007. In Kenya, this is the leading institution in the regulation of media and the conduct and discipline of journalists. Its main mandate is to register and accredit journalists, register media house establishments, handle complaints from the public, and create and publish annually media audit on the Media Freedom in Kenya. The journalists are required to adhere to the Code of Conduct and Practice of Journalism in Kenya. Howard (2008) noted that practicing journalists in

Kenya have continued to encounter various challenges such as: intimidation and security threats especially faced by investigative journalists, poor technologies and infrastructure, etc. According to the Commonwealth Secretariat (2008), although Kenya has a robust tradition of investigative reporting; it is limited only to the larger commercial media organizations such as the Royal Media Group, Standard Media Group and Nation Media Group.

### **1.1.3 Royal Media Service in Kenya**

Royal Media Services is the undisputed industry leader when it comes to media in Kenya. The giant media house that operates from the Capital Nairobi has moved from strength to strength in commanding a huge audience of its brands. The company has employed well over 700 permanent employees and equal number of temporary employees. RMS is an umbrella of fourteen radio stations that cover different groups of the diverse Kenyan communities; two broadcasting in national languages while the rest are vernacular. It also owns Citizen Television- the channel that has grown to be the country's most popular in terms of audience preference commanding an unassailable 52% of television audience (Steadman Synnovate Report, 2013).

RMS is the yardstick with which vernacular broadcast is measured in Kenya. With the background knowledge that a big chunk of the Kenyan consumers of media does not fluently converse in English or Swahili, RMS has devised a way to reach this group of people through vernacular media. Inooro FM broadcasts in Kikuyu language and enjoys a big audience among its target listeners. The station will be celebrates its 10 years of

entertaining and informing its people in 2013. If it's not passed through Ramogi FM, the Luo speakers of Kenya will not be sure an event took place. A radio that listens to its people is the radio of the people and Ramogi is that radio of its people! Muuga FM captures all the imagination of the Ameru community as it tackles the real issues in the area. Wimwaro FM cuts its niche around the Embu community.

## **1.2 Research Problem**

To succeed in the long run, organizations must compete effectively and out-perform their rivals in a dynamic environment. To accomplish this they must find a suitable ways for creating and adding value for their customers. Strategic management is a highly important element of organizational success. The need to know what the business is about, what it is trying to achieve and which way it is headed, is a very basic requirement determining the effectiveness of every member's contribution. Every successful organizational has this business self –awareness and seems to have a clarity of vision, even though it does not arise from a formal planning process (Pearce & Robinson, 2003).

The innovation literature has tended to place emphasis on firms' characteristics and factors which lead them to innovativeness or technological progressiveness (Avlonitis et al., 2001). Irrespective of trade sectoral issues, certain characteristics of the firms and particularly the entrepreneurs themselves have been associated with firm growth and development. Reinhilde and Bruno (1999), judging from the analysis on manufacturing firms in Belgium, asserted that a firm's inclination toward either internal sources or external sources in formulating its innovation strategy, rested directly with the technological conditions of the firm, and most high-tech firms would tend to mainly rely



on internal R&D. Kenya's media industry has experienced remarkable innovations leading to improved efficiency. The Media industry has over the years continued to introduce a wide range of new products and services prompted by increased competition, embracing I.T and enhanced customer's needs.

Royal Media Services has undergone through eras of evolution and business development as a media house is operating in an extremely competitive market. Royal Media Services have adopted the enhanced human resources management and market positioning strategies in responding to external environment. In the media industry, customers preferences are ever changing and the technologies for serving customer requirement are continually evolving thus banks must establish capabilities for continuing streams of innovations. The media industry demands for continuous development and implementation of innovation strategies. This is the rationale that motivates royal media services in its pursuit to conquer the market amid the ever changing environment.

Internationally, several studies have been done on innovation competitive strategies. A study by Wang and Shyu, (2008) studied the link between innovation competitive advantage and HR management practices, and economic contribution to organizational performance of media services in China. Law and Jogaratnam (2005) investigated IT applications as an innovation strategy in the Hong Kong hotel industry. A study by Phillips et al., (2002) studied the relationship between competitive branding and organizational performance in Turkey Hotels. The literature has not given much emphasis on the factors that influence application of innovation strategies at royal media services.

Further, most of the literature is from the developed countries whose company's strategy approach is different from that of Kenya royal media services. Thus there is a need to study on the factors that influence application of innovation strategies in Kenya with reference to royal media services.

Locally, studies on innovation have been conducted. Odhiambo, (2008) did a survey of innovation strategies at the Standard Chartered Bank (Kenya) Limited. Gitonga, (2003) carried out a research on innovation processes and the perceived role of the CEO in the banking industry. Mwangi (2007) conducted an investigation on factors influencing financial innovation in Kenya's securities market which was a study of firms listed at the NSE, while Kihumba, (2008) investigated the determinants of financial innovation and its effects on banks performance in Kenya. No studies on factors that influence application of innovation strategies at royal media services have been done. This is despite the increased rate of innovations being adopted each and every day to ensure sustained competitiveness in the current drastic and changing media house industry. It is in this light that the researcher aims to answer the following research question: - what are the factors that influence application of innovation strategies at royal media services?

### **1.3 Research Objectives**

The study was guided by the following objectives

- i. To establish extent of the application of Innovation strategies at Royal Media Services
- ii. To identify the factors influencing the application of innovation strategies at Royal Media Services

#### **1.4 Value of the Study**

The findings of this study were of value to the various stakeholders in the media industry: The management of media house in Kenya found the results of this study intriguing as a source of information on what competitive strategies are applied in the market and what they need to do in order to be competitive in the market. The immediate beneficiary of this research were the RMS where the researcher got information from and therefore any recommendation made by the researcher will be directly addressing issues that affect the Bank.

Scholars expanded their knowledge on strategic responses in Kenyan media sector and identified areas of further study. Policy makers gained the much needed knowledge of the media dynamics and the responses that are appropriate; hence obtained guidance in designing appropriate policies that regulated the sector participation. Other Stakeholders identified the external and internal environmental factors that affect the operations of the media houses as well as on its efforts made to overcome these challenges. The study was valuable to Royal Media Services management team as it drew an insight on how successful there innovation strategies are and at the same time point onto areas of improvement.

#### **1.5 Chapter Summary**

This chapter addresses the main components of this research. These comprise of the background to the study, some discussions on innovation strategies, media industry in Kenya and some brief overview the royal media service in Kenya. It also identifies the knowledge gap of the study by discussing in the research problem. The chapter also provides the objectives of the study, the importance and value of the study, and eventually the chapter summary.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter summarizes the information from other researchers who have carried out their research in the same field of study. The specific areas covered here are theoretical foundation, application of innovation strategies and factors influencing application of innovation strategies.

#### **2.2 Theoretical Foundation**

This study was guided by the following theories, the resource based view theory, knowledge based view theory and strategic balancing theory, and these theories tried to explain factors that influence application of innovation strategies at royal media services.

##### **2.2.1 Resource-Based View**

The resource-based view (RBV) of Wernerfelt (1984) suggests that competitiveness can be achieved by innovatively delivering superior value to customers. The extant literature focuses on the strategic identification and use of resources by a firm for developing a sustained competitive advantage (Borg & Gall, 2009). International business theorists also explain the success and failures of firms across boundaries by considering the competitiveness of their subsidiaries or local alliances in emerging markets (Ben-Dak, 1999). Local knowledge provided by a subsidiary or local alliance becomes an important resource for conceptualizing value as per the local requirements (Gupta et al., 2011).

According to Resource Based Theory resources are inputs into a firm's production process and can be classified into three categories as; physical capital, human capital and organizational capital (Currie, 2009). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns. Thus, differences in firm's performances across time are driven primarily by their unique resources and capabilities rather than by an industry's structural characteristics (Currie, 2009).

### **2.2.2 Knowledge-Based View**

The KBV of the firm is an extension of the RBV. The main tenet of the approach is that a firm is an institution for generating and applying various types of knowledge (Grant, 2002). While incorporating much of the content of the RBV, the KBV pays more attention to the process or path by which specific firm capabilities evolve and develop over time. This kind of development of knowledge through learning could be seen as a key element in achieving competitive advantage and superior performance (Moorman & Miner, 2008).

Although the emphasis on knowledge and capabilities has strengthened during the last decade it seems that empirical research has still not reached maturity, and there are no universally accepted guidelines for studying capabilities (Moorman & Miner, 2008). For the purposes of this paper, the following working definitions are sufficient. First, knowledge could be seen as a distinctive production factor that has a huge impact on productivity, innovation, and product development, for example (Webster, 2002).

### **2.2.3 Theory of Strategic Balancing**

Strategic balancing is based on the principle that the strategy of a company is partly equivalent to the strategy of an individual. Indeed, the performance of companies is influenced by the actors' behaviour, including the system of leaders' values (Casley & Krishna 2007). An alliance wavers between multiple antagonistic poles that represent cooperation and competition. This gives room to various configurations of alliances, which disappear only if the alliance swings towards a majority of poles of confrontation.

The strategic balancing gathers three models, namely the relational, symbiotic and deployment models. Competition proves to be part of the relational model and the model of deployment. It can be subject to alternation between the two antagonistic strategies, the one being predominantly cooperative as described by the relational model and the other being predominantly competing as characterized by the model of deployment. The company can then take turns at adopting the two strategies in order to keep their alliance balanced.

### **2.3 Application of Innovation Strategies**

Thompson's, (2007) early and straightforward definition simply states: Innovation is the generation, acceptance and implementation of new ideas, processes products or services. A similar definition of innovation was proposed more recently by Wang et al., (2008) innovation can be defined as the effective application of processes and products new to the organization and designed to benefit it and its stakeholders. Damanpour (1996) provides a detailed definition of innovation, which is much quoted: Innovation is the multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace.

Innovation involves conversion of new knowledge into a product, process or services. One of the ways of achieving growth and sustaining performance is to encourage and foster innovative practices and creativity internally within the institution. In addition, the organizational structures and culture must support the innovative practices for them to translate to commercialization (Dodgson, 2001).

Innovativeness refers to a willingness to support creativity and experimentation in introducing new products, becoming technological leaders, and developing new processes. Innovation is the creation of new knowledge and ideas to facilitate new business outcomes, aimed at improving internal business processes and structures and to create market driven products and services. Innovation encompasses both radical and incremental innovation.

Innovation strategy provides a clear direction and focuses the effort of the entire organization on a common innovation goal. (Oke, 2004) suggested that the first step in formulating an innovation strategy is to define what innovation means to the firm or the areas of focus in terms of innovation. By understanding the drivers of innovation needs, a firm can develop its focus areas for innovation. Kuczmarski and Associates (1994) suggested that more successful firms had more tangible and visible signs of management commitment to new product development especially in terms of providing adequate funding and resources, than less successful firms (Mercer Management Consulting, 1994). The study also reveals that the management of high performing companies was visibly and tangibly committed to new product development and explicitly formulated and communicated the firm's new product development strategy.

The Human Resource Management element of innovation deals mainly with people and organization climate issues: the underlying impetus of innovation management is the need to create an environment where employees are motivated to contribute to innovation. An effective human resource policy that supports innovation and encourages the development of an innovative organization is needed. (O'Reilly & Tushman, 1997) suggested that firms should focus on norms that support creativity and implementation in order to build an innovative culture. Rewarding employees for their innovation effort is one way to build an innovative culture. One of the most important roles that organizational culture plays in sustaining competitive advantage may be through its maintenance support for capabilities through the socialization of new employees.

Building a strong brand in the market is the goal of many organizations in creating innovation strategies (Hooley et al., 2005). This is because it provides a host of benefits to a firm, including less vulnerability to competitive marketing actions, larger margins, and greater intermediary co-operation and support and brand extension opportunities. The most recent literature (Falkenberg, 1996; Srivastava et al., 2001) considers brand equity as a relational market-based asset because it exists outside the firm and resides in the relationships of final users with brands. At the same time, the emergence of relationship marketing as a dominant focus of both marketing theorists and practitioners suggests that trust is the main factor on which a relationship is based.

Process innovation means improving the production and logistic methods significantly or bringing significant improvements in the supporting activities such as purchasing, accounting, maintenance and computing (Polder et al., 2010). OECD (2005) defined the



process innovation as implementation of the production or delivery method that is new or significantly improved. Process innovation includes bringing significant improvement in the equipment, technology and software of the production or delivery method. Firms bring novelties in the production and delivery method to bring efficiency in the business. The new method must be at least new to the organization and organization had never implemented it before. The firm can develop new process either by itself or with the help of another firm (Polder et al., 2010). Firms bring process innovation to produce innovative products and amendments are also brought in their processes to produce the new products (Adner & Levinthal, 2001). To decrease the production cost, firms go for bringing process innovation. The process innovation is reflected by the cost of the product (Olson et al. 1995). Firms adopt new process to compete with other firms; they have to bring the process innovation to satisfy their customers. The process innovation, especially in the manufacturing organizations, can have significant impact on the productivity of the firms. The historical case studies showed that bringing automation in the production methods has increased the efficiency and productivity of the organizations (Ettlie & Reza, 1992).

Product innovation is the creation and subsequent introduction of a good or service that is either new, or an improved version of previous goods or services. This is broader than the normally accepted definition of innovation that includes the invention of new products which, in this context, are still considered innovative.

The development of new products, changes in design of established products, or use of new materials or components in the manufacture of established products (Policy Studies Institute, 2010). Numerous examples of product innovation include introducing new

products, enhanced quality and improving its overall performance. Product innovation, alongside cost-cutting innovation and process innovation are three different classifications of innovation which aim to develop a company's production methods (Hoang & Paul, 2010).

A business that is capable of differentiating their product from other businesses in the same industry to large extent will be able to reap vast amount of profits. This can be applied to how smaller businesses can use product innovation to better differentiate their product from others. Product differentiation can be defined as "A marketing process that showcases the differences between products. Differentiation looks to make a product more attractive by contrasting its unique qualities with other competing products. Successful product differentiation creates a competitive advantage for the seller, as customers view these products as unique or superior (Investopedia, 2014). Therefore, small businesses that are able to utilize product innovation effectively will be able to expand and grow into larger businesses, while gaining a competitive advantage over its remaining competitors.

Businesses that once again are able to successfully utilize product innovation will thus entice customers from rival brands to buy its product instead as it becomes more attractive to the customer (Hoang & Paul, 2010). One example of successful product innovation that has led to brand switching is the introduction of the iPhone to the mobile phone industry (which has caused mobile phone users to switch from Nokia, Motorola, Sony Ericsson, etc to the Apple iPhone).

A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing (OECD Oslo Manual, 2005). Marketing innovations target at addressing customer needs better, opening up new markets, or newly positioning a firm's product on the market with the intention of increasing firm's sales. Marketing innovations are strongly related to pricing strategies, product package design properties, product placement and promotion activities along the lines of four P's of marketing (Kotler, 2001).

Organizational innovation strategy According to Davila (2006) a company's innovation strategy needs adjustment over time. A number of internal and external factors affect the selection of the best innovation strategy. These affect the choice of the innovation strategy and the shape of the portfolio or play to win or play not to lose. The purpose of innovation is to create business value. That value can take many different forms, such as incremental improvements to existing products, the creation of entirely new products and services, or reducing costs, etc. The reason to do this is because we want our enterprise to survive, and to grow, and in a rapidly changing market the only way to do either is to innovate effectively. In the history of business, it's clear the effective innovators have a better chance of surviving, and non-innovators tend not to survive at all. The method of innovation is to develop ideas, refine them into a useful form, and bring them to fruition the market where they will hopefully achieve profitable sales or in the operation of the business where they will achieve increased efficiencies.

## **2.4 Factors Influencing Application of Innovation Strategies**

Some companies choose a strategy that involves constant innovation to be a technological leader. For such firms, the perception of newness, of constant innovation, is critical to carrying out their chosen strategy. Other companies choose a strategy that emphasizes stability, reliability, and a clear implication that the old familiar product or service will be there when the customer wants it. For firms whose marketing strategy is strong on stability, the perception of change may be harmful to the execution of their strategy. This does not mean that they will not or should not entertain any innovation at all. It does mean that they need to favor at least the appearance of stability over change whenever they can (Booz & Hamilton, 1982).

### **2.4.1 Organizational Culture**

If technical and cultural factors stimulating innovation and change are lacking, the actors will resist necessary change (Scott, 1991). Successful idea generation can be seen as a function of culture and attitudes rather than a specific process for idea generation, according to Wightman (1987). Innovation depends on a special approach by both individuals and organizations. A distinction can be made between a segmental and an integrative approach to problems and solutions. In integrative thinking, problems are seen as a whole, related to larger wholes, and thus challenge analytical thinking. The actors combine ideas from unlinked sources, and grasp change as a way of testing boundaries (Kanter, 1983).

In segmental thinking, the focus is on problem solving and analytical thinking. Segmentalism presupposes that problems can be solved when divided into parts, and the parts are left to specialists who for the most part work individually. This way of thinking is designed to protect against change and deviation from centrally predetermined outcomes, and to secure sufficient respect on the part of the actors for this strategy, according to Kanter (1983). What separates innovative from non-innovative companies, among other things, is that innovative companies focus on the integrative nature of culture, according to (Kanter, 1983).

Another factor with potential to influence the culture is how IT is made accessible in the organization. If IT and information is reserved for groups or persons on an exclusive basis, the culture can develop segmentalistic qualities. The same effect may occur if an IT environment strongly focused on technical features is developed, separating technicians and users, thus creating two different groups and cultures.

#### **2.4.2 Management Value**

If top management has the inclination to be innovative there is little that other members of the company can do to generate and encourage an effective innovation policy, (Rothwell, 1977). Successful innovations are also associated with an open management style, Burns (1966), which can be reinforced by means of communication-related IT. Kanter (1983) maintains that management must persuade rather than order, and that it is necessary to recognize the expertise of those subject to management to generate effective changes. Increased education leads to demands for autonomy, flexibility and freedom. This creates new forms of management and threatens old authorities, according to (Kanter, 1983).

In a study of large innovative companies Quinn (1985) found, among other things, that innovation would emerge continuously, because top management would appreciate innovation and would contribute actively to keep up the value system and atmosphere of the company in a manner supporting innovations. Van de Ven (1986) suggests that the holography metaphor be used to design the innovation process so that more of the whole is structured into each of the parts. He proposes four holographic principles to lead the partial/total relation: self-organizing groups, sufficient variation, redundant functions, and up-to-date coupling.

### **2.4.3 External Environment**

The majority of successful innovations refer to recognition of demands in the market (Rothwell 1977). Lee and Treacy (1988) have shown, in their article, that an unstable environment generates increased potential for innovation. But it requires an organization intent on being up-dated and well-informed about changes in the environment. Contact with the environment through the development of external information systems, for example, can reduce the insecurity for the individual company (Johannessem & Hauan, 1993). The need for innovation or major changes generates a demand for IT in order to ease the innovation process (Lee & Treacy, 1988).

Information technology can also be used to develop new goods and services (Morgan, 1989). We already see, today, the development of so-called “smart products”. These are goods with built-in computers providing them with new qualities. We are also getting products designed to fill a number of functions. More and more services run by the individual user through active use of IT are also coming. With the present-day technology

the life of goods and services will be considerably shorter in many trades. This will affect the design of the products. In Gareth Morgan's opinion it might be an idea to develop products changeable by means of component replacement, or electronic chip replacement, which would increase the degree of innovation potential. Information systems facilitating customer use of data-bases and improved facilities for communication in order to ease access to information can precipitate customer-induced innovation (Lee & Treacy, 1988).

#### **2.4.4 Co-ordination and Service**

Our present day society can be characterized by three entities: turbulence; complexity; Knowledge. Increased knowledge will, among other things, generate a rapid development in information technology, communication technology, research and development technology, advertising technology etc. This will, in turn, reduce the psychologically perceived geographical distance between various systems. Also cultural differences could be diminished. This will, in turn, probably mean more rapid innovations and speedier dispersal of these. As a consequence this will lead to increased technical, economic and social specialization.

These are all factors generating increased complexity in the environment and must be taken into account by companies. What has been deduced previously indicates that companies must act with the utmost caution when thinking in service terms. This is because the negative aspects of their products and services will be dispersed and displayed, and eventually hit the company itself like a boomerang.

On the basis of their own utility considerations companies will also be forced to incorporate moral and ethical considerations in their strategy. The above-mentioned chain of thought constitutes a new dimension, until a few years ago completely redundant in company thinking. We have developed a technology the consequences of which we cannot foresee. The moral and ethical perspective will therefore be more and more obvious as the consequences of past actions become more and more obvious. How can we use IT to increase the service quality and communication with the customers? Communication and co-operation was one of the factors unanimously agreed on in the innovation studies made by Rothwell (1977). The same study indicated that unsuccessful innovations could be associated with bad communication, both internally and externally.

#### **2.4.5 Technical Capabilities**

Technical capabilities-The amount of technology innovation depends to a large extent upon the current capabilities that the company has internally or can access through its innovation network. Accompany that has traditionally competed on its marketing skills and incremental technology improvements will have a tough time suddenly including a semi radical technology dimension to its strategy (Mark, 2006). First, Organizational capabilities -the ability to nature innovation also depends on whether the company has the organizational capabilities to do it than shifting to a more radical innovation approach will not happen if the organizational and management capabilities are not present. Secondly, Success of the current business model-the difficulty that successful companies have in changing has been repeatedly documented. It has been described as core capabilities becoming core rigidities or the inability to grow internal ventures in successful companies.



Thirdly, Funding- having the necessary economic resources in an obvious, albeit sometimes forgotten, requirement. However too much funding may be as dangerous as too little finding. For example the startups of the late 1990's and early 2000 were funded with a lot of money than they actually needed. The result was a waste, misallocation of resources chasing business models that were inadequately tested. A less generous funding environment forces innovation teams to carefully plan and test the assumptions of the model before scaling up top management Vision. The last internal factor is top managements vision. Management has a large set of options to position the company, and management talents have a very relevant role in selecting and evolving the company's innovation strategy (Jin, 2006).

#### **2.4.6 Leadership**

Leadership is a process that helps create the desired change by being able to provide direction setting, aligning people to achieve the vision and mission, and by galvanizing, inspiring and motivating the people (Kotter, 1990).

#### **2.4.7 Internal Communication**

The communications transactions between individuals and/or groups at various levels and in different areas of specialization that are intended to design and redesign organizations, to implement designs, and to co-ordinate day-to-day activities (Frank & Brownell, 1989).

#### **2.4.8 Flexibility and Adaptability**

Flexible organizations are more probable to up hold change and make a setting that remains open to invention as well as communication (Jung-Chi & Chi-Hung, 2008). This presents an illustration that rightfully receives cultural multiplicity and helps to elucidate

innovation strategy implementation. Organizational culture can serve many functions, such as unifying the organization's members and aids in creation of a set of general standards or rules in an organization that staff should follow (Heide, Grønhaug & Johannessen, 2002).

#### **2.4.9 Goal Unification**

Flexible, well-built and integrated cultures advance innovation strategy implementation and influence execution in a constructive manner by supporting the set goals. Goals can become aligned to each other when the cultures of the organization work to concentrate on efficiency and accomplishing the organization's principal mission (Brenes, Mena & Molina, 2007; Darmin et al., 2013). This may comprise of having products being delivered to clients on time, selling out more goods than the chief rivals of the organization. This brings results to the organization, as it makes sure that all jobs done by every person in the organization concentrates on achievement and on the strategic significance of the organization. This enables culture to be in line with implementation of innovation strategy at the most fundamental level. So that this level of amalgamation to work, setting of objectives must be in line with and get support of the systems, rules, practices and procedures within the organization, in so doing helps to attain innovation strategy implementation and enduring the cultural uprightness of the organization (Brenes, Mena & Molina, 2007).

#### **2.4.10 Process Implementation**

A fraction of the cultural configuration as well as innovation strategy implementation entails process implementation. The processes may comprise of the utilization of technology to mitigate achievement of goals and the outcome that an organization is in the hunt for when working with clients to meet their wants (Chimhanzi, 2004). While mostly the tough predicaments and needs of an organization get fulfilled, the culture turns out to be abandoned in the process. That is now where processes come into consideration and strategy implementation steadily comes into reality of upholding and keeping up with the culture of the organization and strategies (Chimhanzi & Morgan, 2005).

#### **2.4.11 Cultural Alignment**

Culture is said to align with innovation strategy implementation when an organization is capable of functioning efficiently in the universal market. Culture lets leaders within an organization to work both separately and as a team so as to develop innovation strategic plans within the organization. These may consist of creating new joint ventures and re-instituting previous ones to go on distributing the finest possible goods and services to a universal market (Akan et al., 2006).

### **2.5 Empirical Literature Review and Research Gap**

Many studies have explored the relationships between firm performance and brand image, HR (Enz, 2008), and IT (Jonsson & Devonish, 2009) and that between organizational structure and organizational success (Barth, 2003) but the role played by organizational structure and the question of whether a mechanistic or organic such structure is more appropriate for business implementation are largely unexamined issues.

Further, the nature of the relationship between – or the respective roles played by – organizational structure and performance has not yet been clearly identified (Tarigan, 2005). For firms to strengthen the internal processes is to ensure it identify the firms strengthen, organizational structures in order to ensure effectiveness and success of the firm. This can be achieved through training and coaching of the management and staff to improve on specific skills and implement structural charges. This improve the morale of the employees leading to the effective performance of the firm.

When a firm designs, produces, and sells a comparable product more efficiently than its competitors as well as its market scope is industry-wide, it means that the firm is carrying out the cost leadership strategy successfully (Parnell, 2000). Firms often drive their cost lower through investments in efficient-scale facilities, tight cost and overhead control, and cost minimizations in such areas as service, selling and advertising (Porter, 1980). They often sell no-frills, standardized products to the most typical customers in the industry. Thus, the primary thing for a firm seeking competitively valuable way by reducing cost is to concentrate on maintaining efficiency through all activities in order to effectively control every expense and find new sources of potential cost reduction (Dess & Davis, 1984).

Sinha (2000) suggests two strategies for price discrimination: price lining and smart pricing. Price lining refers to the practice of offering the same products or services at various price points to meet different customers' needs. For example, American Online charges five different rates that vary according to subscriber usage. Smart pricing refers to the practice of charging various prices from market to market, depending on market

conditions and differences in how customers value the product as was the case for the pricing strategy of Staples.com. Most of these studies have been undertaken to analyze competitive innovation strategies in developed countries gains in the whole economy, but none of these studies have tried to analyze the factors that influence application of innovation strategies at royal media services.

## **2.6 Chapter Summary**

This chapter presented a review of literature on the factors that influence application of innovation strategies at royal media services. The chapter commenced with an introduction followed by the theoretical review on resource based view theory, knowledge based view theory and theory of strategic balancing, empirical literature and research gap.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter highlights the methods and procedures that the research adopted in carrying out the study. This chapter focuses on the research design, methods of data collection, the population, data collection instruments and procedures, and the data analysis.

#### **3.2 Research Design**

A case study research design was adopted. According to Kothari, (2006) a case study design is a way of organizing data and looking at the object to be studied as a whole, a case study makes a detailed examination of a single subject or a group of phenomena. Case approach helps to narrow down a very broad field or population into an easily researchable one, and seeks to describe a unit in details, in context and holistically, (Kombo & Tromp, 2006). The study hence considers case study design suitable since data was gathered from a single source; Royal Media Services and used to represent the factors that influence application of innovation strategies at royal media services.

#### **3.3 Data Collection**

The study employed face to face interview as a primary data collection method. Primary data is data that has not been previously published, that is, data derived from a new or original research study and collected at the source. It is information that was obtained directly from first-hand sources for example by means of surveys, observation or experimentation. An interview guide was employed as the sole research instrument. The researcher used the interview guide to gather information from top management staff of

Royal Media Services as they are the one aware of factors that influence application of innovation strategies at royal media services. The interview guide had have open-ended questions. The study targeted sixteen respondents from Royal Media Services. The researcher used a likert scale questionnaire as the main data collection instrument. Secondary data sources was employed with previous documents or materials to supplement the data received from questionnaires.

### **3.4 Data Analysis**

The data was analysed using content analysis. Content analysis enabled the researcher to sift through large volumes of data with relative ease in a systematic fashion. It can be a useful technique to discover and describe the focus of individual, group, institutional, or social attention. It also allowed inferences to be made which can then be corroborated using other methods of data collection (Weber, 1990).

Qualitative content analysis does not produce counts and statistical significance. It uncovers patterns, themes, and categories important to a social reality. Presenting research findings from qualitative content analysis is challenging. Although it is a common practice to use typical quotations to justify conclusions (Schilling, 2006), the study incorporated other options for data display, including graphs and charts (Miles &Huberman, 1994). Qualitative research is fundamentally interpretive, and interpretation represents your personal and theoretical understanding of the phenomenon under study.

### **3.5 Chapter Summary**

This chapter presents the procedure that was used in collecting and analyzing data. It begins with a research design, data collection instrument and finally data analysis methods.

## **CHAPTER FOUR**

### **DATA ANALYSIS FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

This chapter presents data findings from the field, its analysis and interpretations. The data was gathered through interview guides and analyzed using content analysis. The data findings were on the factors that influence application of innovation strategies at royal media services. According to the data finding, all the directors and other staff in the ranks of management such as top managers, middle level managers and lower level managers projected in the previous chapter to be interviewed were interviewed which makes a response rate of 100%. The commendable response rate was achieved after the researcher made frantic efforts at booking appointments with the heads of departments despite their tight schedules and making phone calls to remind them of the interview.

#### **4.2 Findings**

##### **4.2.1 Demographic Information**

The study, in an effort to ascertain the interviewees' competence and conversance with matters regarding Royal Media Services asked questions on the position that the interviewee held in the Royal Media Services. According to the data findings, all the interviewees were either directors or managers in charge of various departments in the Royal Media Services. On the highest level of education, the study found that most of the interviewees had at least a University Degree as their highest level of education while others had a Masters Degree and a PhD. Degree. The researcher also asked a question on the years that the interviewees had worked for Royal Media Services. According to the interviewees' response, all of them had worked for the Royal Media Services for at least



four years as most promotions are internal, within the organization. The interviewees' responses hence had the advantage of good command and responsibility being that they were directors and managers and had experience and aptitude owing to their years of experience in the Royal Media Services.

#### **4.2.2 Application of Innovation Strategies**

The interviewees were in agreement that the importance organizations have a formal documented mission and vision statements that helps in the alignment of the Royal Media Services to the operating environment enabling it to have a competitive advantage over its rivals. They also indicated that the missions and vision statements are reviewed quite often Royal Media Services was able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment during innovation strategy by engaging in proactive environmental scanning to ensure there is alignment of the strategies to the environment.

To the question does your organization have an innovation strategy in place the interviewees agreed that their organization had innovation strategy in place. The interviewees also indicated that innovation strategy at Royal Media Services involved putting the strategic decision reached during the planning, into action. To the question on the importance of management ability, or competence, in achieving successful innovation strategy implementation, the interviewees intimated that the management should be competent so as to ensure good innovation strategy objective setting, achieve strategic awareness, manage resistance to innovation strategy implementation, giving a clear guidance, sustain vigorous innovation strategy implementation efforts, align structure to strategy, envision change for future competences and critically assess current strategy.

To the question on which year was the current Innovation strategy developed the interviewees indicated that the current Innovation strategy was developed in the year 2013, on which Innovation strategies does Royal Media Services use to create a SCA interviewees indicated that Management develops the strategy and communicate the role of innovation within a company, decide how to use technology and drive performance improvements through the use of appropriate performance indicators. The first step Royal Media Services use to create a SCA is by formulating an innovation strategy and define what innovation means to the firm or the areas of focus in terms of innovation. By understanding the drivers of innovation needs, then the firm develops its focus areas for innovation.

To the question on how many Product Innovation strategies has the organization made in the last 5 years? The interviewees indicated that Product Innovation strategies which has been made in the last 5 years are three were they began by giving the definition of product innovations, which they indicated it refers to the development and introduction of new or improved products and/or services, and process innovations, which involve the adoption of new or improved methods of manufacture, distribution or delivery of service. The product innovation in the company leads to business growth, strong market for the products/services, old products are updated and also there is new product development in the company. On process of innovation” interviewees indicated that process of innovation helps to focus the study of innovation strategies by organizations. Finding shows that procession approaches to change implementation can be used with equal validity in organizations. Leonard-Barton (1995) states that the process of innovation requires ongoing maintenance and renewal because the capability to innovate is much easier lost than it is to acquire. Furthermore, the implementation of innovation strategies requires a supportive organizational structure.

To the question on what steps has Royal Media Services taken to enhance HR Innovations? Royal Media Services taken the following steps to enhance HR staffing, selection, job design, training and (career) development, performance appraisal and compensation. Further, there is an increasing tendency to also consider more strategic level functions such as human resource planning and forecasting.

On the role that Organizational structure plays in the process of in supporting Innovations within Royal Media Services at Royal Media Services, the interviewees agreed unanimously that proper communication of strategic awareness can act as a cohesive force and succeed in connecting those with ultimate responsibility for organisations with those who directly implement policies at the sharp. According to some employees, Organizational structure is pervasive in every aspect of in supporting Innovations within Royal Media Services, and it is related in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an impact on the implementation process and also enhances timely feedback on the progress and challenges met in the process of supporting Innovations within Royal Media Services.

The interviewees on How has the leadership and management of Royal Media Services been supporting the Innovation process unanimously agreed that the leadership and management of Royal Media Services been supporting the Innovation and has taken initiatives that include encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviours with those of the firm, continuous staff training and development, implementing reward and benefits systems including frequent recognition given in less formal ways, ensuring a conducive working

condition by focusing on relations between peers through effective staff meetings that allow opportunities for discussion interaction and proper Innovation process. The interviewees also reiterated that the requirements for a successful Innovation process implementation at the Royal Media Services were such as effective Innovation process communication, involvement of all stakeholders, management commitment and coordination of activities during the Innovation process.

To the question on how effective would you consider the innovation strategies adopted by Royal Media Services in creating a sustainable competitive advantage? the interviewees concurred that the innovation strategies adopted by Royal Media Services was very effective and it entail assessment of the organizational capabilities and behavior needed to move from what the company is to what it needs to become; determination what work processes would be required to implement the innovation strategy and design current work processes to fit those requirements, identification of what information needs the work processes generate, and determination of what information systems and databases would be required to meet those needs and determine which organizational structure would best support those innovation strategy processes.

#### **4.2.3 Factors that Influence Application of Innovation Strategies**

On factors influence development of Innovation strategies at Royal Media Services the interviewees indicated that factors influencing development of Innovation strategies at Royal Media Services include clear aims and planning, and a conducive climate, giving implementation priority, having abundant resources, an appropriate structure and implementing flexibly, organisational structure, control mechanisms strategic consensus, leadership and positive attitude towards development of Innovation strategies success.

On what challenges are there in the development and implementation of Innovation strategies All the interviewees unanimously agreed that the challenges that are there in the development and implementation of Innovation strategies were such as the processes taking long than expected and sometimes failure in the Innovation strategy implementation. The interviewees were in accord that they face the challenge of Innovation strategy implementation time being underestimated and thus most of the implementers have a deadline that is merely an approximation due to the occurrence of unexpected developments. According to some interviewees, the Royal Media Services experiences delays by external business partners in providing the expected support in time.

On how easy is it for competitors to match innovation strategies the interviewees were in agreement that it was not easy for competitors to match innovation strategies since Royal Media Services Limited was involved in strategic decision planning, the interviewees intimated that the management was competent in ensuring good strategy objective setting, strategic awareness, managing resistance to strategy implementation, giving a clear guidance, sustain vigorous strategy implementation efforts, align structure to strategy, envision change for future competences and critically assess current strategy.

### **4.3 Discussion**

This section focuses on a detailed discussion of the major findings of the study which also entails comparing the study findings to the literature in order to come up with comprehensive conclusion. Discussion of the findings is as follows: According to findings it was found that innovation depends on a special approach by both individuals and organizations. A distinction can be made between a segmental and an integrative approach to problems and solutions. In integrative thinking, problems are seen as a whole, related to larger wholes, and thus challenge analytical thinking.

The study revealed that Organizational capabilities such as-the ability to nature of innovation depends on whether the company has the organizational capabilities to do it than shifting to a more radical innovation approach will not happen if the organizational and management capabilities are not present. Secondly, Success of the current business model-the difficulty that successful companies have in changing has been repeatedly documented. It has been described as core capabilities becoming core rigidities or the inability to grow internal ventures in successful companies.

To the question does the organization have an innovation strategy in place the interviewees agreed that their organization had innovation strategy in place. The interviewees also indicated that innovation strategy at Royal Media Services involved putting the strategic decision reached during the planning, into action. To the question on the importance of management ability, or competence, in achieving successful innovation strategy implementation, the interviewees intimated that the management should be competent so as to ensure good innovation strategy objective setting, achieve strategic awareness, manage resistance to innovation strategy implementation, giving a clear guidance, sustain vigorous innovation strategy implementation efforts, align structure to strategy, envision change for future competences and critically assess current strategy.

#### **4.4 Chapter Summary**

This chapter presents the data analysis, findings and Discussion it begins with the introduction of the chapter, demographic information findings and finally findings of the study variables.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presented the summary of key data findings, conclusion drawn from the findings highlighted and recommendation made there-to.

#### **5.2 Summary**

The study found that the importance of innovation strategies to the royal media services success is that it helps in the alignment of the royal media services to the operating environment enabling it to have a competitive advantage over its rivals and the royal media services able to position and relate itself to the environment to ensure its continued success and also secure itself from surprises brought about by the changing environment during innovation strategy implementation by engaging in proactive environmental scanning to ensure there is alignment of the innovation strategies to the environment. The study collates with the literature on the importance of management ability, or competence, in achieving successful innovation strategy, where the study found that the management should be competent so as to ensure good strategy objective setting, achieve strategic awareness, manage resistance to strategy implementation, giving a clear guidance, sustain vigorous Innovation strategy implementation efforts, align structure to strategy, envision change for future competences and critically assess current strategy.

The researcher further found that senior managers, directors, middle managers, departmental heads and other lower level employees are involved in innovation strategy implementation process at the royal media services but the middle level managers play the pivotal role in the innovation strategy implementation.

On the role that organizational structure plays in the process of innovation strategy at royal media services Limited , the researcher found that proper organizational structure of strategic awareness can act as a cohesive force and succeed in connecting those with ultimate responsibility for organizations with those who directly implement policies at the sharp; organizational structure is pervasive in every aspect of innovation strategy implementation, and it is related in a complex way to organizing processes, organizational context and implementation objectives which, in turn, have an impact on the strategy innovation process and also enhances timely feedback on the progress and challenges met in the process of innovation strategy implementation. The researcher also found that effective organizational structure throughout leads to a clear understanding of key roles and responsibilities of all stakeholders including middle managers, whose role is often pivotal and ensures that everybody understands success levels at all times.

On the What steps has Royal Media Services taken to enhance HR Innovations, the researcher found that training has a step Royal Media Services has taken to enhance HR Innovations instills to the employees a set of management competencies which it is hoped will deliver better competitive and commercial practice; Staff training is an important contributor to individual and group motivation; training can increase staff involvement in the organization, improve communication between peers; facilitate change, eliminates confusion since everybody understands his or her role.



On factors influencing development of Innovation strategies at Royal Media, the research found that factors leading to strategy implementation success include clear aims and planning, a conducive climate, giving implementation priority, having abundant resources, an appropriate structure and implementing flexibly, organizational structure, control mechanisms, strategic consensus, leadership and positive attitude towards innovation strategy success. The research found that the Royal Media faces the challenge of innovation strategy implementation time being underestimated in and thus most of the implementers have a deadline that is merely an approximation due to the occurrence of unexpected developments and also experience delays by external business partners in providing the expected support in time.

On some of the challenges that surface during innovation strategy that had not been anticipated, the research found that political turbulence was the most important issue facing any innovation process. Other challenges include supporters of the strategic decision leaving the organization during implementation. Other factors in the external environment that had an adverse impact in innovation strategy implementation at the Royal Media were found to include increasingly sophisticated customers and management practices, escalating globalization, more prevalent and subtle product differentiation, credit crunch, political environment, breakneck competition from other media services.

The research found that some of competing activities that cause distractions inhibiting innovation strategy implementation include too many conflicting priorities, The research further found the challenges posed by the inadequacy of information systems used to

monitor innovation strategy implementation include the implementers not knowing how effective the innovation strategy implementation have been, may lead to loss of opportunities, lack of timely feedback and false report on progress and consequently ultimate failure.

### **5.3 Conclusion**

From the study, the research concludes that the management should be competent so as to ensure good innovation strategy objective setting, achieve strategic awareness, manage resistance to strategy implementation; early involvement of firm members in the strategy process helped members understand super-ordinate goals, style, and cultural norms and thus become essential for the continued success of a firm innovation strategy implementation, puts all members at the same platform, and helps the employees to own the process thus ensuring better results.

The study also concludes that the management has taken initiatives in creating and sustaining a climate within the firm that motivates employees in their implementation that includes; encouraging teamwork, maintaining a powerful culture that results in employees aligning their individual goals and behaviours with those of the firm, continuous staff training and development, implementing reward and benefits systems including frequent recognition given in less formal ways, ensuring a conducive working condition by focusing on relations between peers through effective staff meetings that allow opportunities for discussion and interaction and proper communication. The study also concludes that factors leading to innovation strategy implementation success include clear aims and planning, conducive climate, giving implementation priority, having

abundant resources, an appropriate structure and implementing flexibly, organisational structure, control mechanisms, strategic consensus, leadership and positive attitude towards innovation strategy implementation success.

#### **5.4 Recommendations and Implications for Policy and Practice**

From the discussions and conclusions in this chapter, the study recommends that although royal media services has been successful in the innovation strategy, in order to remain profitable and competitive in the market, the media should continuously train its employees on how the innovation strategy should be implemented, involve staff in decision making and employ an efficient communication system that avails information on strategy to all stakeholders. The study further recommends that the royal media should involve all members in the innovation strategy implementation.

The study will be of great importance to the management of Royal Media Services as they will understand how the application of innovation strategies Royal Media Services affects growth of Royal Media Services; this will help them to know they can assist small Media Services to grow through the innovation strategies. The study will be of importance to the owners of media services as they will understand the opportunities available to them in. This will assist them in taking up the available opportunities which will enhance their growth. The finding of this study will be of great importance to policy makers in the media services in the county and national government in addressing the issues that affect application of innovation strategies. This study will be of great importance to future and scholars and academicians as it will form the basis for future research.

### **5.5 Limitations of the Study**

The researcher encountered various setbacks which tended to hinder access to the information sought by the study. The study sought information from top management staff of Royal Media Services. This process of interview was tedious and time consuming. Further the respondents were reluctant in giving out the information. Another setback was difficulty in getting official permission by the management of Royal Media Services. However the researcher engaged staff members to get the assistance. In addition most of the respondents were busy throughout and had to continuously be reminded and even persuaded to provide the required information. Time- Due to official duties time was also a major concern.

### **5.6 Area for Further Research**

The study was on the factors that influence application of innovation strategies at royal media services. There is need to assess other variables that have not been used in the study to determine their influence on the application of innovation strategies at royal media services. The researcher further recommends that a similar study be done on other institutions for the purposes of benchmarking. From the findings and conclusions in this chapter, the study recommended that for all the royal media services to earn more profit, increase number of customers, for their business to grow further and also for them to invest more they should embrace the adoption of the innovative strategies. The study also recommended that for royal media services to successfully adopt the innovation strategies, it should ensure that the staff are well knowledgeable/trained on the necessary skills required to adopt these strategies, the royal media services should also set aside enough budget for the adoption of these strategies.

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# APPENDICES

## Appendix I: Letter of Introduction



UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
MBA PROGRAMME

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE... 14/09/15

### TO WHOM IT MAY CONCERN

The bearer of this letter... LIBERTINE WABO W. KIMURA

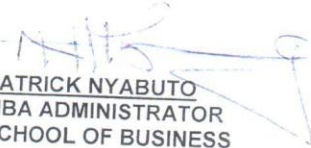
Registration No. DL/P/7152/14

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
PATRICK NYABUTO  
MBA ADMINISTRATOR  
SCHOOL OF BUSINESS



## **Appendix II: Interview Guide**

This Interview guide is designed to collect data from Royal Media Services on factors that influence application of innovation strategies at royal media services. The data shall be used for academic purposes only and will be treated with strict confidence. The following sections provides sample questions to be used carrying out the interview.

### **PART 1: RESPONDENT'S BACKGROUND REVIEW**

1. What position do you hold at Royal Media Services?
2. What's the highest level of education you have attained?
3. How long have you worked at Royal Media Services?
4. In which department or division do you work?

### **PART 2: APPLICATION OF INNOVATION STRATEGIES**

1. Does your organization have a formal documented mission and vision statements?
2. How often are the missions and vision statements reviewed?
3. Does your organization have an innovation strategy in place?
4. Which year was the current Innovation strategy developed?
5. Which Innovation strategies does Royal Media Services use to create a SCA?
6. How many Product Innovation strategies has the organization made in the last 5 years?
7. What Process Innovation strategies has been introduced?
8. What steps has Royal Media Services taken to enhance HR Innovations?
9. What wellness activities has Royal Media Services taken to improve the working condition of the employees?
10. How will you consider the Organizational structure in supporting Innovations within Royal Media Services?

11. How has the leadership and management of Royal Media Services been supporting the Innovation process?

12. How effective would you consider the innovation strategies adopted by Royal Media Services in creating a sustainable competitive advantage?

**PART 3: FACTORS THAT INFLUENCE APPLICATION OF INNOVATION STRATEGIES**

1. What factors influence development of Innovation strategies at Royal Media Services?

2. What challenges are there in the development and implementation of Innovation strategies?

3. How easy is it for your competitors to match your innovation strategies?

4. What is Royal Media Services capability to acquire knowledge and technology through external linkages and networks?