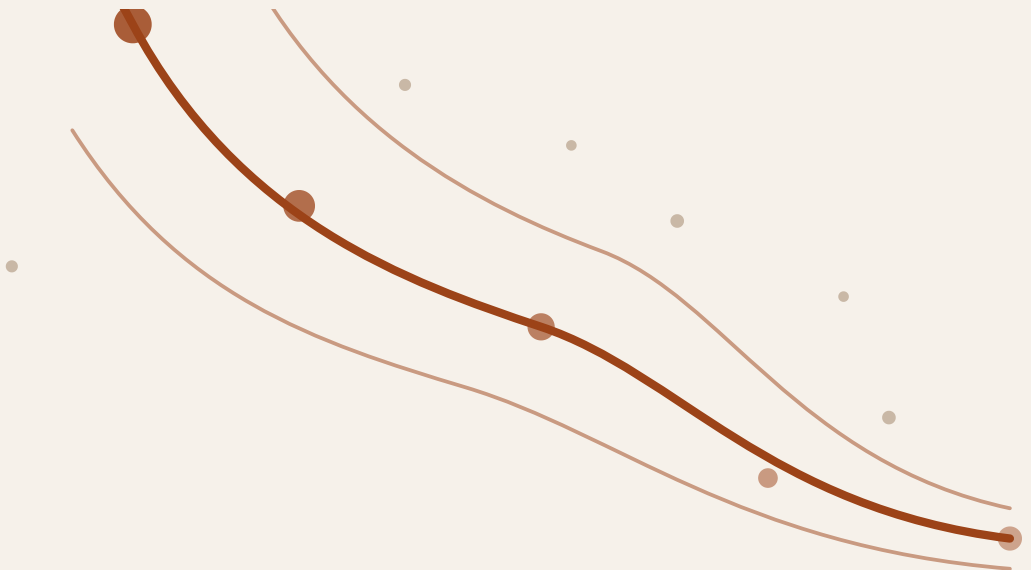


Innovation Management

From scattered initiatives
to a sustained organizational capability

Dr. Omar A. Alsamani



Innovation Management

From scattered initiatives
to a sustained organizational capability

Dr. Omar A. Alsamani

Innovation Management

From scattered initiatives to a sustained organizational capability

This book is published under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International licence (CC BY-NC-ND 4.0). It may be copied, distributed and shared, in full or in part, in any medium or format, for non-commercial educational and research purposes, provided it is attributed to its author and its text is not altered. Licence text: creativecommons.org/licenses/by-nc-nd/4.0/

Website: alsamani.com

© 2026 Omar A. Alsamani

First edition, 1448 AH / 2026

Legal deposit no. 1448/7324

ISBN 978-603-06-7961-4

1

Chapter 1

What is innovation?

In this chapter we examine the concept of innovation as defined by four elements drawn from the reference definitions: novelty, implementation, adoption and value. Our aim is to establish a shared language that distinguishes innovation from creativity, invention and improvement, and that delimits its types and degrees, since agreeing on the concept is a precondition for managing it.

Introduction

Opening case: the annual planning meeting (composite case)

At a meeting to prepare an organization's annual plan, each department was asked to present its "innovative initiatives." Human Resources presented an electronic leave-request form to replace the paper one; IT presented a project to pilot an AI assistant to answer enquiries; Services proposed an ideas competition for staff; and Quality showed how it had cut request processing time from ten days to six by reordering the steps of the procedure.

The meeting ended with a list of initiatives, all labeled "innovation," without anyone asking the essential question: which of these is innovation in the strict sense? Which is an operational improvement that simply needs to be done

well? Which is an activity that prepares the ground for innovation without being innovation itself? And what does this distinction imply for how each should be managed?

This scene has many counterparts in organizations, even if the details differ. Some of these initiatives may be of high value, but without a shared definition the organization ends up managing initiatives of very different kinds in the same way: a highly uncertain initiative is asked for a detailed implementation plan, an improvement whose solution is already known is treated as a bet that needs experimentation, and a motivational activity is counted as an innovation achievement before any of its outputs has become reality.

Learning Objectives

After studying this chapter, the reader should be able to:

- 1 Define innovation in practical terms that bring together its four elements, and compare its main reference definitions.
- 2 Determine the degree of novelty of an initiative: new to the organization, new to the sector, or new to the world.
- 3 Distinguish innovation from creativity, invention, improvement, transformation and entrepreneurship.
- ε Classify an initiative by type and degree, and infer the management approach that suits it.
- 0 Explain the eight principles of innovation management in the international **ISO 56000** series of standards.
- 7 Identify inaccurate notions of innovation in an organization's discourse and practice.

1.1 The need for a shared definition

Attention to definition may look like an academic concern, but in innovation management it is a practical decision with direct consequences: the definition an organization adopts, explicitly or implicitly, determines what it funds, what it measures and what it rewards. Organizations usually fall into one of two opposite errors.

The first error: defining too broadly. When every change is called innovation, it becomes impossible to distinguish initiatives that require exploration, experimentation and learning from improvements that can be managed with quality and continuous-improvement tools. The result is reports full of “innovative” initiatives while what the organization delivers to the people it serves stays much the same. **Blank** called this phenomenon “innovation theater”: activities that imitate innovation in appearance, such as workshops, competitions and labs, without changing products, services or ways of working (Blank, 2019).

The second error: defining too narrowly. When innovation is restricted to inventions, advanced technologies and patents, wide opportunities are neglected in services, procedures, the beneficiary experience, the operating model and the relationships between organizational units. Many of the highest-impact innovations in government and service organizations rested on rethinking how the service is delivered and needed no new technology at all.

A good definition avoids both errors: broad enough to include every area where value is created, and precise enough to distinguish innovation from what it is not.

1.2 Innovation in the reference definitions

The modern economic use of the concept of innovation goes back to Joseph Schumpeter, who held that economic development comes from carrying out “new combinations” of resources and knowledge, and identified five forms:

introducing a new good or a new quality of an existing good, introducing a new method of production, opening a new market, securing a new source of raw materials, and reorganizing an industry (Schumpeter, 1934). Two points in this early view deserve attention: innovation goes beyond the product to methods, markets and organization, and it is tied to implementation rather than completed by discovery alone.

Later definitions built on this foundation. Here we look at three of them, as they are the most widely used in public policy, standards and measurement tools.

The Oslo Manual

The Oslo Manual, published by the OECD and Eurostat, is the international reference for measuring innovation in national surveys. Its fourth edition defines an innovation as a new or improved product or process (or combination thereof) that differs significantly from the unit's previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process) (OECD/Eurostat, 2018).

The decisive condition in this definition is **implementation**: an idea that never left the document, a prototype that was never launched, or a system that was purchased but never switched on is not an innovation by the Oslo standard, however novel it is. The Manual adds a second condition, "significant difference," so that a routine minor adjustment does not count as innovation.

The international ISO 56000 series

The International Organization for Standardization defines innovation as a new or changed entity that realizes or redistributes value (ISO, 2025). The notion of an entity here is deliberately broad: it may be a product, a service, a process, a model or a method. The definition places **value** at its center, since novelty is not enough unless it brings benefit, whether financial, social,

environmental or otherwise. The phrase “redistributes” allows the inclusion of innovations that change who benefits from value without necessarily increasing its total, as when a service reaches a group that was previously excluded from it.

Innovation as what is perceived as new

In the literature on the diffusion of innovations, Rogers defined an innovation as an idea, practice or object that is perceived as new by an individual or other unit of adoption (Rogers, 2003). Damanpour’s definition of organizational innovation is close to this: the adoption of an idea or behavior that is new to the adopting organization (Damanpour, 1991). The value of this perspective is that it shifts the question from “is this new to the world?” to “is it new in this context, and does it require the people in it to change what they are used to?”

Table 1.1 Comparison of reference definitions of innovation

Source	Core of the definition	Element it highlights	Management implication
Schumpeter (1934)	Carrying out new combinations of resources and knowledge	Breadth of types; implementation	Innovation may occur in the market or the organization as well as the product
Oslo Manual (2018)	A new or significantly improved product or process, made available or brought into use	Actual implementation	An idea or prototype does not count as innovation until it reaches use

Source	Core of the definition	Element it highlights	Management implication
ISO 56000 (2025)	A new or changed entity that realizes or redistributes value	Value	The first question about any initiative: what value is expected, and for whom?
Rogers (2003)	An idea, practice or object perceived as new by those who adopt it	Relative novelty; adoption	A solution known elsewhere may be an innovation in this context, and adoption must be managed

The working definition used in this book

From these definitions we derive a working definition that we use in the chapters that follow:

Definition used in this book

Innovation is a new or significantly improved application that addresses a need or seizes an opportunity, is adopted by users or an operating unit, and creates observable value.

This definition has four elements, and the absence of any one of them is enough to keep an initiative short of innovation:

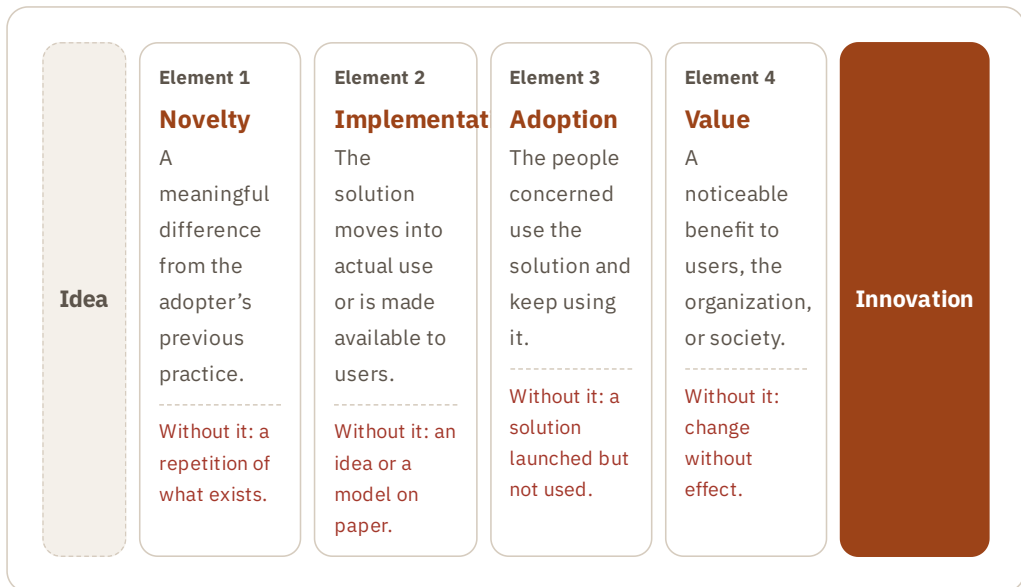


Figure 1.1 The four elements that turn an idea into an innovation, and what follows from the absence of each.

Novelty is a relative concept, discussed in the next section. **Implementation** is what separates innovation from ideas and inventions. **Adoption** is an element that is often overlooked, even though a good number of systems and platforms are officially launched and then left unused, or are used by staff at a bare minimum while they keep their old methods alongside. **Value** may be economic, social, operational, epistemic or environmental, and may accrue to the beneficiary, the employee, the organization or society.

The order of the elements has a temporal meaning: adoption and value come after implementation, so an initiative cannot be judged an innovation on the day it is launched. Launch day proves that a new application exists; proof of innovation has to wait until its use and its effect have been verified. The book's definition is therefore stricter than the minimum the Oslo Manual adopts for statistical measurement, which requires only that the new product be made available to users or the new process brought into use (OECD/Eurostat, 2018), because the book's purpose is managerial: judging whether an initiative has done what it was launched to do.

1.3 Relative novelty

A recurring question in management discussions is whether applying a solution that already exists elsewhere counts as innovation. The answer on which the measurement literature agrees is that novelty is measured relative to a reference unit, and the Oslo Manual distinguishes three degrees (OECD/Eurostat, 2018):

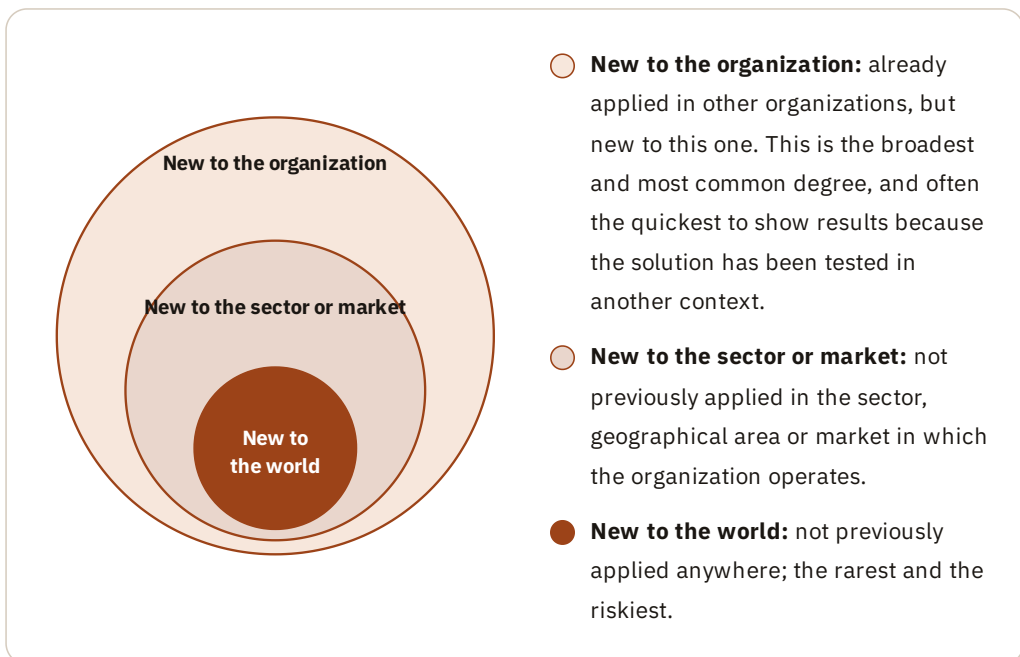


Figure 1.2 Degrees of novelty: every innovation new to the world is necessarily new to the market and to the organization, but not the reverse.

Two practical consequences follow from this distinction:

First, transferring a successful solution from one context to another can be a genuine innovation, provided it requires meaningful adaptation and change in the adopting organization.

Second, the degree of novelty affects how the initiative should be managed. A solution new only to the organization can draw on others' experience, and its uncertainty lies mainly in fit, adaptation and adoption. A solution new to the

world is uncertain in almost every respect: whether it works, whether it is needed, and what it will cost.

Example

When a government agency adopts an appointment-booking system that other agencies introduced before it, it invents nothing new. But it may need to redistribute staff across time slots, change how walk-in visitors are received, and replace performance indicators that counted daily transactions. These changes are what make the application an innovation at the level of the organization, and they are also what determines its success.

1.4 Innovation and neighboring concepts

In general usage the term innovation is used as a synonym for several related concepts. Distinguishing between them matters, because each has its own management logic, even if they overlap in practice.

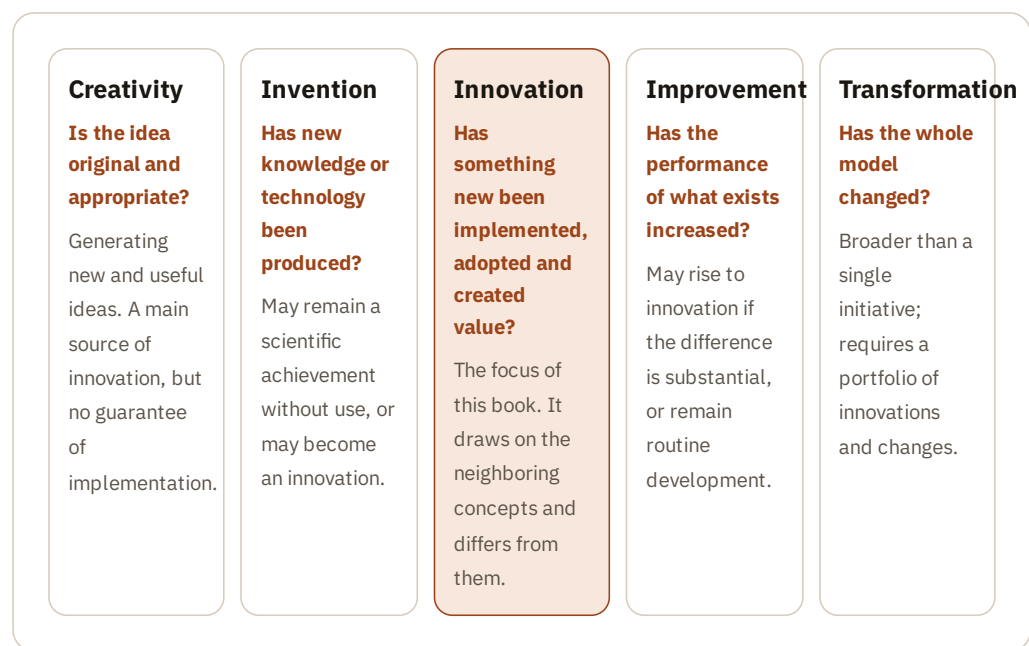


Figure 1.3 Innovation and its neighboring concepts, with the question that distinguishes each.

Creativity and innovation

Researchers in the psychology of creativity agree that a creative product combines originality and appropriateness: it is new and unusual, and useful or suited to a given purpose (Amabile, 1996; Runco & Jaeger, 2012). Creativity in this sense is a main source of innovation, but there is a wide gap between them: a creative idea may stay in its author’s head or in the minutes of a meeting, whereas innovation requires what creativity does not: resources, organization, experimentation, decisions and adoption.

Rhodes proposed early on that creativity be viewed from four interrelated aspects: the creative **person**, with their abilities and motivation; the **process** by which ideas are generated and developed; the surrounding **press** or environment, with the pressures it imposes and the opportunities it offers; and the **product** in which creativity is embodied (Rhodes, 1961). The value of this view for innovation management becomes clear when it is set against the common practice of focusing on the product alone, such as the number of

ideas, projects or patents, without attention to the people expected to innovate, the environment in which they work, and the processes that take up their ideas. Amabile showed that organizational innovation depends on the interaction between the creativity of individuals and teams and the work environment, including its resources, management practices and organizational motivation to innovate (Amabile, 1988). We devote Chapter 7 to this relationship.

Invention and innovation

Invention is the production of new knowledge, technology or combination, often documented by a patent. An invention becomes an innovation when it finds use and is incorporated into a product, service or process that creates value. A well-known example: in 1975 a Kodak engineer built an early prototype of the digital camera, yet the company was very slow to make digital photography central to its business, while the same technology became, in other companies' hands, an innovation that transformed the industry. Invention and innovation are thus two overlapping circles: an invention may remain confined to the laboratory, and many innovations, especially in services and business models, involve no new technology at all.

Improvement and innovation

Improvement raises the performance of what already exists: shortening the time a procedure takes, removing an unnecessary step, or raising the quality of a service. Improvement and innovation lie on a continuum. An improvement rises to innovation when it differs substantially from previous practice, is brought into use and creates value. It remains operational development when it is a limited adjustment whose method is already known.

The most useful criterion for telling them apart is the **degree of uncertainty**, which says more than the size of the change. If the solution is known, the cause understood and what is required is disciplined execution, continuous-

improvement tools are sufficient. If the solution is unknown, or there are essential untested assumptions about the user, the implementation or the value, the initiative requires the logic of innovation: experimentation, learning and staged decisions.

Transformation and innovation

Transformation is a fundamental change in the business or operating model, in the relationship with beneficiaries, or in organizational capabilities. It requires a portfolio of integrated innovations and changes, and leadership and change management that extend over years. “Digital transformation” thus includes many innovations, but also purely executional work such as data migration, system consolidation and staff training.

Entrepreneurship and innovation

Entrepreneurship is concerned with discovering an opportunity and organizing resources around it to create a sustainable venture or activity. It may rely on innovation without being synonymous with it: innovation can take place within an existing organization without creating a new venture, and an entrepreneurial venture may apply a known model in a new market with little innovation. The term **intrapreneurship** (Intrapreneurship) describes entrepreneurial behavior within established organizations, and it is closely related to the subject of this book.

Table 1.2 Differences between innovation and neighboring concepts

Concept	Output	Criterion of success	Management logic
Creativity	Ideas	Originality and appropriateness	Widening the options and deferring judgment

Concept	Output	Criterion of success	Management logic
Invention	New knowledge or technology	Technical novelty and scientific proof	Research and development; protecting intellectual property
Improvement	Better performance of what exists	Efficiency, quality and reliability	Analysis, disciplined execution and continuous improvement
Innovation	A new solution, implemented and adopted	Value realized	Experimentation, learning and staged decisions
Transformation	A new business or operating model	Change in capabilities and results across the organization	An integrated portfolio and long-term change leadership
Entrepreneurship	A sustainable venture or activity	Survival and growth	Seizing the opportunity and organizing resources around it

1.5 Types of innovation

Innovation can occur in any element that contributes to creating or delivering value. The literature offers several classifications of its types; we present two that complement each other.

The Oslo Manual classification

The Oslo Manual groups innovation into two main types: **product innovation**, whether a good or a service, and **business process innovation**, which it subdivides into six functions (OECD/Eurostat, 2018).

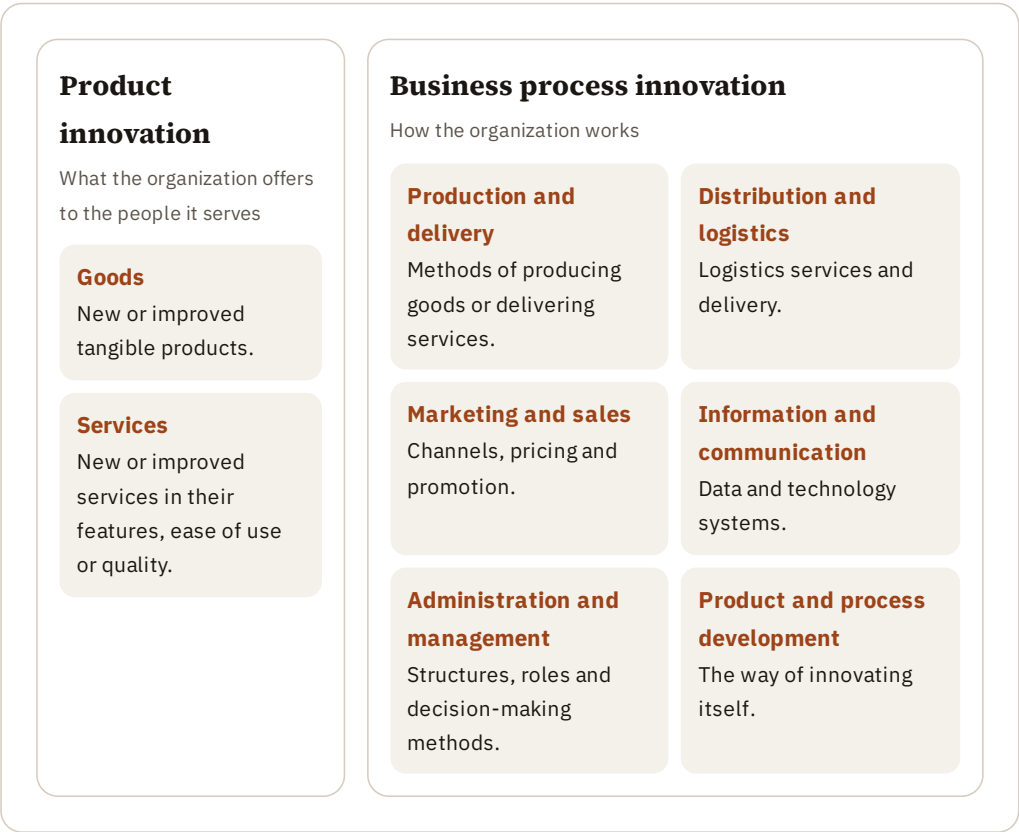


Figure 1.4 Types of innovation according to the Oslo Manual (2018). Source: adapted from OECD/Eurostat (2018).

Note that in this classification “product and process development” is itself a type of innovation: an organization that improves the way it explores opportunities and tests solutions is innovating in its very capacity to innovate, which is the subject of Part Two of the book.

The four Ps of Tidd and Bessant

Tidd and Bessant suggest looking at “innovation space” through four dimensions: **product**, what the organization offers; **process**, the way it is produced and delivered; **position**, the context in which it is offered and to whom; and **paradigm**, the underlying mental model of what the organization does (Tidd & Bessant, 2021). The last two dimensions are useful because they draw attention to innovations that change neither the product nor the process, such as offering an existing service to a new group, or redefining what the organization provides: a product, an outcome, or an integrated solution.

In Practice

Map your organization’s list of initiatives onto these two classifications. If the initiatives cluster in a single cell, such as technology or product, your organization’s view of innovation is narrower than the opportunities open to it. The largest opportunities often lie in the neglected areas: structure, networks, channels and the way decisions are made.

These types are complementary: an influential solution may combine a change in service, process, technology and operating model at the same time. Technology in particular is one enabler among others, and it enters into innovation when it substantially changes value, experience or performance; digitizing a flawed procedure may speed up the problem rather than solve it.

1.6 Degrees of innovation

Innovations differ in the amount of change they bring. The literature uses several classifications of these degrees, each with a different point of view.

Core, adjacent and transformational innovation

Incremental innovation builds on a known product, service, capability or group of beneficiaries, so its uncertainty is relatively low. **Adjacent innovation** takes an existing capability to a new group or market, or adds a new capability to a familiar field. **Radical** or transformational innovation changes the underlying assumptions, or offers substantially different value and a different model (Nagji & Tuff, 2012).

These degrees describe the extent of change and the uncertainty that comes with it, and each has its place and value: successive improvements may accumulate into a large effect, and a radical idea may prove unsuitable or impossible to adopt. What matters is that the organization identifies the degree of uncertainty, the risks and the capabilities each initiative entails, and manages it accordingly. We return to this distribution when we discuss strategy and portfolio management in Chapters 4 and 10.

Components and architecture

Henderson and Clark observed that the binary classification (incremental/radical) hides two important types of innovation, because every product or service consists of **components** and an **architecture** that links them. Crossing these two dimensions gives four types (Henderson & Clark, 1990):

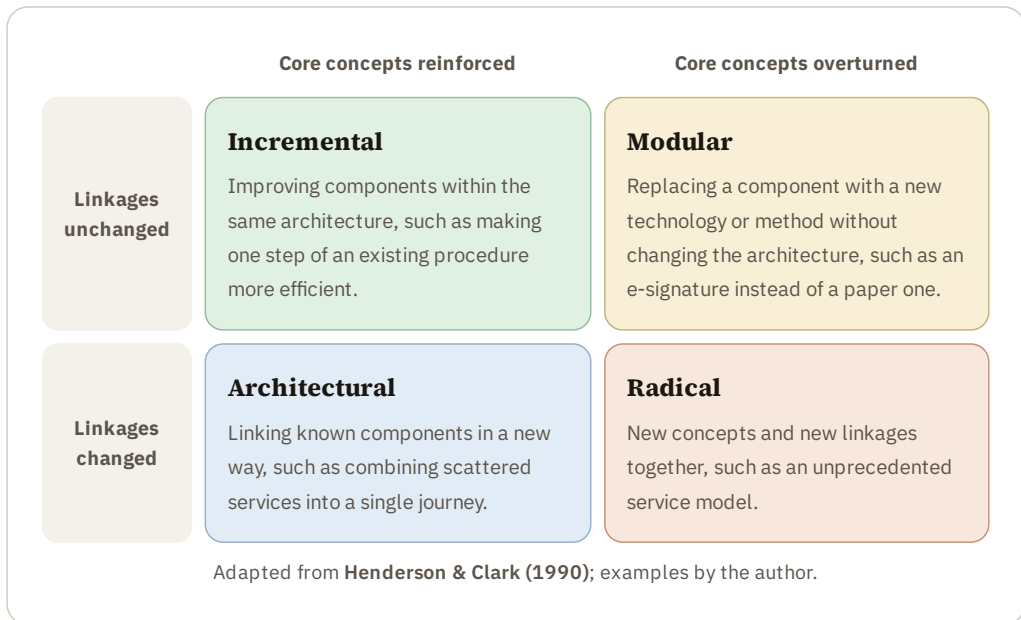


Figure 1.5 The innovation matrix by components and architecture.

Architectural innovation is particularly important in service and government organizations, because many service problems stem from how the components are linked rather than from their weakness. Each department may do its work efficiently while the problem lies in how they connect: hand-offs between units, repeated requests for the same information, and fragmented ownership of the journey. Henderson and Clark showed that this type is especially challenging for established organizations, because it looks limited on the surface while requiring knowledge of the architecture of the whole system, knowledge that is usually embedded in structures and habitual communication channels.

Sustaining and disruptive innovation

Christensen distinguished between **sustaining innovation**, which improves product performance on the dimensions that existing customers value, and **disruptive innovation**, which often starts with lower performance on those dimensions but is simpler, cheaper or more accessible, attracts neglected or

new groups, and then improves until it competes with the prevailing solutions (Christensen, 1997). The “dilemma” of successful organizations is that their very good practices, such as listening to their best customers and investing in the most profitable opportunities, lead them to ignore this type until it is too late.

1.7 Innovation in the public and nonprofit sectors

The innovation literature grew up in the context of firms and markets and carried many of their assumptions, such as competition, profit and a customer free to choose. Yet innovation in government bodies and nonprofit organizations is just as important, and may be more so, because its effects reach large groups of beneficiaries who usually have no alternative to the service.

Mulgan and Albury defined successful public-sector innovation as the creation and implementation of new processes, products, services and methods of delivery that result in significant improvements in outcomes, efficiency, effectiveness or quality (Mulgan & Albury, 2003). Value in this context is what Moore called “public value”: what society and its members value, which is broader than financial return (Moore, 1995).

Table 1.3 How innovation differs between the two sectors

Dimension	Firms	Public agencies and nonprofits
Measure of value	Return, market share and customer satisfaction	Social outcomes, equity of access, trust and efficiency
Driver of innovation	Competition and growth	National priorities, beneficiaries’ expectations, limited resources and crises

Dimension	Firms	Public agencies and nonprofits
Beneficiary	A customer who chooses and pays	A beneficiary who may have no alternative and may differ from the funder
Risk-taking	Acceptable within the expected return	More sensitive, owing to public accountability and the effect of errors on trust
Diffusion	Innovation is a competitive advantage to be protected	Innovation should preferably be shared across bodies and scaled

One consequence of these differences is that corporate tools need adapting before they are carried over to the public sector; return on investment alone, for instance, cannot adequately assess an initiative that aims to bring a service to an underserved group. In this book we use the term “beneficiary” to cover the customer, the citizen and the internal user, and the term “value” to cover both economic and public value.

1.8 Principles of innovation management

If innovation is the outcome, innovation management is the set of practices and capabilities that make that outcome possible and repeatable. It includes directing opportunities, ideas and initiatives, and managing their flow from the **front end of innovation**, where needs are explored and ideas generated, to implementation and the realization of value. The international **ISO 56000** series rests on eight principles that distill accumulated experience in the field (ISO, 2025; Fernandez & Swart, 2025); we present them here because they sketch a concise map of the book’s topics.

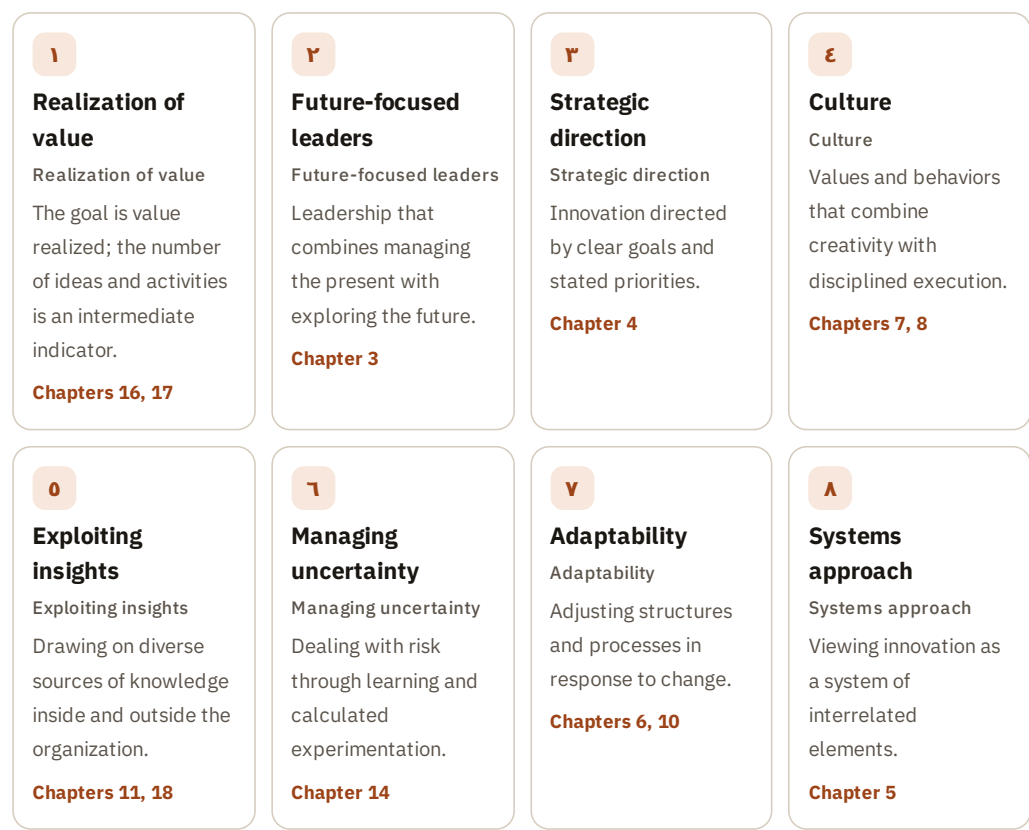


Figure 1.6 The eight principles of innovation management in the ISO 56000 series, and the chapters of this book that address each.

These principles stand above any particular tool, such as design thinking or hackathons. Tools change; the principles determine when a tool is useful and when it becomes a formality.

1.9 Common misconceptions

We close the conceptual part of the chapter with five inaccurate notions that recur in how organizations talk about innovation. Each leads to specific management decisions, so correcting them goes beyond precision of wording to correcting practice.

Innovation starts with ideas

The more accurate starting point is a need, problem, opportunity or change that calls for a response; the idea comes later as a hypothesis for a solution. An organization that starts by collecting ideas without direction receives a large number of scattered proposals that are hard to evaluate, and few of them ever reach implementation. Chapter 11 discusses this in detail.

Innovation is technology

Technology is an important enabler, but many of the highest-impact innovations lie in services, procedures, business models and structures. Large technology projects have failed to deliver value because they were built for a problem that was not sufficiently understood.

Innovation is for creative people only

An organization needs people who spot problems, analyze evidence, design experiments, implement, sponsor and bring operational expertise. The person not known for a wealth of ideas may be the one who makes an idea workable.

Having a lab or platform proves innovative capacity

Labs, platforms and awards are tools, and they may become part of innovation theater if they are not linked to priorities, resources, decisions and an operating owner, or if they remain isolated from the daily work of units and their people. The test of innovative capacity is an organized flow of opportunities, learning from experiments, evidence-based decisions and results achieved.

Launch is the end of the road

Launch proves that a new application exists; innovation is proven only after it has been adopted and its effect realized. An organization that is content to celebrate the launch and then move on usually loses the hardest and most important part of the journey.

Applied cases: is this initiative an innovation?

In this section we return to the initiatives in the opening case and apply the four elements to them. The cases are illustrative, and their details have been shaped to show the method of analysis.

The electronic leave-request form

Operational improvement



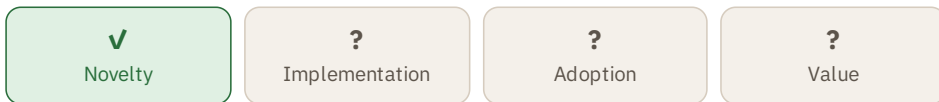
The electronic form replaced the paper one, and staff used it because it was the only route available. But the approval path stayed the same, with five successive sign-offs, and the average completion time did not

change. The novelty here is formal, and the value is limited to saving paper.

When would it rise to innovation? If the path itself were redesigned, for example by approving short leave automatically under clear rules and requiring a single approval in other cases, and a substantial reduction in time and workload were then measured.

The enquiries assistant

A potential innovation, not yet complete

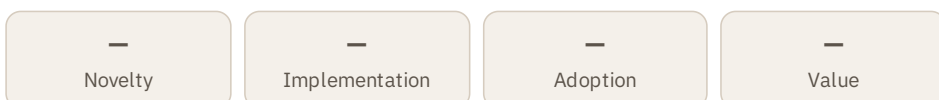


Novelty is present at the level of the organization, but the initiative is still an idea: the reasons for the high volume of enquiries have not been studied, nor the quality of the information the assistant would rely on, nor who would be responsible for updating it. Calling it an innovation is therefore premature.

When would it rise to innovation? If it began by understanding why the enquiries arise, was then piloted on a limited scale, the reduction in repeated enquiries and user satisfaction were measured, and an owner were named to keep the content up to date.

The staff ideas competition

An activity that prepares for innovation



The competition is a mechanism for capturing opportunities; it sits upstream of innovation, and its value depends on what follows it: its link to priority challenges, the time and resources available to evaluate proposals and test the best of them, and whether participants receive a response to their proposals.

When would it be worthwhile? If it were framed around a specific challenge, if what would follow from selecting ideas were announced in advance, and if a modest budget were set aside to test some of them.

Reducing request processing time

An innovation at the level of the organization



Quality reordered the steps of the procedure after finding that requests waited for days between two units without being processed. The two review stages were merged and a shared view of request status was created. Processing time fell from ten days to six, and the reduction held six months later. This is an architectural innovation new to the organization, even though it used no new technology.

What would strengthen the judgment? Comparing the time against a documented baseline, and checking that errors have not simply moved to a later stage.

What the cases show

The initiative whose name suggests innovation may be the furthest from it, and the initiative that looks modest may be the closest. Classifying an initiative determines how it is managed: improvement is managed through disciplined execution, a potential innovation through experimentation and staged decisions, and a preparatory activity through clarity about what will follow from it.

Chapter Tool: The Initiative Classification Card

Use this card to establish the nature of any initiative before deciding on it, at the proposal stage or when reviewing existing initiatives. Its purpose is to put the right questions to you; it is a diagnostic tool rather than a scoring scale.

Initiative Classification Card

Takes about twenty minutes to complete

1 What is the need or opportunity?

Describe it without mentioning the solution.

What evidence shows it matters?

Strong evidence

Initial evidence

Impression

2 What is the degree of novelty?

New to whom?

To the organization

To the sector

To the world

No meaningful novelty

3 What type of innovation?

More than one type may apply.

Product or service

Process

User experience

Business model

Organization and management

Technology

4 What is the degree of uncertainty?

Is the solution known? Is the cause understood? Is adoption assured?

Low: improvement

Medium: incremental or adjacent innovation

High: radical innovation

5 What value is expected, and for whom?

Which indicator will change if the initiative succeeds?

Beneficiary

Employee

Organization

Society

6 Who will adopt and operate the solution?

A specific, named unit.

Named and involved

Named but not involved

Not named

7 What management approach fits?

The conclusion from the answers above.

Execution and continuous improvement

Innovation path with experiments and stages

Initial exploration before deciding

Limited novelty and low uncertainty

The initiative is an improvement: carry it out well, without loading it with the language and tools of innovation.

Real novelty and medium or high uncertainty

The initiative needs an innovation path: stated assumptions, experiments, staged funding and decision gates.

Unclear need

The first step is a short exploration to understand the problem before committing to any solution.

Chapter Summary

- Innovation is a new or significantly improved application that addresses a need, is adopted by users and creates observable value. The absence of any of the four elements is enough to keep an initiative short of innovation.
- The reference definitions (Schumpeter, the Oslo Manual, **ISO 56000** and Rogers) agree that novelty alone is not enough, and differ in the aspect they emphasize.
- Novelty is relative: to the organization, the sector or the world. Transferring solutions between contexts is genuine innovation when

it requires adaptation and change.

- Creativity produces ideas, invention produces knowledge or technology, improvement raises the performance of what exists, and transformation changes the whole model. The practical criterion for distinguishing improvement from innovation is the degree of uncertainty.
- A broader view of creativity takes in the person, the process and the environment alongside the product, aspects on which an organization's capacity to innovate depends.
- Innovation occurs in products and services, in business processes, and in position and paradigm. Technology is one enabler, not a synonym for innovation.
- Innovations range from incremental to radical; architectural innovation matters particularly in service organizations; and each degree has a management approach that suits it.
- Public-sector innovation has a different logic of value, risk and diffusion, and requires adapted tools.
- Innovation management rests on eight principles, headed by the realization of value and completed by viewing innovation as a system.

Key Terms

Innovation Innovation	A new or significantly improved application, adopted by users, that creates value.
Innovation management Innovation management	The practices and capabilities that direct the flow of opportunities, ideas and initiatives, and manage experimentation, decisions and resources through to the realization of value.

Front end of innovation Front end of innovation	The stage before a project is formally launched, including discovering needs, exploring opportunities and generating ideas.
Degree of novelty Degree of novelty	The novelty of a solution relative to a reference unit: the organization, the market or the world.
Business process innovation Business process innovation	A new or improved change in how the organization performs one of its functions.
Incremental innovation Incremental innovation	Innovation that builds on an existing offer or capability without changing its basic nature.
Architectural innovation Architectural innovation	Linking known components in a new way.
Disruptive innovation Disruptive innovation	Innovation that starts at the low end of a market or in a new market, then improves until it competes with prevailing solutions.
Intrapreneurship Intrapreneurship	Entrepreneurial behavior by individuals within an established organization to lead a new innovation.
Public value Public value	What society and its members value in the outcomes of public services and policies.
Innovation theater Innovation theater	Activities that imitate innovation in appearance without changing products, services or ways of working.

Review and Discussion Questions

- 1 State the four elements of the definition of innovation, and illustrate with an example what follows from the absence of adoption. Understanding
- 2 Compare the Oslo Manual definition with the **ISO 56000** definition in terms of the element each emphasizes, and explain when one is more suitable than the other for a specific management purpose. Analysis
- 1 An organization implemented a system that similar organizations have used for years. Is this an innovation? Specify the conditions under which it would be. Application
- 2 Choose three initiatives from your organization's plan, classify them with the initiative classification card, and compare how they are currently managed with what the classification implies. Application
- 3 What makes architectural innovation difficult for established organizations? Give the example of a service whose units each do their work efficiently while the overall journey remains slow. Analysis
- 4 "An organization that has an innovation lab and an annual innovation award is an innovative organization." Discuss this statement in light of the concept of innovation theater and the four aspects of creativity. Evaluation

Chapter references

- Amabile, T. M. (1988). A model of creativity and innovation in organizations. *Research in Organizational Behavior*, 10, 123–167.
- Amabile, T. M. (1996). *Creativity in context: Update to "The social psychology of creativity."* Westview Press.
- Blank, S. (2019, October). Why companies do "innovation theater" instead of actual innovation. *Harvard Business Review*. <https://hbr.org/2019/10/why-companies-do-innovation-theater-instead-of-actual-innovation>

- Christensen, C. M. (1997). *The innovator's dilemma: When new technologies cause great firms to fail*. Harvard Business School Press.
- Damanpour, F. (1991). Organizational innovation: A meta-analysis of effects of determinants and moderators. *Academy of Management Journal*, 34(3), 555–590. <https://doi.org/10.5465/256406>
- Fernandez, R., & Swart, W. (2025). The new ISO 56000 family of standards for innovation management. *Standards*, 5(4), Article 34. <https://doi.org/10.3390/standards5040034>
- Henderson, R. M., & Clark, K. B. (1990). Architectural innovation: The reconfiguration of existing product technologies and the failure of established firms. *Administrative Science Quarterly*, 35(1), 9–30. <https://doi.org/10.2307/2393549>
- International Organization for Standardization. (2025). *Innovation management — Fundamentals and vocabulary* (ISO Standard No. 56000:2025). <https://www.iso.org/standard/84436.html>
- Moore, M. H. (1995). *Creating public value: Strategic management in government*. Harvard University Press.
- Mulgan, G., & Albury, D. (2003). *Innovation in the public sector*. Strategy Unit, Cabinet Office.
- Nagji, B., & Tuff, G. (2012). Managing your innovation portfolio. *Harvard Business Review*, 90(5), 66–74.
- OECD/Eurostat. (2018). *Oslo manual 2018: Guidelines for collecting, reporting and using data on innovation* (4th ed.). OECD Publishing. <https://doi.org/10.1787/9789264304604-en>
- Rhodes, M. (1961). An analysis of creativity. *The Phi Delta Kappan*, 42(7), 305–310.
- Rogers, E. M. (2003). *Diffusion of innovations* (5th ed.). Free Press.
- Runco, M. A., & Jaeger, G. J. (2012). The standard definition of creativity. *Creativity Research Journal*, 24(1), 92–96. <https://doi.org/10.1080/10400419.2012.650092>
- Schumpeter, J. A. (1934). *The theory of economic development* (R. Opie, Trans.). Harvard University Press.
- Tidd, J., & Bessant, J. (2021). *Managing innovation: Integrating technological, market and organizational change* (7th ed.). Wiley.

How does an organization move from scattered initiatives that celebrate innovation to a sustained capability to produce it?

This book traces the path of innovation from the first signal to a solution adopted in practice that creates value, and analyzes the organizational foundations that make this path a settled practice: strategy, systems, culture, governance, teams and measurement, with people at the center.

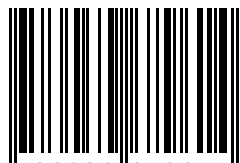
It rests on three pillars: a clear, high-priority problem; motivated people whose needs are met; and a system that connects them and turns effort into repeatable results. It combines international research evidence with the Saudi context, and pairs each chapter with a tool that can be used in a real organization.

Its twenty chapters are organized in five parts: foundations; institutional foundations and people; the initiative journey; value and the ecosystem; and an application to the university innovation ecosystem.

Innovation Management

Dr. Omar A. Alsamani

ISBN 978-603-06-7961-4



9 786030 679614