



Identification of Innovation Strategies in Companies Using a Systematic Literature Review

Adib Ubaidillah^(✉), Zainul Arifin, Mukhammad Kholid Mawardi,
and Teuku Noerman

Faculty of Administrative Science, Brawijaya University, Malang, Indonesia
adib1006@student.ub.ac.id

Abstract. A formal and comprehensive innovation strategy is needed by companies to express their goals in innovating. The implementation of an innovation strategy will improve business operational performance so that it can operate more effectively and efficiently. The research aims to identify more deeply the Company's innovation strategy. The right strategy and innovation are needed for the company's sustainability. Data obtained from scientific articles that have been published in international journals in the last five years (2017–2022). The research method used is the literature review method. Factors of environmental conditions that affect the innovation strategy in a company. The environment in question can be an internal environment or an external environment. The novelty of this scientific article can be seen in the use of a systematic literature review in identifying the company's innovation strategy which is currently not widely used. So it is hoped that the results of this study can be useful for further research.

Keywords: Systematic Literature Review · Innovation Strategy · Company · Literature Review

1 Introduction

Innovation is one of the key factors for the success of a company if the company begins to pay attention to the conditions of global competition or business competition. Deliviana [1] argues that innovation is one of the most effective ways for companies to survive and thrive in today's dynamic environment. If a business is not innovative, then the business will find it difficult to survive amid tight business competition. In carrying out innovation, companies need to develop a formal and comprehensive innovation strategy. With an innovation strategy, you can reveal and clarify a company's innovation strategy by explaining what will be innovated and how to realize the innovation [2].

Strategy is a pattern or plan that combines goals, policies, and actions taken by the company. In other words, strategy is a plan that has been prepared together, unified, comprehensive, and integrated, where this plan is prepared by linking the advantages of the organization's strategy with environmental challenges. There are several dimensions in the innovation strategy, namely leadership orientation, process innovation, product

innovation, and implementation of innovation. At first, the innovation of a business was more researched by large companies. However, at this time all companies, whether large, medium, and small companies need to have innovation in running their business. Therefore, further information is needed regarding strategic innovation using the Systematic Literature Review (SLR) method. SLR is a research method used to collect and evaluate research that focuses on a particular topic [3]. In this study, the focus of research is the innovation strategy of a company. The SLR method is used to identify, review, evaluate, and interpret all research that is appropriate to the topic with certain relevant research questions [4]. By using this method, a systematic review and identification of journals can be carried out by the existing steps. In addition, the SLR method can prevent subjective identification and it is hoped that the results from journal identification can add to the literature on the use of this method [5].

Based on the description above, strategic innovation is needed by all companies in various fields. Implementing an innovation strategy will improve operational performance so that it can operate more effectively and efficiently. However, there is still a lack of information about strategic innovation. Therefore, it is necessary to identify the company's innovation strategy. The novelty of this research is seen in the use of SLR in identifying the company's innovation strategy which is currently not widely used. So that the results of this study are expected to be useful for further research.

2 Literature Review

2.1 Innovation Strategy

The term strategy comes from the Greek, namely 'strategeia' which means the art or science of becoming a general. Strategy can be interpreted as a plan that has been prepared to achieve certain goals with a structured division. Prahalad & Hamel [6] defines strategy as an action that is always evolving continuously and is carried out based on the point of view as desired or expected by customers in the future. Meanwhile, innovation is the process of creating a product, introducing new methods or ideas, or creating or improving something [7].

Innovation is an activity and idea that can solve problems by paying attention to or bringing economic value to the company and also bringing social value to students. The essence of innovation is how one can carry out an activity that can increase the value and advantages of the current conditions. According to Sukmadi [8] innovation is an idea, product, information technology, institution, behavior, value, and new practices that have not been widely known, accepted, used, and applied by many people or some people are used to encourage changes in all aspects or areas of community life.

Innovation strategy is related to the company's response to adopting innovation [9]. With the innovation strategy, it can clarify the direction of the purpose of the establishment of the business and be able to improve business progress. Business strategy also helps businesses or businesses find new challenges for their business development and growth. Business strategy is a management concept, where many internal and external activities can increase the potential for business innovation [10]. This is very necessary to suppress the role that can influence the formation of innovation strategies. One of these roles comes from employees, managers, and customers [11]. Innovation strategy has an

important role in a business or business because it is a basic tool that determines the direction of business innovation based on business strategies and goals. The innovation strategy is influenced by internal and external factors of the company.

3 Results and Discussion

3.1 Results of Search Process and Inclusion and Exclusion Criteria

The *search process and inclusion and exclusion criteria* only resulted in 12 journal papers that met the criteria, namely journals published for the 2017–2022 period and discussions related to “innovation strategies”. Then the information obtained is grouped into several types of journals. The following are the types of journals that were successfully obtained (Table 1).

The following are the results of the quality assessment which are written in tabular form (Table 2):

- QA1: Is the journal paper published in the 2017–2022 timeframe?
- QA2: Does the journal paper discuss innovation strategy?

Data Analysis At this stage the results will answer the Research Question (RQ) that has been determined previously and will discuss the factors that influence the innovation strategy that often appears from 2017–2022.

Results From RQ1: The identity of the company or agency Based on Research Question 1 or RQ1 about the name of the company or agency, a paper category is generated based on the name of the company or agency being studied. The results shown in Table 3, show that currently, many researchers prefer to research innovation strategies in companies that offer goods.

Results From RQ2: Data Collection Techniques Based on Research Question 2 or RQ2 on data collection techniques for innovation strategy research, the results are paper

Table 1. List journal type.

No	Journal type	Year
1.	Forum Keuangan Dan Bisnis Indonesia	2017
2.	Economies	2022
3.	Jurnal Manajemen Dan Keuangan	2019
4.	Sustainability	2022
5.	Journal Of Global Entrepreneurship Research	2019
6.	Jurnal Ilmiah Bidang Ilmu Ekonomi	2016
7.	E-Jurnal Manajemen Unud	2017
8.	Jurnal Ekonomi Dan Bisnis	2021
9.	Jurusan Administrasi Bisnis Politeknik Negeri Sriwijaya	2017
10.	E-Jurnal Manajemen Unud	2018

Table 2. Quality assessment results.

No	Writer	Year	Research papers	QA1	QA2	Results
1	Ni Nyoman Kerti Yasa, and Putu Gde Sukaatmadja	2017	Pengaruh Persaingan Industri Terhadap Strategi Inovasi Dan Dampaknya Pada Kinerja Bisnis	Yes	Yes	Industry competition has a negative and significant effect on business performance as well as a positive and significant effect on the implementation of innovation strategies. The innovation strategy has a positive and significant effect on business performance.
2	Huy Quang Pham, and Phuc Kien Vu	2022	Unraveling the Potential of Digital Servitization in Sustainability-Oriented Organizational Performance—Does Digital Leadership Make It Different?	Yes	Yes	Statistical results confirm that digital servitization (DS) is positively and significantly correlated with the establishment of sustainable and smart services innovation ecosystem (SSSIE)
3	Rofi Rofaida, Suryana, Asti Nur Aryanti, and Yoga Perdana		Strategi Inovasi pada Industri Kreatif Digital: Upaya Memperoleh Keunggulan Bersaing pada Era Revolusi Industri 4.0	Yes	Yes	Constraints experienced by the digital creative industry in West Java in determining the right innovation strategy can be recommended for establishing an innovation strategy in three aspects, namely product innovation, process innovation, and marketing innovation

(continued)

Table 2. (continued)

No	Writer	Year	Research papers	QA1	QA2	Results
4	Muddassar Sarfraz, Larisa Ivascu, Muhammad Ibrahim Abdullah, Ilknur Ozturk, and Jasim Tariq	2022	Exploring a Pathway to Sustainable Performance in Manufacturing Firms: The Interplay between Innovation Capabilities, Green Process, Product Innovations, and Digital Leadership	Yes	Yes	There is a significant correlation between innovation capability, green process innovation, and sustainable performance. How big is the role of green product innovation to mediate innovation capability, green process innovation, and sustainable performance.
5	Samuel Afriyie, Jianguo Du, and Abdul-Aziz Ibn Musah	2019	Innovation and marketing performance of SME in an emerging economy: the moderating effect of transformational leadership	Yes	Yes	The positive effect of innovation on marketing performance; Transformational leadership has a moderating role on the relationship between innovation and marketing performance.
6	Septiana Novita Dewi, and Artis Tri Haryanto	2016	Pengaruh Ketidak Pastian Lingkungan Dan Orientasi Pasar Terhadap Kinerja Bisnis Dengan Inovasi Sebagai Variabel Mediator (Studi Pada Bank Perkreditian Rakyat Di Solo Raya)	Yes	Yes	Environmental uncertainty does not have a significant negative effect on innovation. Market orientation has a positive and significant effect on innovation

(continued)

Table 2. (continued)

No	Writer	Year	Research papers	QA1	QA2	Results
7	Adinda Fauziyyah Djayadiningrat, I Putu Gde Sukaatmadja, and Ni Nyoman Kerti Yasa	2017	Peran Inovasi Produk Memediasi Orientasi Kewirausahaan Terhadap Kinerja Pemasaran Imk Sektor Industri Makanan Kota Denpasar	Yes	Yes	The entrepreneurial orientation variable has a significant positive effect on product innovation and marketing performance. The product innovation variable is also proven to be able to mediate entrepreneurial orientation on IMK marketing performance in the food industry sector in Denpasar City.
8	Candra Dwi Hardiana, and Nanda Setiawan		Pengaruh Supply Chain Management (Scm), Manajemen Kualitas Dan Strategi Inovasi Terhadap Kinerja Operasional Pada Perusahaan Manufaktur Di Kawasan Delta Silicon Cikarang	Yes	Yes	Supply Chain Management, Quality Management, and Innovation Strategy have a simultaneous and partial effect on Operational Performance
9	Rini, Lismini, Fetty Maretha, and Yulia Pebrianti		Pengaruh Orientasi Kewirausahaan, Orientasi Pasar Dan Orientasi Pembelajaran Terhadap Inovasi Produk (Studi Pada Pengusaha Kecil Di Kota Palembang)	Yes	Yes	Entrepreneurial orientation variable does not have a significant effect on product innovation. Market orientation and learning orientation have a significant effect on product innovation.

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Table 2. (continued)

No	Writer	Year	Research papers	QA1	QA2	Results
10	Ni Ketut Pertiwi Satwika, and Ni Made Wulandari Kusuma Dewi		Pengaruh Orientasi Pasar Serta Inovasi Terhadap Keunggulan Kompetitif Dan Kinerja Bisnis	Yes	Yes	Market orientation has a positive and significant influence on competitive advantage. Likewise, innovation has a positive and significant impact on competitive advantage. Competitive advantage, market orientation, and innovation have a positive and significant impact on business performance

Table 3. Category application name.

No	Company name	Research papers
1	Small and Medium Enterprises in the Silver Industry in Bali	<i>Pengaruh Persaingan Industri Terhadap Strategi Inovasi Dan Dampaknya Pada Kinerja Bisnis</i>
2	Public service sector organizations (PSSOs)	Unravelling the Potential of Digital Servitization in Sustainability-Oriented Organizational Performance—Does Digital Leadership Make It Different?
3	Digital creative industry business in West Java Province	<i>Strategi Inovasi pada Industri Kreatif Digital: Upaya Memperoleh Keunggulan Bersaing pada Era Revolusi Industri 4.0</i>
4	Manufacturing company	Exploring a Pathway to Sustainable Performance in Manufacturing Firms: The Interplay between Innovation Capabilities, Green Process, Product Innovations and Digital Leadership
5	Small and Medium Enterprises	Innovation and marketing performance of SME in an emerging economy: the moderating effect of transformational leadership
6	Rural Banks	<i>Pengaruh Ketidak Pastian Lingkungan Dan Orientasi Pasar Terhadap Kinerja Bisnis Dengan Inovasi Sebagai Varibel Mediator (Studi Pada Bank Perkreditan Rakyat Di Solo Raya)</i>
7	Owner of food IMK in Denpasar City	<i>Peran Inovasi Produk Memediasi Orientasi Kewirausahaan Terhadap Kinerja Pemasaran Imk Sektor Industri Makanan Kota Denpasar</i>
8	Companies that located in the Delta Silicon Cikarang Industrial Estate	<i>Pengaruh Supply Chain Management (SCM), Manajemen Kualitas Dan Strategi Inovasi Terhadap Kinerja Operasional Pada Perusahaan Manufaktur Di Kawasan Delta Silicon Cikarang</i>
9	Small business actors in the field of food processing in the city of Palembang	<i>Pengaruh Orientasi Kewirausahaan, Orientasi Pasar Dan Orientasi Pembelajaran Terhadap Inovasi Produk (Studi Pada Pengusaha Kecil Di Kota Palembang)</i>
10	Furniture industry in Gianyar Regency	<i>Pengaruh Orientasi Pasar Serta Inovasi Terhadap Keunggulan Kompetitif Dan Kinerja Bisnis</i>

categories based on data collection techniques. The results shown in Table 4, show that almost all of these studies used data collection techniques with surveys and the research instrument was a questionnaire. The number of respondents most used by researchers was 437 respondents, namely research from Samuel Afriyie, Jianguo Du, and Abdul-Aziz Ibn Musah which was conducted in 2019.

Table 4. Categories of data collection techniques.

No	Data collection technique	Number of respondents	Research papers	Data analysis method
1	Survey	112 managers	<i>Pengaruh Persaingan Industri Terhadap Strategi Inovasi Dan Dampaknya Pada Kinerja Bisnis</i>	SEM Analysis
2	Survey	412 respondents	Unravelling the Potential of Digital Servitization in Sustainability-Oriented Organizational Performance—Does Digital Leadership Make It Different?	Structural equation modeling and multigroup analysis (MGA)
3	Observation	50 perpetrators	<i>Strategi Inovasi pada Industri Kreatif Digital: Upaya Memperoleh Keunggulan Bersaing pada Era Revolusi Industri 4.0</i>	Qualitative
4	Survey	299 employees	Exploring a Pathway to Sustainable Performance in Manufacturing Firms: The Interplay between Innovation Capabilities, Green Process, Product Innovations and Digital Leadership	Structural equation model
5	Survey	437 employees	Innovation and marketing performance of SME in an emerging economy: the moderating effect of transformational	PLS SEM analysis with bootstrap procedure
6	Survey	45 BPR	leadership	Path Analysis
7	Survey	100 respondents	<i>Pengaruh Ketidak Pastian Lingkungan Dan Orientasi Pasar Terhadap Kinerja Bisnis Dengan Inovasi Sebagai Variabel Mediator (Studi Pada Bank Perkreditan Rakyat Di Solo Raya)</i>	Path Analysis and Sobel Test

(continued)

Table 4. (continued)

No	Data collection technique	Number of respondents	Research papers	Data analysis method
8	Survey	65 respondents	<i>Peran Inovasi Produk Memediasi Orientasi Kewirausahaan Terhadap Kinerja Pemasaran Imk</i>	Multiple Linear Regression Analysis
9	Survey	150 people	<i>Sektor Industri Makanan Kota Denpasar</i>	Multiple Linear Regression Analysis
10	Survey	59 companies	<i>Pengaruh Supply Chain Management (SCM), Manajemen</i>	Path analysis

Results From RQ3: Factors Affecting Innovation Strategy Based on Research Question 3 or RQ3 about factors influencing Innovation Strategy. The results shown in Table 5, show that several factors influence the Innovation Strategy based on the research contained in these papers. It can be concluded that environmental conditions influence it. The environment in question is the internal environment and the external environment.

Summary of Data Analysis Results From the results of each Research Question or RQ, information about companies or agencies, data collection techniques, and factors

Table 5. Categories of innovation strategy factors.

No	Factor	Research papers
1	Industry Competition	<i>Pengaruh Persaingan Industri Terhadap Strategi Inovasi Dan Dampaknya Pada Kinerja Bisnis</i>
2	Digital Service	Unravelling the Potential of Digital Servitization in Sustainability-Oriented Organizational Performance—Does Digital Leadership Make It Different?
3		<i>Strategi Inovasi pada Industri Kreatif Digital: Upaya Memperoleh Keunggulan Bersaing pada Era Revolusi Industri 4.0</i>
4	Innovation ability Green process innovation	Exploring a Pathway to Sustainable Performance in Manufacturing Firms: The Interplay between Innovation Capabilities, Green Process, Product Innovations and Digital Leadership

(continued)

Table 5. (continued)

No	Factor	Research papers
5		Innovation and marketing performance of SME in an emerging economy: the moderating effect of transformational
6	Environmental Uncertainty Market Orientation	Leadership
7	Entrepreneurship Orientation	<i>Pengaruh Ketidak Pastian Lingkungan Dan Orientasi Pasar Terhadap Kinerja Bisnis Dengan Inovasi Sebagai Variabel Mediator (Studi Pada Bank Perkreditan Rakyat Di Solo Raya)</i>
8		<i>Peran Inovasi Produk Memediasi Orientasi Kewirausahaan Terhadap Kinerja Pemasaran Imk Sektor Industri Makanan Kota Denpasar</i>
9	Entrepreneurship Orientation Market Orientation Learning Orientation	<i>Pengaruh Supply Chain Management (SCM), Manajemen</i>
10		<i>Kualitas Dan Strategi Inovasi Terhadap Kinerja</i>

that influence innovation strategies have emerged and been researched by researchers from 2017 to 2022.

4 Conclusion

Based on the results of the Systematic Literature Review or SLR, it shows that almost all of these studies use survey data collection techniques, and the research instruments are questionnaires. The number of respondents most widely used by researchers was 437 respondents, namely research from Samuel Afriyie, Jianguo Du, and Abdul-Aziz Ibn Musah which was conducted in 2019. It can be concluded from this research with SLR as a method for finding result that environmental conditions affect the innovation strategy of a company. Most of them talk about quantitative research. The environment in question can be an internal environment or an external environment. So for the next research, author suggest for discuss about environmental conditions affect the innovation strategy of a company with quantitative method.

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