Innovation in organizations: A Literature Review

**Abstract:**
This article presents a systematic revision of the literature based on the innovation in organizations in a global context, making an emphasis on the benefits and contributions of the innovations as a strategic purpose for the competitiveness of the companies. As an object, we find to highlight the importance and integration of the concept of innovation in all functional areas, so this can facilitate the development of creativity and the idea implementations such as essential elements for organizational sustainability. The previous information was taken from the research of the keywords “innovation”, “organizations”, “Organizational innovations” and “applied innovation organization”, on the scientific databases Scopus, Science Direct and EbscoHost, on the years 2015 to 2020. The initial research showed a total of 2355 articles, on which by applying the criteria’s inclusion related with the themes of development and innovation, of adoption and contribution of the innovation, stayed minimized up to 50 articles. As a result of investigation, it was observed that the innovation is a holistic process in which they converge the functions of production, technology, investigation and evolution of new products, that impulse the creation value, competition by sustainability organizations.

**Keywords:** Innovation, innovative strategies, organizations, competitiveness.

**Resumen**
Este artículo presenta una revisión sistemática de la literatura basada en la innovación en las organizaciones en un contexto global, haciendo énfasis en los beneficios y aportes de las innovaciones como propósito estratégico para la competitividad de las empresas. Tiene por objeto resaltar la importancia e integración del concepto de innovación en todas las áreas funcionales, de manera que esta pueda facilitar el desarrollo de la creatividad y la implementación de ideas como elementos esenciales para la sustentabilidad organizacional. La información anterior se tomó de la investigación de las palabras clave “innovación”, “organizaciones”, “Innovaciones organizacionales” y “organización de innovación aplicada”, en las bases de datos científicas Scopus, Science Direct y EbscoHost, en los años 2015 a 2020. La investigación arrojó un total de 2355 artículos, sobre los cuales, aplicando los criterios de inclusión relacionados con los temas de desarrollo e innovación, de adopción y contribución de la innovación, quedaron minimizados hasta 50 artículos. Como resultado de la investigación se observó que la innovación es un proceso holístico en el que convergen las funciones de producción, tecnología, investigación y evolución de nuevos productos, que impulsan la creación de valor, competencia por parte de las organizaciones sustentables. 

**Palabras clave:** Innovación, estrategias innovadoras, organizaciones, competitividad.

Introduction

The innovation drives improvement of the processes and creation of products in the organizations (Buijten-dijk et al., 2021). This strategic process makes it easier in some aspects, new business models, new products, new marketing expressions, among other characteristics and related attributes (Cheah & Yuen-Ping, 2021). Many ways of innovation dependents of the capacity of implement the creativity and optimize the commercial processes, by meaning, the invitation of products can appear as a popular way of improvement, so the new products tend to lost his impact later on in the massive adoption process in the market, which represents an acceleration for the perceived products to be known as truly innovating (Haro et al., 2017; Guzmán, 2018; Queyroi, 2020). In this sense, the organizations need to appeal to innovation alternatives which could be capable of supporting alternation and deformation of the market in the long term. By meaning, the innovation of the business model tends to resolve key problems in the market during a period of time and is easily adopted by leading companies to sustain the growth. (Morelos et al., 2021).

This purpose of the companies to increase the capacities for the creation of competitive advantages through goods and distinctive services raises the necessity to adopt the innovation inside of the structures of the organizations (Cui et al., 2021; Sánchez & Londoño, 2018). Therefore, the target of this article is to analyze the processes of innovation developed in the organizations, during the systematic revision of the literature in the national and international context for them to know and dig through the theoretical fundamentals that exist nowadays, the contributions, the relevance and application of the innovation in companies.

In order to respond to the research purpose, the following problems were posed: how is the innovation process developed in organizations; how do the theoretical foundations associated with innovation contribute to the sustainability of companies; what are the theoretical models and operational tools of innovation that facilitate the creation of value in organizations; and how do the theoretical foundations associated with innovation contribute to the sustainability of companies?

The methodology applied to this study was the systematic review of the literature, based on the qualitative approach and rational analysis, which allowed establishing theoretical foundations, conceptual models, tools and operational models associated with innovation and oriented to the improvement and competitiveness of organizations. For the primary information gathering process, the search for the keywords "innovation" and "organizations" and "organizational innovation" and "innovation applied organizations", in the scientific databases Scopus, Science direct and HebscoHost, in the period from 2015 to 2020, was considered. This first search showed a total of 2355 articles, which, when the inclusion criteria related to the topics of development and innovation, adoption advantages and contribution of innovation were applied, were reduced to 50 articles. Likewise, the importance of the systematic review technique is highlighted, with the contribution of similar research by authors who highlight the usefulness and contribution of this technique, which facilitates the synthesis of different perspectives of scientific knowledge about the research topic under study (García-Orozco et al., 2020, Alfaro-García et al., 2018, Blanco-Mesa et al., 2017, Blanco-Mesa et al., 2019).

The content of this article is structured as follows: first, there is the introduction, which presents the business context and the importance of innovation in organizations; second, there is the reference framework, which describes the theoretical foundations related to the development, advantages of the adoption and contributions of the application of innovation; third, the proposed methodology is developed, with a multi-method approach that combined the types of research of systematic literature review and qualitative analysis; and finally, the results of the study are presented - which answer the questions posed-, the discussion and the final conclusions.
Referential framework

Meaning of innovation

To understand the importance of innovation in organizations it is relevant to take into account, as suggested by authors such as Da Costa et al. (2016), that “innovation is posed as a requirement for the survival of organizations” (p. 2), i.e., it is a necessity and, therefore, of vital relevance for those organizations that wish to be competitive in the market (Gault, 2018). Another necessary and critical aspect when referring to innovation is that it signifies a form of growth for the organization, as stated by Flores et al. (2019), Marín and Cuartas (2018); in other words, this process plays a leading role in companies that helps managers to achieve the purposes of continuous improvement and sustainability (Gao et al., 2017).

For Wicksell & Schumpeter (2022), innovation should focus on the redesign of both products and processes, in order to keep companies competitive over time, in such a way that it triggers constant actions to change ideas, existing knowledge and developed methods.

(Tarapuez et al., 2016; Valdés et al., 2019; Buenavides & Bolaños, 2020). Likewise, authors such as Veiga et al. (2020), and Hermundsdottir and Aspelund (2020) state that innovation corresponds to the search for competitive advantage that involves a benefit for customers, organizations and the market in which goods and services with higher quality compete. In this sense, innovation represents the means to achieve the materialization of the established strategic innovation objectives, i.e., it is not an end in itself, it only becomes the imperative that responds to the real threats of competition (Cornett et al., 2019; Unger, 2018).

Development of the innovation process

The way in which innovation is applied in organizations can be different for each one, that is, the way in which each company decides to develop it is particular; however, its internalization and materialization follow a four-phase model that requires the commitment and support of management.

The first phase begins with the identification of the organization's needs. Authors such as Ferreira et al. (2020) state that the identification and solution of these problems are related to the development of cognitive abilities to learn and unlearn, through the adoption of innovative behaviors that drive creativity and the improvement of goods and services in companies (Hameed et al., 2021). In this order, Lendel and Varmus (2016), Villalba and Builes (2016), and García et al. (2019) converge in that, naturally, in organizations there are internal processes in their functional areas susceptible to be improved, which mean an opportunity to innovate and develop new methods and technologies with greater efficiency and organizational differentiation (Dost et al., 2020).

The second stage is aimed at generating ideas or concepts using one of the best known techniques, brainstorming, in which all members of the organization participate. At this stage different concepts related to ideas emerge, in fact, in the literature on ideas in the innovation process there are three terms, namely: ideation, idea generation and idea management. However, some authors such as Dorov et al. (2015) state that ideation present and idea generation are the same or very similar meanings, which is summarized in that brainstorming includes these interpretations (Bonnardel & Didier, 2020).

In the third stage, the ideas obtained in stage 2 are evaluated and ordered according to the needs observed in stage 1. For this, authors such as Balland et al. (2022), Vargas et al. (2017) and Muñoz et al. (2018) propose the idea innovation networks, to develop them taking into account six areas that reflect research and correspond to basic research, applied research, product development research, production research, quality control research and marketing/commercialization research.

And the fourth stage will be carried out to design an innovative prototype that will be applied in the organization, so this process is important, because, along with the impact of globalization and new emerging technologies, companies must manage change perceiving it as an opportunity to be able to sustain, grow and compete in a rapidly changing environment and
respond to change with innovation (Robayo, 2016; Dogan, 2017; Zumba et al., 2019).

On the above, it should be noted that managerial innovation helps the long-term sustainability and growth of organizations. For Gupta (2018), managerial innovations are innovations in structures, administrative systems, practices, processes and managerial techniques that could generate changes in organizations. Thus, this process is currently of greater interest than in past decades, since it requires a systematic innovation effort that drives competitiveness and sustainability (Ali, 2021).

**Advantages of the innovation of adoption**

Competition is growing every day in the business environment. In this century, the globalization of markets has changed the consumption behavior of customers and the way companies compete with each other, which try to innovate in order to survive (Stavroulakis et al., 2021). This constant drive for innovation has become for many companies the main competitive strategy for growth, which promotes the development of distinctive competitive advantages in the market (Knudsen et al., 2021).

On the other hand, competitiveness has been one of the most significant advantages for organizations, whose function is to achieve the highest market share. As expressed by Weerardena (2016), competitive advantage can be conceptualized as a superior market position, which captures the provision of a privileged value mix for the customer and the achievement of lower relative costs, resulting in market share dominance and superior financial performance (Falciola, 2020). Likewise, for Idris et al. (2022) it is a motivation to improve their organizational structure, develop forward-looking, increase market share, gain customer loyalty and stay ahead of the competition and therefore focus on product innovation over process innovations, or else improve their efficiency (Herrera et al., 2020; Dornberger, 2019).

**Contribution of the innovation in competitiveness**

The search for competitiveness in organizations has aroused a particular interest of companies and governments, therefore the purpose of these organizations is to finance and support R&D (research + development) of new products, social improvement of communities, new productive processes and technology transfer to organizations, to enhance their knowledge and help them in the development of productive and marketing processes (Distanont & Khongmalai, 2018; Zhang & Zhu, 2015).

Another contribution of innovation in organizations that allows generating a competitive scenario has to do with their business model, since the inclusion of innovations in the process of building a business model drives companies to orient their map of activities in response to the dynamics of transformation and change present in the market. This means an element of competitive advantage compared to companies that only orient the use of innovation to develop products and services that, over time, often imitate and replace existing ones (Pulgarín & Guerrero, 2017).

On the other hand, innovation favors the adaptation of the organizational structure to the dynamism of the market, since it is expected that after the implementation of changes in the traditional organizational structure it will also result in the change of behavior of individuals towards the company, in such a way that it generates innovations in human resources management (Madero & Barboza, 2015). This structural change can be evidenced in the organization's knowledge management, as some authors state that organizations also manage to boost their competencies aimed at competitiveness to the extent that they manage to absorb and apply the knowledge generated by their competitors with the objective of delivering value to the market (Horta et al., 2015).

**Methodology**

This research is of systematic literature review, based on a qualitative approach with a rational analysis that allowed establishing the theoretical approaches, conceptual models, tools and operational models.
associated with innovation, as instruments for the improvement and competitiveness of organizations. As a primary source of information, articles from indexed journals related to the discipline addressed were considered; the time period within which the theories related to innovation were analyzed was in the range of the last five years (2015 to 2020). It was decided to choose the most recent studies of the authors with the highest number of citations, which was identified in the selected time range. The following methodological procedure from Table 1 was taken into account, taking into account the three essential stages (planning, information analysis and presentation of results and conclusions), for the development of the study.

**Table 1.** Methodological procedure for systematic review.

<table>
<thead>
<tr>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning guidelines to carry out the systematic literature review.</td>
<td>Analysis of the information found in the systematic review literature review.</td>
<td>Presentation of results and conclusions of the systematic review of the literature.</td>
</tr>
<tr>
<td>Phase 1. Establish the reasons for to carry out the review.</td>
<td>Phase 2. Defining the period for the review.</td>
<td>Phase 3. Definition of the number of bibliographic sources to review.</td>
</tr>
</tbody>
</table>

Source: adapted from Lazaretti et al. (2018).

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(organization innovation AND (LIMIT-TO (OA, “all”)) AND (LIMIT-TO (PUBYEAR, 2020) OR LIMIT-TO (PUBYEAR, 2019) OR LIMIT-TO (PUBYEAR, 2018) OR LIMIT-TO (PUBYEAR, 2017) OR LIMIT-TO (PUBYEAR, 2016))  AND (LIMIT-TO (SUB AREA, “BUSI”))) AND (LIMIT-TO (OA, “all”)) AND (LIMIT-TO (PUBYEAR, 2020) OR LIMIT-TO (PUBYEAR, 2019) OR LIMIT-TO (PUBYEAR, 2018) OR LIMIT-TO (PUBYEAR, 2017) OR LIMIT-TO (PUBYEAR, 2016)) AND (LIMIT-TO (SUB AREA, “BUSI”)))
For the collection of the referential information, a rigorous literature search was carried out on contributions and studies related to the main research topic, in the case of innovation in organizations. This first search yielded a total of 2355 articles, to which the inclusion criteria related to the topics of development and innovation, advantages of adoption and contribution of innovation were applied. As exclusion criteria, a time span from 2015 to 2020 was taken into account, in order to delimit the search with the purpose of obtaining information with a current perspective. Likewise, the VOSviewer software was used for the systematization of the data, observation and elaboration of the bibliometric networks of the documents with their respective authors, including the analysis of the abstract, research purpose, and inclusion criteria, with which the final articles were reduced to 50. To obtain each of the references, bibliographic databases were used: 19 articles from Science Direct, 18 articles from Scopus and 13 articles from Ebscohost, and keywords such as innovation, innovation in organizations and competitiveness were used. Figure 1 presents the correlation map of the keywords considered in the process of reviewing the analysis of innovation in organizations.

Figure 1. Correlation map of key words related to innovation in organizations.

In this order of ideas, stage 1 of the methodological model used corresponds to the planning of guidelines to carry out the systematic literature review. These phases were followed for its execution:

Phase 1: in which the reasons for carrying out this review are determined and which are related to meeting the objectives proposed in this article, i.e., to highlight the importance of the application of innovation within organizations, an aspect that is treated with recent theoretical foundations in a global context.

Phase 2: the period in which the systematic review of the literature will be carried out is defined. This review was limited to a recent period (2015-2020), so certain articles that did
not meet this criterion or that were not in accordance with the central theme developed were rejected despite the filters applied.

Phase 3: taking into account the previously selected period, 50 bibliographic references were chosen for the review, considering the national and international scope, and also that they were related to the topic of innovation in organizations.

Subsequently, stage 2 of the analysis of the information found in the systematic review of the literature was carried out in the following phases:

Phase 4: a set of theoretical foundations was gathered from the 50 bibliographic references from the 2015-2020 period, within which are the development of the innovation process, the advantages of adopting innovation in organizations and the contribution of innovation in competitiveness.

Phase 5: the most relevant information was extracted from these fundamentals.

Phase 6: the information was synthesized in a precise and coherent manner.

Phase 7: the information was analyzed to meet the proposed objectives.

Finally, stage 3, phase 8 was implemented, in which the results obtained were recorded, and phase 9, in which the conclusions were presented.

With the above, it was demonstrated that the systematic review of the literature for the bibliographic references selected in a recent period is very useful to support the need for organizations to implement the innovation process, which ratifies the importance of carrying out this process.

Results

The descriptive results identified in the systematic literature review process, which respond to each of the research questions posed, are presented below:

Value and relevance of the innovation process

From the empirical studies studied, it is noted that innovation, despite corresponding to a process that takes place within organizations, also represents a variable in these subject to various theoretical foundations that highlight and reflect its importance for the growth and sustainability of companies. In this sense, Eisenman (2015) offers a holistic theory of design in the context of technological production. The author argues that visible attributes allow producers to take various actions such as, for example, explaining what their products do and how to use them in a more profitable way, motivating users to generate sales and, also, extending the basic functionality of products, highlighting their symbolic meanings for consumers (Bryant et al., 2020).

For Levine and Prietula (2015), innovation can be interpreted as an open collaborative chain, where principles are established and factors that affect performance are identified, and it is a robust driver for innovation and production. The open innovation paradigm represents new possibilities for organizing innovation within an ecosystem and generates different drivers of value creation, to impact the strategic position of the business and produce superior financial performance (Herskovits et al., 2015).

On the other hand, McKinley et al. (2016), D'Attoma (2020) and Si et al. (2020) distinguish between flexible and inflexible innovations, the factors that can lead to failure or successful organizational change, through the construction of four scenarios for organizations that innovate or respond rigidly or flexibly to business decline. Likewise, Sgourev (2015) adds to this perspective by pointing out that radical innovation is possible if there are actors present on the periphery who are likely to lead to radical ideas and who, despite being poorly positioned, promote innovative ideas. Another approach is given by models that have been applied within organizations due to the validity of the empirical
and theoretical foundation, and that have become a trend; for example, the innovation of a business model, thanks to its analysis, validation and evolution driven by different factors such as technological innovation (Grimaldi et al., 2021), environmental circumstances (Lee & Trimi, 2020), the ecosystem (Karimi et al., 2020), the product (Hadjielias et al., 2021), among others.

Figure 2 shows relevant information from some authors on the contribution of value and relevance, which support the fulfillment of the previously described approaches:

Figure 2. Value contribution and relevance of the innovation

<table>
<thead>
<tr>
<th>Authors</th>
<th>Principal theory of fundamentals' relevance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eisenman (2015)</td>
<td>Visible attributes of the products make an enthusiasm to the consumer and makes an increase on the sales.</td>
</tr>
<tr>
<td>Levane and Pratula (2015)</td>
<td>An open collaboration where it is identified the factor who influence in the improvements.</td>
</tr>
<tr>
<td>Herskovitz et al. (2015); Si (2020); D’attrona (2020)</td>
<td>The innovation is found inside of a ecosystem where is generated the value of creation and financial development of a business.</td>
</tr>
<tr>
<td>McKailey et al. (2020); Bryant et al., (2020)</td>
<td>The innovation is a factor that can conduct to a failure or an organizational success.</td>
</tr>
<tr>
<td>Sgourev (2015)</td>
<td>The innovation is possible if there is factors who promote innovating ideas.</td>
</tr>
</tbody>
</table>

Source: author

Continuing with the line of arguments, Figure 3 shows the factors that drive innovation in business models as an advantage according to the following authors:

Figure 3. Business model drivers

<table>
<thead>
<tr>
<th>Authors</th>
<th>Innovation factors of the organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grimaldi et al. (2021)</td>
<td>Technological Innovation</td>
</tr>
<tr>
<td>Lee y Trimi (2020)</td>
<td>Environmental circumstances</td>
</tr>
<tr>
<td>Karimi et al. (2020); Chatzoglou and Chatzorendes (2020)</td>
<td>Organizational ecosystem</td>
</tr>
<tr>
<td>Hadjielias et al. (2021)</td>
<td>Product</td>
</tr>
</tbody>
</table>

Source: author

Pillars of innovation for competitiveness and sustainability

Another aspect to highlight is related to the opportunity for organizations to drive innovation, which suddenly stimulates competitiveness and sustainability. A framework capable of absorbing this competitive dynamic of the environment has three pillars: i) the design of similar business models that adjust to a dynamic environment, ii) the space where innovation begins to become a business model in this same type of environment, and iii) the experience resulting from the satisfaction that links customers to a particular product or service (see Figure 4). Finally, the positive effect of innovation in the creation of competitive advantages and
sustainability from practical application has been contributing to the improvement of products and processes, as well as decreasing the gap in the literature and creating novel and different ways for the development of organizations (Chatzoglou & Chatzoudes, 2018).

**Figura 4.** Pillars of innovation.

<table>
<thead>
<tr>
<th>Sustainability</th>
<th>Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design's models of similar business</td>
<td>Spaces for conversation's models of business innovations</td>
</tr>
<tr>
<td>Experiences in the results of the satisfaction of products</td>
<td>Innovation</td>
</tr>
</tbody>
</table>

Source: author

**Discussion and conclusions**

This analysis of the systematic literature review allows us to identify three recent general perspectives on innovation research: theoretical models of innovation, studies of the innovation process and innovation in organizations. The content review of the articles allowed us to classify them according to their methodological approach ranging from theoretical to empirical-theoretical and predominantly empirical. From the three general perspectives, ten specific categories were derived that respond directly to innovation in organizations (importance, relevance, general aspects, specific aspects, conditions, characteristics, environment, strategies, criteria and results), in order to locate more precisely the findings of this article, which can be a useful reference resource for future research.

From the literature review, a trend towards the integration of the concept of innovation as a process that includes creativity and implementation of ideas as essential elements was observed. Theoretical studies are conceptually enriching the subject of innovation, theoretical-empirical and empirical studies have been developed in global organizational contexts that have validated the emerging theories on the subject (Queyroi et al., 2020; Albuquerque et al., 2020).

Likewise, the theoretical-practical contribution derived from knowledge, organizational learning and innovation drivers is highlighted. The approach in the studies shows a tendency towards empirical validation and the use of quantitative approaches (multivariate mathematical models) to corroborate the theory that has been recently generated (Cuevas et al., 2019).

The content of the literature leads us to expect in the near future research on the evolution of organizational capabilities, for the generation of creativity in its staff, elements that can enhance the conversion of ideas into market-oriented products and services, the implementation of new ideas in the early stages and their validation for the creation of products and services, and the effect of innovative ideas in the design of these products and services for consumer satisfaction (De Conto et al., 2016). As part of the final results of innovation in organizations, studies of the effects of innovation in improving organizational performance and its promising success in the future are expected (Flores et al., 2019; Guzman, 2018).

Recent research includes both theoretical and empirical studies, which is reflected in the diversity of the work done and the different approaches to the examination of this topic. From the recent review, especially in authors such as Eisenman (2015), Levine and Prietula (2015), Herskovits et al. (2015), McKinley et al. (2016), Sgourev (2015) Grimaldi et al. (2021), Lee and Trimi (2020), Karimi et al. (2020) and Hadjelias et al. (2020), the following perspectives in the study of innovation are identified: studies on theoretical models of innovation, on the innovation process and studies about innovation in organizations.

Within the ten research areas, creativity, knowledge generation and absorption, as well as
collaborative networking and strategic orientation are seen as the specific topics to be developed to drive the generation of future innovations in organizations (Marín & Cuartas, 2019).

The total number of articles included in the literature review refer to studies conducted in developed countries (United States, Switzerland, Netherlands, Canada and France), and only a few articles deal with research in emerging or developing countries (Colombia, Ecuador, Brazil and Mexico) (Pisano et al., 2015). In particular, it is observed that the theoretical study of innovation was conducted mostly in the context of the developed countries mentioned above, while for the case of empirical studies there is a greater participation of emerging countries. This is how the theoretical research on the topic of innovation in Latin American countries is reduced, which indicates an opportunity to launch new studies in the region to support empirical research (Sepúlveda et al., 2019).

Finally, in the literature review we can observe a trend in the characteristics of innovation studies: production of empirical studies with quantitative approaches in the context of developed countries, as mentioned in this study. Therefore, it is desirable in the near future to carry out empirical studies with both qualitative and quantitative methodological approaches in Latin America and Asia, in order to generate more empirical evidence, generalize the findings to other contexts and contrast existing theories.

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This research work was developed with the authors' own resources.

Contribution of the authors

The authors contribute to the theory by presenting a framework, which provides an overview of the available knowledge and creates a context of interest for future research.

References


