

The Ways of Corporate Innovation: A Review Analysis

Jingyao Zhuang^{1*}

¹ School of Business, Department of finance and information system, University of Auckland, 6000, New Zealand
Email: jzhu766@aucklanduni.ac.nz

ABSTRACT

Innovation is a necessary factor for a company to find a way to survive. Only through continuous innovation can an enterprise seek long-term development. If an enterprise does not know how to innovate and pursue improvement, the life of the enterprise will soon stop and it will be on the risk of dying. The essence of innovation is the need for enterprises to break through their own limitations and create more new systems and initiatives to meet the needs of the economic market under the only conditions available, so as to stay at the forefront of the trend of the times, cast a solid foundation for the enterprise, win the fierce market competition, and bring new growth points for the enterprise. This paper focuses on the theme of corporate innovation and first empirically analyses the importance of corporate innovation including in terms of technology, staff allocation by management and employee rights for a company. Then, this study reviews the various ways of corporate innovation such as management innovation and marketing strategy innovation that can further help a firm to seek long-term development.

Keywords: Corporate Innovation, Technology, Employees, Marketing Strategy

1. INTRODUCTION

Throughout the development of the social economy, innovation guides the evolution of human civilization, and innovation contains the infinite vitality of human development. In the review of businesses, innovation is the cornerstone of growth and the source of long-term viability. Therefore, it is particularly significant to explore corporate innovation.

Based on the existing literature, this paper first explores the importance of corporate innovation. To be specific, practical enterprise innovation can first help enterprises establish core competitiveness in the increasingly fierce market competition to create new development space and wealth for the society. Secondly, it can operate and deal with company affairs more efficiently. It can also explore and innovate in unfamiliar fields to create better products to help enterprises establish brand image and increase corporate income [1-3]. It can also explore and innovate in unknown areas to develop better products to help enterprises build brand image and increase corporate revenue [1]. This paper then explores the use of management innovation and marketing strategy innovation.

The main work of this paper is as follows: firstly, based on the existing literature, this paper analyzes the importance of corporate innovation in terms of

technology/staff allocation by management/employee rights; secondly, this paper compiles the existing literature on two types of corporate innovation: management innovation and marketing strategy innovation; finally, based on the above literature review and compilation, this paper outlines the critical role of corporate innovation in helping companies to achieve long-term development and the possible future. Finally, based on the above literature review and compilation, this paper outlines the critical role that corporate innovation can play in helping companies achieve long-term development and possible future research directions.

2. IMPORTANCE OF CORPORATE INNOVATION

This section discusses the importance of corporate innovation from three aspects: technology/management staff allocation/employee rights. The importance of corporate innovation is the ability to innovate, and innovation is the origin of corporate development.

2.1. Technology

Technological innovation is the lifeblood of a company. That's because technology helps companies stay ahead of the competition by innovating faster, increasing productivity, and reducing costs [4]. It means

that technology is an essential tool for every company that wants to survive in today's global marketplace [5]. According to the literature, companies with solid technology stand out in a highly competitive market through superior product development and market penetration strategies. For example, Apple in the U.S. dispersed its components to countries worldwide for subcontracting, and the subcontractor sold cheap labor to generate revenue [6]. It paid meager labor costs, yet Apple's phones sold at incredibly high retail prices allowing Apple to make huge profits. It is simply because Apple in the United States has its unique technology, which is difficult for other companies to imitate. Therefore, continuous technology innovation creates social value in meeting consumer demand for technology and safeguards the company's long-term development. These make the company invincible in the market competition.

Therefore, technological innovation is fundamentally the basis for the survival and development of enterprises [4].

2.2. Staff allocation by management

Innovations in corporate management allocation can lead to the more efficient operation of the company and continued exploratory innovations in unfamiliar areas [7]. Specifically, effective corporate management allocation can clarify the company's direction, improve the company's efficiency, make the company's finances true and accurate; enhance the quality of products, and build an excellent corporate reputation [8].

2.2.1. Running the company effectively

Diversity in a company's management allocation helps ensure that the organization has a broader range of perspectives and experience, which can help the company make good decisions, clarify the company's direction, and improve the company's efficiency [8, 9]. Likewise, diversity ensures a transparent and fair system of corporate governance, which provides that all members of the company do their jobs and that the company's finances are accurate and effective and create an excellent corporate reputation for the public [9, 10]. The literature on the distribution of management in U.S. companies also shows that corporate innovation in the U.S. positively correlated with board diversity. Having a diverse board of directors allows the company to operate and conduct its affairs more efficiently [7].

2.2.2. Explorative innovation

Diversity in a company's management ranks is conducive to attracting talent from different backgrounds and generating more ideas and creative solutions. Analysis of the literature on management assignments in Chinese and U.S. companies suggests that longer-term

directors diminish innovation output on future company value and performance [11]. On the other hand, a change of directors introduces new "blood" and novel ideas. It will have a positive impact on corporate innovation. The new director will lead the staff to explore unfamiliar areas to get more innovative ideas [7].

2.3. Employee rights

The role of employees in a corporate is crucial as they can help shape and develop ideas and innovations that are beneficial to the company. Therefore, implementing practical employee equity innovations will increase employee loyalty, create corporate cohesion and improve corporate bonding, thus helping the company build a good brand reputation, develop better products and promote corporate growth. Innovation in implementing adequate employee protection data and employee equity is significant [12, 13].

2.3.1. Implementing effective employee-protected data

The importance of implementing employee data protection is to protect employees from any risk. Companies will be able to eliminate the possibility of losing valuable assets. It will also help to increase efficiency and productivity. It will also help ensure that the business does not suffer any loss or damage due to unauthorized access by individuals. A company needs to implement this system because it can help them improve their reputation and increase sales and profits [13].

2.3.2. Implement adequate employee equity

Implementing adequate employee equity can help create a positive and collaborative work environment for employees, ultimately leading to better performance [12]. It can also help employees feel that their efforts are valued and appreciated. Therefore, what are the benefits of implementing employee equity? To Increase employee engagement and motivation. Increased productivity as employees is more motivated to work harder for the company [12]. Lower turnover rate as employees feel valued and appreciated for their efforts. It leads to better retention and reduced costs associated with hiring. Increased customer satisfaction because employees are more motivated to serve and satisfy customers. Increased profitability because employee equity innovation helps create a positive work environment, which leads to improved performance [12].

3. WAYS OF CORPORATE INNOVATION

The significance of corporate innovation is that it will be a significant driving force for the growth of the future and create a competitive advantage for the company. The crucial aspect of creation is generating innovative or

different ideas in the market, which can bring out new products and services or a better way of doing things [14]. This paper will focus on how a company can adapt to the era and take adequate measures to innovate its management and marketing strategies.

3.1. Management innovation

Innovations in corporate management allocation can lead to the more efficient operation of the company and continued exploratory innovations in unfamiliar areas [7]. Specifically, effective corporate management allocation can clarify the company's direction, improve the company's efficiency, make the company's finances true and accurate; enhance the quality of products, and build an excellent corporate reputation [8].

3.1.1. Management innovation internal to the corporation

3.1.1.1. Improving entrepreneurs' innovation ability.

The main body of innovation is the entrepreneurs themselves [1]. Entrepreneurs are the most innovative and influential people to promote enterprise management innovation [1, 17]. Firms must pay attention to the construction of the entrepreneurial team; the innovative entrepreneurs must have the following qualities: First, creative thinking, good insight, and imagination, so that management has a reasonable forward-looking, scientific; Second, have a sense of risk, foresight, not afraid of failure, dare to do the work before, there is no end to the goal of perseverance; Third is the skill of innovation, in the creative thinking and not afraid of risk at the same time, but also must have a scientific basis, there are feasible operational measures; fourth is the style of the new era, in the face of the challenges of the knowledge economy, to be good at learning, dare to practice, good at unity and cooperation, especially to treat innovation failure, never satisfied, often self-challenge [1, 7, 17]. Cultivating entrepreneurs with an innovative spirit is the key to realizing enterprise management innovation [1].

3.1.1.2. Innovation of management concept

The innovation of management concept is also the innovation of management idea. Management concept is the guiding ideology of the enterprise engaged in business management activities. It reflected the way of thinking of the enterprise and is the soul of the management innovation of the enterprise [1]. Only when managers are brave enough to innovate, brave enough to pursue new things, happy sufficient to solve new problems can management activities become a pleasure, and the social and economic benefits generated are difficult to measure in value [1]. And the creation of this

situation, the most fundamental lies in managers and management organizations [1].

3.1.1.3. Establishing an effective incentive mechanism

The incentive is the core of modern management, and it has a special meaning to human resource management [18,19]. The management of the enterprise should explore the effective combination of various forms of incentives to promote the employees to actively improve and give full play to their working ability [18, 19].

3.1.2. Management innovation external to the corporation

3.1.2.1. Establishing a continuous innovation mechanism

Innovation is the soul of enterprise development. Among them, management innovation is of great significance. It is not only the change of management mode but also the establishment of an innovation mechanism to provide incentives and guarantees for the innovative activities and achievements of employees and promote the continuous creation of enterprises [10,19,20]

3.1.2.2. Innovation mechanism must be market-oriented

In the market economy, all the business results of the enterprise have to be tested by the market. All the innovation of the enterprise must create benefits for the enterprise and value for the customers. Therefore, all creation of enterprises must be subordinated to and serve the needs of market competition. The innovation process becomes the process of driving enterprises to the market and becoming the strongest in market competition [10].

3.1.2.3. Stimulate the innovation consciousness of employees

Cultivating employees' creativity is the inherent foundation of corporate innovation, which is ultimately the innovation of its members [12]. Cultivating employees' creativity is the most critical task in creating a learning organization [21]. Therefore, through a shared vision and various motivation methods, employees should have an inherent need to constantly go beyond to maximize their creative potential [12, 21].

3.1.2.4. The leadership's sense of innovation is the powerful driving force of innovation

The leader is the designer and creator of the enterprise [1, 22]. Only when leaders take the lead in implementing the new management concept can they help the internal environment form an innovation environment, make the

enterprise continue to innovate, and remain invincible in the fierce competition [1,22].

3.1.2.5. Strategic management innovation

Establishing strategic thinking is the soul and core of enterprise management innovation [23]. Strategic management is about the development direction of the enterprise [23, 24]. To be invincible in the fierce market competition, enterprises must make efforts in strategic innovation [3]. First of all, it means that the formulation and implementation of enterprise strategy should focus on global competition. In the future, the competition trend of enterprises will be the internationalization of domestic competition and the localization of international competition. Therefore, the strategy of any enterprise must be global in scope [24].

3.1.2.6 Enterprise culture innovation

Enterprise culture is the soul of enterprise development [25]. Any business promotes the values it believes in. The values they support must be recognized by employees and implemented in practice so that the values they believe in becoming the soul of the enterprise and employees. In other words, corporate culture is a set of values that guide the company and its employees, and it shows in each employee's awareness. Corporate culture is the basis for the thoughts and behaviors of the organization's members. Culture is unique, difficult to trade, and difficult to imitate, making it the source of core expertise and skills and the primary driver of sustainable development [25, 26].

3.2. Marketing strategy innovation

3.2.1 Expand their own sales channels and innovate the original sales channels

With the development of society, the further development of modern information technology, Internet technology is deeply rooted [31]. In the original sales channels, enterprises should take advantage of the development of contemporary information technology, break the spatial boundaries of the market, and use the Internet to develop sales channels [31, 32]. Combining with the sales situation of the need, we will amend the original sales channels and innovate the sales path so that the goods can achieve the maximum benefit with the minimum expense in each step [33].

Various environmental elements have become more complex because of the development of today's society and the change in information technology. Enterprises should increase the width of the original channels, find new tracks, develop new ways, and gradually realize the control of the market sales channels [31-33].

3.2.2 Shorten sales channels and improve sales efficiency

For the vast majority of enterprises, only by reducing sales links and shortening sales channels can we further reduce the expenses [34]. Only by innovating sales channels can this most fundamental requirement be realized, and only by further strengthening market development can the goal of improving efficiency and controlling sales terminals be truly realized [34]. To expand the enterprise's sales share in the market and enhance the ultimate control of the sales channel. By shortening the pathway and innovating the management concept of sales as a channel, we fully enhance the practical cooperation between distributors and manufacturers and make the enterprise gain the maximum benefit [31, 34]. Only when these three parties grow together is there a chance to achieve real mutual benefit and a win-win situation.

3.2.3 Reassemble the products to realize the combination of product sales

In the whole sales channel, the decomposition and combination of the company's products are to realize their interests and the common goal and efforts [35]. Only when the maximization of their respective interests has achieved the sales of products in the primary channels will it be in a balanced state, in which the balance has stability and long-term [36]. Firms should not ignore the overall benefit of pursuing each user's maximization in the product decomposition portfolio innovation. Companies have to maintain a high degree of consistency [35]. It is excellent that the decomposed combination of products does not need to invest massive cost. However, it only needs to deal with the contradiction and conflict across the field and maximize the benefit in the lower input [35, 36].

4. CONCLUSION

First of all, based on the existing literature, this paper analyzes the importance of enterprise innovation from three aspects of technology, management personnel allocation, and employee rights and interests. Secondly, this paper sorted out the existing literature from the entrepreneurs themselves, business concept, incentive system, management norms, strategic management, and management innovation in corporate culture, and the innovation of sales channels, shortening sales channels, and recombination of products marketing strategy in two ways of enterprise innovation. Finally, to sum up, with the development of society, innovation has become an indispensable part of society. Innovation is the core of an enterprise. Without innovation, an enterprise will lose its core competitiveness. The development of enterprises cannot leave the support of innovation. Similarly,

innovation depends on the development of enterprises. The two complement each other.

In this new era, IT plays a significant role in helping companies innovate faster and better than ever before. Therefore, the future research direction tends to be integrating future enterprise innovation in IT and business. Specifically, to explore how companies can leverage digital technology to innovate by combining it with existing practices. IT will also explore the role of digital technology in helping organizations become more agile and responsive and how an enterprise can use IT to improve collaboration between different teams within an organization. These innovative approaches have enabled many organizations worldwide, including large enterprises, to achieve significant cost savings through better use of resources and increased operational efficiency.

REFERENCES

- [1] J. Li, Y. Chen, G.Y. Tang, J.F. Jin, Q.H. Xie. (2014). CEOs' Transformational Leadership and Product Innovation Performance: The Roles of Corporate Entrepreneurship and Technology Orientation. *The Journal of Product Innovation Management*, 31(S1), 2-17.
- [2] K. Li, & T. Xu, G. Dale (2021). Board gender diversity and corporate innovation: International evidence. *Journal of Financial and Quantitative Analysis*, 56(1), 123-154.
- [3] G.D. Ni, H. Xu, Q.B. Cui, Y.N. Qiao, Z.Y. Zhang, H.K. Li, & P.J. Hickey. (2021). Influence mechanism of organizational flexibility on enterprise competitiveness: The mediating role of organizational innovation. *Sustainability (Basel, Switzerland)*, 13(1), 1-23.
- [4] H. Liu. (2021). Research on Performance Prediction of Technological Innovation Enterprises Based on Deep Learning. *Wireless Communications and Mobile Computing*, 2021, 1-12.
- [5] C. Petti, & S.J. Zhang. (2011). Explaining Technological Innovation in Chinese Enterprises: Insights from Technological Entrepreneurship. *Frontiers of Business Research in China*, 5(3), 452-471.
- [6] Tfitzpatrick. (2020). Top Apple iPhone maker Foxconn restarts key China plant with 10% of workers: Source. *Lehigh Valley Business*, Lehigh Valley Business, 2020-02-10.
- [7] H. An, C.R. Chen, Q. Wu, & T. Zhang (2021). Corporate Innovation: Do Diverse Boards Help? *Journal of Financial and Quantitative Analysis*, 56(1), 155-182.
- [8] T.J. Chemmanur, M. Gupta, & K. Simonyan (2020). Top Management Team Quality and Innovation in Venture-Backed Private Firms and IPO Market Rewards to Innovative Activity. *Entrepreneurship Theory and Practice*.
- [9] Z. Guo, K.C. Chan, J. Huang, The impact of executive diversity on corporate innovation: Evidence from the natural experiment of high-speed rail in China. *Manage Decis Econ*. 2021; 42: 219– 234.
- [10] M. Boscoianu, G. Prelipcean, & M. Lupan. (2018). Innovation enterprise as a vehicle for sustainable development – A general framework for the design of typical strategies based on enterprise systems engineering, dynamic capabilities, and option thinking. *Journal of Cleaner Production*, 172, 3498-3507.
- [11] S. Huang, C.Y. Lim, J. Ng. (2019) Not Clawing the Hand that Feeds You: The Case of Co-opted Boards and Clawbacks. *European Accounting Review* 28:1, pages 101-127.
- [12] C.C. Chen, Y.Y. Hsu, Po-Hsuan, & Podolski, J. Edward. (2016). Be nice to your innovators: Employee treatment and corporate innovation performance. *Journal of Corporate Finance (Amsterdam, Netherlands)*, 39, 78-98.
- [13] T. Li, N. Liu, M. Zhang, & W. L. (2018). Employee Protection and Corporate Innovation: Empirical Evidence from China. *Journal of Business Ethics*, 153(2), 569-589.
- [14] T. Strukelj, & Z. Sternad, Simona. (2019). Enterprise values and enterprise policy interdependence. *Ekonomika Istraživanja*, 32(1), 2 829-2849.
- [15] P.S. Rommel, & S. Yuri. (2021). HUMAN RESOURCE MANAGEMENT IN SELECTED INDUSTRIAL ENTERPRISES: INNOVATIVE TECHNOLOGY TOWARDS COMPETITIVENESS. *Academy of Strategic Management Journal*, 20, 1-10.
- [16] J.L. Birkinshaw, G. Hamel, & Mol, J. Michael. (2008). Management Innovation. *The Academy of Management Review*, 33(4), 825-845.
- [17] Q. Qiu and D. Yu. (2021), "The impacts of CEO's knowledge structure on corporate innovation strategy", *Kybernetes*, Vol. 50 No. 9, pp. 2597-2618.
- [18] S. Haneda, & Ito, Keiko. (2018). Organizational and human resource management and innovation: Which management practices are linked to product and/or process innovation? *Research Policy*, 47(1), 194-208.

- [19] C. Lin, P. Lin, F.M. Song, & C.T. Li (2011). Managerial incentives, CEO characteristics and corporate innovation in China's private sector. *Journal of Comparative Economics*, 39(2), 176-190.
- [20] L.Y. Wang, G.N. Qu, & J. Chen (2021). Towards a meaningful innovation paradigm: Conceptual framework and practice of leading world-class enterprise. *Chinese Management Studies*, Ahead-of-print(Ahead-of-print), Chinese management studies, 2021, Vol.ahead-of-print (ahead-of-print).
- [21] S.L. Gao, J.B.Chen, & Y.Y. Zhou (2019). Relationship between Team Knowledge Heterogeneity and Corporate Innovation Performance: An Empirical Study in Coastal Areas of East China. *Journal of Coastal Research*, 98(Sp1), 320-324.
- [22] I.G. Vaccaro, J.J. Jansen, V.D.B. P, A.J. Frans, & H.W. Volberda (2012). Management Innovation and Leadership: The Moderating Role of Organizational Size. *Journal of Management Studies*, 49(1), 28-51.
- [23] D.R.S. Roberto. (2001). A strategic environmental management system (SEMS): Innovation - Both entrepreneurial and technological. Is the key. *Strategic Planning for Energy and the Environment*, 21(3), 8-28.
- [24] F. Ruff. (2015). The advanced role of corporate foresight in innovation and strategic management — Reflections on practical experiences from the automotive industry. *Technological Forecasting & Social Change*, 101, 37-48.
- [25] S. Fan, & Y. Li. (2004). A CASE STUDY OF CULTURE INNOVATION FOR VIRTUAL ENTERPRISE IN CHINA. *Journal of Enterprising Culture*, 12(3), 253-275.
- [26] J.H. Wang, & N. Mao. (2019). Mercantile culture and corporate innovation: Evidence from China. *Applied Economics Letters*, 26(17), 1393-1401.
- [27] D'Andrea, Fernando Antonio Monteiro Christoph, & Luce, Fernando Bins. (2021). A strategic marketing perspective on entrepreneurs & innovation. *Revista Brasileira De Marketing*, 20(3), 601-628.
- [28] V. Naidoo (2010). Firm survival through a crisis: The influence of market orientation, marketing innovation and business strategy. *Industrial Marketing Management*, 39(8), 1311-1320.
- [29] R.S. Kadadevaramath, S. Shrisha, R.Srinivasan, & C.P. Lohith (2018). Innovation and strategic marketing - the key factors: A literature review on Indian micro small medium enterprises. *International Journal of Business and Systems Research*, 12(1), 53.
- [30] Y.J. Lee, G.L. Wang, & L.Y. Chang. (2011). The influence of intellectual capital and marketing innovation strategies upon marketing performance: Taking Taiwan-listed life insurance firms as an example. *African Journal of Business Management*, 5(22), 9240-9248.
- [31] F.H. Zhang, A. Sarkar, & H.Y. Wang (2021). Does internet and information technology help farmers to maximize profit: A cross-sectional study of apple farmers in Shandong, China. *Land (Basel)*, 10(4), 390.
- [32] H. Kock, & T. Rantala. (2017). Innovating the Use of Digital Channels in B2B Sales with Customers. *ISPIM Innovation Symposium*, 1.
- [33] Q.X. Wu. (2012). Marketing Strategy Adjustment and Marketing Innovation in the Experience Economy Era. *Contemporary Logistics*, (6), 107.
- [34] E.K. Andrašec, B. Urh, M. Senegačnik, & T. Kern (2021). Implementation of the digital sales channel in the coatings industry. *Processes*, 9(7), 1168.
- [35] B.P.J. Foubert, & E. Gijsbrechts (2007). Shopper Response to Bundle Promotions for Packaged Goods. *Journal of Marketing Research*, 44(4), 647-662.
- [36] M. Marley (1996). Ford changes the way it reports bundle sales. *American Metal Market*, 104(15), 1.