A Conceptualisation of Innovative Organisation of an ICT Company: A Focus on the Impact of ‘İnnovative Milieu’

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Abstract

Purpose: This paper investigates key elements for supporting strategic management behaviour with actionable implications for multinational corporations in the ICT business sector.

Design/methodology/approach: Samsung was chosen as a research case. A qualitative approach was applied to this study to develop a discussion framework with key elements which support innovative organisational behaviour.

Findings: From an analysis of secondary data of academic discussions relating with business behaviour of Samsung, five key themes were developed (e.g., Direction and driving force; Understanding the market; Management system; Organisational strategies; Review & evaluation). Further discussions were expanded from the framework with five key themes revealed a catalytic factor to foster an innovative behaviour of the organisation.

Discussions: It has been found that close communications with stakeholders and the impact of innovative milieu should be a catalytic factor to enhance dynamic innovative actions within the organisation. Especially in the competitive ICT business sector, it has been suggested that the inter-organisational and internal learning attitudes covering both individuals and organisational proactiveness should be focused to sustain the businesses. Moreover, organisational innovation can be achieved from the collaborative ‘innovative milieu’ which enhances the proactive innovations.

Keywords: innovative organisation, conceptual model, ICT-sector, Samsung, innovative milieu
1. Introduction

1.1 Study background

Within the global world and the context of internationalism, Samsung is a well-recognised brand. Buyers of Samsung products can be found almost everywhere, and the technologies employed by Samsung is familiar and user-friendly, which has led to its products being attractive to consumers, and helping the organisation to regularly engage in new initiatives. In the globalised competition within business markets, also raising its peak and business developers always try to be brisk in their domain to be able to respond to the consumer needs (Chang et al., 2013; Lee, 2019).

Samsung’s management approach is based on strategic organisation in order to make its business sustainable and competitive, which can serve as a practical and useful analytical framework for other ICT-based enterprises in the global market (Rosa et al., 2019). However, a robust discussion framework to support business behaviour of an ICT-business with actionable implications with practical key themes has been waited for to develop live recommendations for the businesses in the competitive business environment.

1.2 Research rationale

In the current competitive and seamless, globalised era, multinational corporations (MNCs) face common managerial challenges in sustaining their businesses with strategic organisational perspectives. Although there are sufficient academic discussions of strategic organisation perspectives from an interdisciplinary perspective, practical analytical frameworks to support the sustainable business behaviour can be more helpful for both researchers and practitioners. This paper aims to contribute to this theme by providing a practical framework which suggests actionable recommendations to support innovative organisations, based on the literature in the field of ICT-based business context. In doing so, this paper chose Samsung as a case to develop practical implications and actionable recommendations for the ICT-business organisations.

1.3 Aim and objectives

This paper investigates key themes and elements for supporting the strategic organisational behaviour of Samsung and other relevant MNCs in the ICT-based sector. To achieve this, the following objectives were set:

- Review the literature and develop key themes for management framework of Samsung,
- Design an analytical framework with key take-outs from literature review,
- Evaluate the analytical framework with in-depth examinations of each key take-outs therein to reveal the underpinning driving forces for sustaining strategic business management.
- Propose a conceptual map how to dynamise the interrelation among key themes in order to support innovative organisational behaviour.

2. Academic discussions: Anatomy of Samsung

2.1 The Samsung paradox

Samsung has developed particularly specific and strict criteria incorporating proper sustainability and choice in order to fashion itself attractive to buyers. The ‘Samsung paradox’ is growing (Khanna and Song, 2011). Today, MNCs have many tasks to effect, as emerging large corporations need to move beyond their home legislation’s influence and markets. In fact, Samsung has been successful in its home market which is enabled by the ground-breaking approach, where the company has become a globalised enterprise. The South Korean market has
been expanding based on friendly user options, such as those characterised by Samsung and other large Korean manufacturers, which have enabled them to penetrate the global market by garnering and maintaining customer support. Samsung’s business tactics and management system enabled it to achieve a desired outcome without extraordinary mental effort. A straightforward and anthropological approach is also a tool for increasing consumer support and preferences (Xu and Koivunäki, 2019).

2.2 Technology-oriented management

Samsung exhibits proper adherence to quality and quantity in terms of its products (Liu and Lim, 2016), and the company is alert to and observes organisations within the global market. This includes rapidly expanding international setups, but Samsung cannot stop its proactive strategic behaviour to keep up with the drastic change in the global market (Sodhi and Tang, 2013). The most prevalent of Samsung’s technologies are those related to mobile phones. To secure its positioning in the market, Samsung has been collaborating with other relational network actors including both vertical and horizontal business partners to maintain the business continuity and realise its objectives (Cullen and Parboteeah, 2013).

2.3 Shared value: communications with consumers

According to the literature, Samsung is achieving its goals and vision as per its manifesto. While the company is expanding its business, researchers have discussed that Samsung has acted in line with the specific organisational doctrines (Wee, 2015). Samsung needs to adapt to the real needs of its customers in order to retain the loyal supporters to the company. Samsung will need to effect judgments and assessments on this stage of management, as its design department, and the approval of designs and inventions must be precisely balanced and evaluated in order to manage innovative ideas properly. Presentation and outlay are significant factors according to which brands can achieve stability; a design should differ from others in order to satisfy buyers, and to attract their attention. Supply chain policies are also a critical feature discussed worldwide (Pham, Darabif and Wilmot, 2015). For instance, Yoo and Donthu (2001) discussed the importance that suppliers understand the consumers’ perceptions towards their products and brand attractiveness. Similarly, Gnyawali and Park (2011) also discussed the importance of the innovation management in the current business atmosphere; they proposed the collaborative and cooperative relationships with even the competitors so that they can establish win-win relations to enhance their innovative outcome. In the recent seamlessly connected and competitive business scope, innovation should be the key trigger for sustaining their businesses (Audretsch & Belitski, 2019; Hasan and Chowdhury, 2020). Yun et al. (2019) also suggested the co-operation can be a solving trigger to sustain the businesses in the competitive ICT- products market. Steenkamp (2019) eventually discussed that the global brands should be perceived and evaluated in the context of ‘brandscapes’, which should be a key theme for the globalised manufactures such as Samsung. On this point, without in-depth communication with consumers, the businesses cannot develop effective marketing strategies to maintain existing customers and attract potential consumers to the products.

2.4 Samsung’s innovation management: organisational learning and innovation

Jang et al. (2019) explored and discussed innovative activities of Samsung, following the impact of limited budget in the competitive business market, whereas Chang and Huang (2019) developed discussions how business culture motivate enterprises’ innovation focusing on Samsung’s innovative behaviour. Yun et al. (2019) discussed the current challenging phenomenon based on a comparative perspective between Apple iPhone and Samsung Galaxy. Their study provided useful insights businesses should focus on innovative proactiveness, from which they can enhance the additional values to the products (in this case, smartphones).
revealed that especially during the early stage of new entrants into the market, a company needs to behave actively to attract the consumers with killer applications, invest limited resources to focus on the targeted clusters of market to generate sustainable profit for the next step. They clearly suggested the impact of innovation as a key theme for the companies to be able to do so. Innovative impact is essential for the later maturing process as well, in lien with the market growth, company strategies should be differentiated to reduce marketing expenses to establish some more sustainable business model.

In line with the accumulated academic insights, Seo, et al. (2019) emphasised the impact of the changing patterns of knowledge management to design electronic products according to the market maturing phases, whereas, Alexander and Joe (2019) discussed and recommended several antecedent factors for innovation success which could be a good benchmark for the IT businesses such as Samsung.

2.5 Samsung’s strategic management framework

Based on the developed key themes of Samsung’s management discussions noted above, a framework overview was developed, as shown in Figure 1.

Figure 1: Strategic management framework of Samsung (authors’ arrangement).

3. Methodology

3.1 Research approach and strategy

This study adopted an inductive approach which is suitable to conduct exploratory data analysis (Bazeley, 2013). This approach allows the authors to develop theories and conceptual framework from the data attained from the literature (Ghauri et al., 2020). This study focused on a case study strategy, as suggested by Angelelli and Baer (2015), the process of investigating the actions and
attitudes of the targeted case, Samsung in this case, by applying hypothetical discussions and academic insights to the business behaviour.

3.2 Conceptualisation

This conceptual research study comprises of two steps; (a) the first step is a systematic review to develop an analytical model for further discussion in the context of an IT business behaviour, which was followed by (b) the second step, focusing on the theme of innovative management that contributes to sustain the businesses in the competitive market scenario. From these steps, the authors developed a conceptual model with key themes for further research.

4. An investigation into key take-outs from literature

4.1 Key theme one: ‘Direction and driving force’

Two sub-themes have been developed; ‘philosophy and goal’ and ‘sustainability’. Administration and management have been a key issue for the business organisations; in terms of how to progress their corporate level of knowledge in the market to attract the consumers should be the core value for the sustainable businesses (Malviya et al., 2013; Geradts and Bocken, 2019). Whereas driving sustainability-oriented innovation should be aimed to lead the corporate profile, it also gives the excellent pavement for the organisation to avoid all the circumstances which are disturbing and annoying the chain of customers and business relationships. Network perspectives within the organisation and among relational actors are essential for Samsung to enhance co-created value. Simply developing motives inside the corporation and retaining the elite class is not the organisational target, rather to connect internal effort and values with markets’ needs and wants via proactive innovation should be prioritise to sustain the businesses (Kusi-Sarpong et al., 2019).

Sustainable supply chain management is nowadays a core attribute of production management (Pružinský and Mihalčová, 2018). They insisted supply chain management should be considered and analysed with a focus on sustainability. These discussions imply that business sustainability can only be achieved by adopting the correct business ethos, and the organisation’s mission and goal has to be shared by the relevant business stakeholders (Lee, 2019). Global and on international standards should be developed as a platform for enabling relevant stakeholders to collaborate and strive to achieve the business goal, and in doing so, it is inevitable for the leaders to set a clear goal and shared values within the organisations (Sanders and Wood, 2019).

4.2 Key theme two ‘Understanding the market: how to enhance digital experiences’

Different countries and regions share some similarities and concepts within their individual identities, and in this way, well-known MNCs can market their products according to social needs and wants. Rhee (2020) discussed the impact of engagement and integrity of the marketing communication strategies: this is the core of business communication with the customers whose needs and perceptions are rapidly changing in line with the advanced technologies. To ensure survival of its products in any region, product quality should be optimised; following on, social interaction and saturation should be consolidated, so that products can gain a recognised identity among consumers. In doing so, a consumer-centric approach to deepen the understanding of consumers’ digital experiences is essential (Yang et al., 2020).

As Spivack et al. (2019) proposed, some key potential factors such as seamless and integrated augmented reality technology will lead to enhancement of the digital experiences of consumers who use IT-based services. Mobile technology in Asia has high importance based on quality; however, the primary reason for its importance is that mobile technology has become an essential need within the past number of decades. Samsung is achieving significant success in many ways, but if the company increases its social marketing and communication, it will be able to achieve significant success in South Korea and other areas (Choi, 2015). In the current market scenario, as
Kamboj et al. (2020) suggested, factors which enhance consumer engagement and interactive co-value creation with a concept of gamification, especially via development of various mobile apps for the younger users. From the interactive process with the consumers, Samsung can deepen understanding of the market.

4.3 Key theme three: Organisational strategies

The key business activities are based on the organisational strategies: following the key take-outs from literature review, this main theme has three sub themes; Technology-oriented management, Personal and organisational skill, and Value creation process/Innovative actions.

The ‘lean’ approach by Samsung has been one of the company’s pillars in its operational skills. As Hwang and Shin (2019) discussed, lean process within the business organisations has a power to drive the organisational transformation: this process can enhance interaction with consumers to foster an entrepreneurial mindset among employees. The lean rationale has made a remarkable impression both in academic and trade circles. The lean approach and its theoretical implications have been adopted by senior business traders to change their management style to fit a contemporary business environment (Salah and Rahim, 2019). They also emphasised the impact of implementation of lean approach especially in supply chain management. The theory has been disseminated globally, because of his intelligent and suitable fit to current disputes within management context. A company like Samsung, which is growing fast in the highly competitive ICT sector, has to emphasise lean perspectives and its accompanying theory, which is important for the development and localisation of the lean concept. This concept should be embedded in the business activities from the view of technology-oriented management.

To enhance this mindset and process embed in the business behaviour, personal and organisational skill should be the key basis for it. Bekirogullari (2019) discussed the both personal and organisational engagement is essential to attain and share the business goals. In line with this topic, design thinking approach can open our mindfulness to lead the more innovative business plans. Brown and Katz (2019) presented the usefulness of design thinking approach in transforming personal and organisational innovative skills. In the context of ‘sustainability’ which is another key take-outs discussed in the previous sections, the design thinking approach in the organisation can foster sustainability-oriented innovation.

Another sub-theme ‘value creation process and innovative actions’ emerged in the communication process with consumers in the market, and should be considered in line with innovative relationships with customers and internal employees. As Sánchez-Gutiérrez et al. (2019) discussed, the value creation through relationship with consumers is the core element to enhance organisational capabilities which enable marketing innovations. Pargar et al. (2019) suggested, value creation dynamics should be discussed in the context of strategic alliance, ant in doing so, creating clear value to share within the organisations is essential to enhance organisational innovation (Porter and Kramer, 2019). It is also discussed that the process of planning and harvesting innovative actions should be discussed and evaluated from a holistic perspective in the competitive market such as an ICT sector (Jang et al., 2019).

4.4 Key theme four: Management system

Companies are also focused on strategic management, through which they can decrease management gaps, an issue pertaining to problems within the organisation (Payne and Frow, 2013; Cullen and Parboteah, 2013). Samsung, as an intellectual MNC that observes scenarios and intervene in a bid to remove misconceptions, and to mitigate issues within businesses combatting various contemporary issues in the uncertain era of business management. As an ICT company, Samsung has been destined to focus on technology development (Hu, 2014, pp.78); Samsung has been performing successfully as a growing company in the global market and is a leading organisation focused on fulfilling the desires of consumers as it pertains to technology,
particularly mobile technologies (Kim, 2013). Figure 2 indicates potential solutions to support innovative management system.

**Figure 2 A profile of ICT based management scheme (Authors’ collection)**

The goal of management system should be to support sustainable business continuity with innovative actions (Xu, 2019). The challenges are open from many doors in markets, in the digital era, as Samsung has been facing and interlined with the competition (Yang et al., 2007), one of the top themes for the business to survive is how to enhance value creation and merge with the actions of innovativeness and competitiveness (Battisti et al., 2019). In the context of their proposition, the key take-outs which were developed in Figure 1 (e.g., KT1 ‘Direction and driving force’; KT2 ‘Understanding the market’; KT 3 ‘Management system’; KT 4 ‘Organisational Strategies’; KT 5 ‘Review & Evaluation’) should be connected vehicles to enable the business performance more proactive and competitive to respond to the markets’ needs and wants.

4.5 **Key theme five: Review and evaluation**

To respond to a rapid change of the business environment and to develop and evolve the business performance is the critical theme for the business organisations. How to sustain business through innovation and dynamic change within the organisation is currently a priority on the business agenda (Birudavolu and Nag, 2019). Winning the competition in the ICT sector, to cycle the organisational learning cycle is inevitable, and following the key take-outs summarised in Figure 1, two sub themes are discussed; Review and Learning cycle within the organisations. As Lau et al. (2019) discussed, a collective organisational learning perspective is essential for organisational development.

Samsung produces many different products used on a daily basis. It is emphasised by the personals that erstwhile occupation of key technologies is a tool for surviving in the current business market (Hyeon and South, 2005). Contemporary issues are entirely different from rudimentary periods, and markets have changed significantly from how they functioned in the past (Deligianni et al., 2019). Non-linear business behaviour should be discussed in line with the effects of technological competence on the innovation in ICT-based businesses (Michalski et al., 2019).

4.6 **Innovative milieu and close communication with other stakeholders**

Up to here, the original key take-outs were evaluated and discussed to contribute to enhancement of business innovativeness in the competitive market. But to enable to dynamise the effective interaction among the five key themes to accelerate the innovative performance, another catalytic
factor was developed. The initially developed framework with five key take-outs shown in Figure 1 should be revisited from a perspective of internal and external collaboration to enhance the business performance (Rydehell et al., 2019). In line with their discussion, Ferraris et al. (2019) also discussed the impact of partnerships with regional stakeholders to increase the integrative capacities. Gwebu et al. (2019) also emphasised an impact of integrative approach following the R&D outcome from a regional innovative milieu. Tsvetkova et al. (2019) suggested that innovative environment is critical for a high-tech manufacturing industry and to deepen the discussion, conceptual theme of innovative milieu should be considered both in theoretical and practical domain. The concept of innovative milieu has been acknowledged as a discussion theme for territorial dynamic innovative performance (Maillat, 1995). As it has been indicated innovative milieu is the concept which should be applied not only to the organisations seeking efficient management schemes for production process, but also to the sustainable business process and performance. Originally this concept has been developed from a scope of contribution to the regional development (Fromhold-Eisebith, 2004), its applicability should be enhanced to the theme how to enhance organisational innovativeness via nurturing social capital within the organisations and the regional territories. Moreover, as Fromhold-Eisebith (2004) emphasised, innovative milieu can enhance further discussion of collaboration-based business performance.

4.7 Development of a conceptual model with key recommendations

Overall, the initial framework with five key take-outs was critically evaluated to produce deeper insight. The interactions and relationships among proposed five key topics are redesigned as in Figure 4.

Figure 4: A dynamism of proposed key themes for innovative business profile
From discussions presented in the previous section, it has been revealed a catalytic role of ‘Innovative milieu’ as a supportive factor to dynamise the innovative business interactions. Figure 5 showcases an image of interaction within the innovative milieu which is a catalytic platform for the business performance.

**Figure 5** An image of ‘Innovative milieu’: A catalytic role to enhance organisational innovation (Inspired by Chesbrough (2003) and rearranged by the authors)

The proposed maps imply that Samsung must take proactive and dynamic organisational actions to achieve its business aim and vision.

5. **Conclusion**

4.1 **Overall summary of this study**

Strategies and management tactics are primary topics addressed by scholars, but still it has been under the discussions to develop actionable implications for the relevant businesses and researchers (Chang et al., 2013, pp.22-34). This study developed a conceptual framework with key themes to support the innovative organisational dynamism. An in-depth investigation into the academic discussions of ICT based businesses such as Samsung enabled the study to examine key aspects for sustaining business operations.

The framework for sustainable management does not only focus on environmental perspectives. Samsung shares a vision with stakeholders and internally, innovative actions and improving personal skills have been other core aspects of its management. The developed conceptual framework makes suggestions for how to enable the company’s organisational dynamism, and reveals the importance of collaborative relationships with a key theme ‘innovative milieu’. The conceptualised map also indicates that businesses should conduct extensive efforts to integrate perceptions of the market, customers, and relevant stakeholders: gaining an in-depth understanding of the markets and customers should be the key background for the sustainable business. In doing so, clear set business target which should be shared as a business aim and value within the organisations.

A newly developed catalytic factor ‘innovative milieu’ has been mainly discussed in the context of regional development. However, this study suggests the impact of ‘innovative milieu’ should
be considered and discussed in the context of enhancing the innovative organisational business, transforming the collaborative management into the holistic level inviting all internal and external business stakeholders.

4.2 Limitations and further research opportunities

To design and implement a sustainable business model should be revalued and re-examined in the business context. The proposed conceptual framework needs to be verified with the real business performance data to indicate robust implications. This study stays as a pilot conceptual research study, which should be examined in further research.

Especially some further investigation into the impact of ‘innovative milieu’ on the innovative organisational behaviour should be conducted. The originally developed catalytic factor can be measured and evaluated with quantitative data to verify the proposed model from this study.

References


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