

## CHAPTER 7: SYNTHESIS AND RECOMMENDATIONS

### 7.1 Chapter overview

The diagram below gives a brief overview of this chapter:

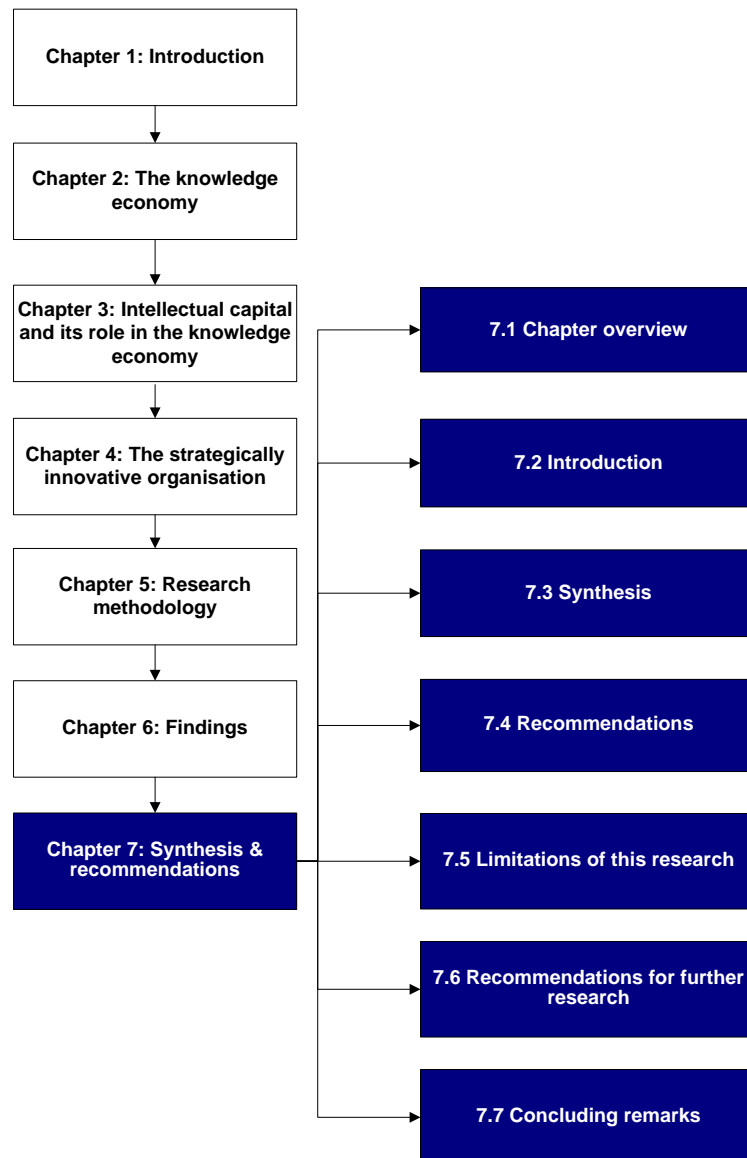


Figure 7.1: Chapter overview



## 7.2 Introduction

This study defined strategic innovativeness as: *The ability to create and apply knowledge effectively to the benefit of the organisation.*

The motivation for this study arose from preliminary research on literature pertaining the knowledge economy, intellectual capital, the corporate curriculum (Harrison & Kessels, 2004), learning theory (Cronje & Burger, 2006) and strategic innovation (Palmer & Kaplan, 2007).

The preliminary research indicated a need for a more holistic approach (Palmer & Kaplan, 2007) in measuring innovation and especially strategically innovative environments. Furthermore, the preliminary research also indicated a gap in terms of the South African literature regarding measuring strategically innovative environments.

Lastly, the preliminary research indicated that an environment conducive to strategic innovation needs to be created in an organisation if it wishes to stay competitive in the knowledge economy. The preliminary research also revealed a need to understand what this environment looks like, as was raised by Harrison and Kessels (2004). This research also highlighted the importance of continuous learning as a catalyst to develop human capital if organisations wish to create a strategic innovative environment (see chapter 3 and 4).

Based on the preliminary research the first objective for this study was to describe the role intellectual capital, the knowledge economy, the corporate curriculum and learning theory plays in creating a strategically innovative operational environment.

A second objective of this study was to develop an instrument to measure an organisation's operational environment in order to determine if it is conducive to strategic innovation.



A third objective of this study was to assist SDT to understand the innovation environment their customers operate in, in order for this vendor to provide a customised product offering to its customers.

A fourth objective of this study was to provide the participating organisations with insight on how they could build an operational environment conducive to strategic innovation.

In accordance with the objectives listed above a literature study was conducted pertaining to the topic at hand. The findings of the literature study were then empirically tested on eight life assurance organisations in Southern Africa in order to explore how an instrument could be developed to measure strategic innovativeness.

### ***7.3 Synthesis***

The nature and scope of the research are synthesised in terms of the purpose, the scope and the importance of the study where after the answers to the research questions are discussed.

#### **7.3.1 Purpose of study**

The purpose of this study was to develop a pilot instrument to measure strategic innovation in organisations. The purpose of this study was not to develop a refined instrument but rather to explore how such an instrument could be developed. To develop the instrument an attempt was made to highlight the relationship between the knowledge economy, intellectual capital, the corporate curriculum (Harrison & Kessels, 2004), learning theory (Cronje & Burger, 2006) and strategic innovation (Palmer & Kaplan, 2007).

From the literature review and empirical research undertaken the research established that an instrument could be developed to provide a holistic tool (Palmer & Kaplan, 2007) to measure an organisation's strategically innovative environment. This instrument included certain variables identified from analysing the literature and



focussed on the strategic innovative environment and leadership in certain organisations. The instrument for this research however needs refinement in order to improve its accuracy. After reviewing the instrument, the researcher made some recommendations on how this instrument could be refined. These recommendations were discussed in chapter 6 (see table 6.1). A four-quadrant matrix (see figure 4.5) was also developed for this study to plot the results from the instrument on. This matrix illustrated how the presence of a combination of variables could promote or inhibit an organisation's strategic innovativeness (see addendum 5).

When the instrument was applied, it was found that organisations in the life assurance industry of Southern Africa could be regarded as having a moderately strategic innovative environment, therefore demonstrating the value such an instrument could add to organisations wishing to improve their operational environments. It was found that the participating organisations need to place a strong emphasis on developing their leadership and subject matter expertise. The results also indicate that the organisations should find a balance when assigning complex tasks and low complexity tasks to employees. It is suggested that the learning environment in these organisations be more flexible to accommodate different styles of learning and interests of individuals. The results further suggest that the participating organisations should place a stronger focus on developing communities of knowledge as a way to explore different ways of problem solving.

### **7.3.2 Scope of the study**

As mentioned previously, this study consisted of case study research on eight life assurance organisations in Southern Africa.

Some recommendations with regards to the methodology followed to develop the instrument for this study was discussed in chapter 5 (see table 5.1.) These recommendations were based on the work of Yin (2003), Neale *et al.* (2006) as well as Boutellier and Gassman (2008). Recommendations were also made in chapter 6 (see table 6.1) to assist future researchers in refining the instrument. These

recommendations were based on research conducted by Mouton (2003) with reference to developing instrumentation.

Alternative research methods were also discussed in chapter 5, based on the work of Mouton (2003) and the rationale for choosing case study research as a method to conduct this study was explained.

This study focused on the following areas within the participating organisations:

- The level of problem solving techniques used when employees need to solve difficult problems and adapt to change. This is regarded as the organisation's ability to be proficient in dealing with complex issues when adapting to change.
- The manner in which employees apply their knowledge. This study argues that a certain level of personal skilfulness is needed when applying knowledge to ensure that knowledge is applied in ways that will benefit the organisation.
- The level of subject matter expertise that is required for employees to complete their daily tasks.
- What the learning environment is like in these organisations.
- The level of complexity in employees' daily tasks.
- The perceived level of leadership present in these organisations.
- If communities of knowledge exist and are promoted in these organisations.
- The organisation's approach to innovation.

Certain recommendations (see section 7.4) were made to assist the participating organisations to improve their operational environments in order to stimulate strategic innovation. These recommendations imply making organisations aware of the areas where they should improve as well as what approach they should follow if they wish to improve.

### **7.3.3 Importance of the study**

This study makes a contribution in terms of developing and piloting a holistic instrument (Palmer & Kaplan, 2007) to measure operational environments in



organisations to determine if they are conducive to strategic innovation. This pilot instrument could be further refined and can be used as a base for future development. This study further makes a contribution by identifying certain areas that need improvement in the participating organisations. A further contribution is to assist SDT in understanding the unique environment their customers operate in. This will ensure that new products and training are aligned with the specific needs of these organisations in order to assist SDT in providing customised product offering.

These contributions are as follows:

### **7.3.3.1 Awareness and analysis of factors surrounding the integration of the concepts of knowledge economy, intellectual capital, the corporate curriculum, learning theory and strategic innovation**

Chapter 2 noted that the knowledge economy introduces some challenges for organisations if they wish to stay competitive. Price, quality, flexibility and innovation are key if organisations wish to survive in the knowledge economy (van Amelsvoort, 2000).

This study also highlights that intellectual capital is another important cog in surviving in the knowledge economy. Chapter 3 emphasised the importance of human capital development as a key differentiator for being strategically innovative in the knowledge economy. It is important to understand the knowledge economy and intellectual capital as this study argues that these two concepts define the environment in which organisations need to do business in today.

The concept of the corporate curriculum (Harrison & Kessels, 2004) was explored. This curriculum is described in chapter 4 as an organisational framework for learning. Due to the importance of learning in establishing a strategic innovative organisation, this study attempted to integrate learning theory (Cronje & Burger, 2006) and characteristics of strategic innovation (Palmer & Kaplan, 2007) with the corporate curriculum (Harrison & Kessels, 2004) to refine Cronje and Burger's (2006) matrix on learning theory (see figure 4.5, chapter 4). By integrating the



above-mentioned concepts certain variables arose that were used to develop the instrument for this study (see chapter 4).

It is argued by Palmer and Kaplan (2007) that innovations in a strategically innovative organisation are not incremental or serendipitous but constant, enabling quantum leap changes. A strategically innovative organisation creates an environment where individuals can grow, create and share knowledge. These individuals also have the skill to apply their knowledge in ways that benefit the organisation as a whole.

Continuous learning was therefore highlighted as a catalyst for strategic innovation. Leadership at all levels of the organisation was also identified as being key to becoming a strategically innovative organisation.

#### **7.3.3.2 Appreciation for the factors affecting organisations wishing to become strategically innovative**

This study highlights the factors (i.e. proficiency, personal skilfulness, subject matter expertise, leadership, communities of knowledge, complexity, approach to innovation and learning environment) which should be considered when developing strategic innovativeness in organisations. These factors could assist suppliers in understanding the environment an organisation operates in. An appreciation for these factors will also assist organisations in becoming more strategically innovative by helping them to focus on certain areas for improvement.

#### **7.3.4 Answers to research questions**

The answers provided below are not intended to be simplistic or absolute. The multitude of contributing factors implies that the main research question cannot be answered in isolation. Rather, the answer is informed by a series of sub questions and answers. The answers provided below are derived from and informed by the context of this research.



#### **7.3.4.1. What is the “Knowledge Economy” and what impact does it have on a strategic innovative environment?**

The literature review in chapter 2 attempted to explain what is meant with the term Knowledge Economy. In the Knowledge Economy knowledge is being used as a new exchange rate to make organisations more competitive i.e. strategic innovative. In section 2.5 of chapter 2, the impact of the Knowledge Economy on today’s workplace was explained. This impact was highlighted by the need for organisations to become learning organisations in order to continuously improve. A strong emphasis is therefore placed on learning to thrive and survive in the Knowledge Economy. The importance of Emotional Intelligence as a means to adapt to constant changes was also discussed. Management styles are also changing in the Knowledge Economy, with a strong premium being placed on developing leadership skills.

By creating an environment conducive to learning and by developing individuals personal skilfulness, coupled with strong leadership, organisations will become more strategic innovative.

#### **7.3.4.2. What role does intellectual capital play in the strategic innovative environment?**

Intellectual Capital and its role in the Knowledge Economy were explored in chapter 3. What was found is that human capital and its development is at the heart of an organisations success in the Knowledge Economy. It was argued that intellectual capital, but especially human capital, plays a big role in creating an operational environment conducive to strategic innovation.

#### **7.3.4.3. What is a strategic innovative organisation?**

In chapter 4 it was argued that in a strategic innovative organisation innovation is driven by the organisation and not by separate individuals. The innovations in a strategic innovative organisation are not incremental or serendipitous but constant, enabling quantum leap changes. A strategic innovative organisation creates an





environment where individuals can grow, create and share knowledge. These individuals also have the skill to apply their knowledge in ways that benefit the organisation as a whole. Leadership is key for a strategic innovative organisation to develop and evolve. A strategic innovative organisation also has a medium to high revenue potential as opposed to any other organisation.

Chapter 4 defined strategic innovation as: *“Creating and applying knowledge to the benefit of the organisation through creating an environment conducive to learning”*.

#### **7.3.4.4. Which variables contribute to the creation of a strategic innovative environment?**

By analysing the literature pertaining to the knowledge economy (see chapter 2), intellectual capital (see chapter 3), knowledge production (i.e. the corporate curriculum), learning theory and strategic innovation (see chapter 4) the following variables were identified to contribute to the overall strategic innovativeness of an organisation:

- **Proficiency:** The technique(s) organisations use for innovation and to adapt to change.
- **Personal skilfulness:** The skilfulness of individuals in applying and creating knowledge.
- **Subject matter expertise:** The experience and expertise of individuals.
- **Learning environment:** Is the environment conducive to knowledge creation and sharing.
- **Complexity:** Is the environment and tasks challenging to individuals?
- **Leadership:** Is their strong leadership present at all levels in the organisation.
- **Communities of knowledge:** Are individuals encouraged to share and apply knowledge among them self, either in groups or workshops?
- **Approach to innovation:** The approach an organisation has to being innovative.

When plotting the results of the instrument on a four quadrant matrix (see addendum 5) it illustrates that a combination of the variables above may influence an organisation's overall strategic innovativeness.

#### **7.3.4.5. How can learning theory contribute to the creation of a strategically innovative environment?**

Throughout this thesis (see chapters 2, 3 & 4) it was argued that learning is at the heart of building a strategically innovative environment. The corporate curriculum (Harrison & Kessels, 2004) is explained in chapter 4, section 4.4. In short the corporate curriculum (Harrison & Kessels, 2004) is an organisational plan for learning. This curriculum provides the foundation for organisations to integrate working and learning.

Chapter 4 also argued that if the corporate curriculum (Harrison & Kessels, 2004) is integrated with learning theory (Cronje & Burger, 2006), it could assist in developing an instrument to measure an organisation's operational environment.

#### **7.3.4.6. To what extent can an instrument be developed to measure an organisation's strategically innovative environment?**

This was the main question of this research project. Due to the importance of learning in creating a strategic innovative environment, Cronje and Burger's (2006) initial instrument on learning theory was used as basis to develop this new instrument.

The process of developing this instrument was explained in chapters 4 and 5.

This research attempted to develop a holistic measuring tool as referred to by Palmer and Kaplan (2007) by integrating concepts of the knowledge economy (see chapter 2), intellectual capital (see chapter 3), the corporate curriculum, learning theory and elements of strategic innovation (chapter 4). It was found that an instrument could be developed to measure strategic innovativeness in organisations.

The instrument was then applied to eight life assurance organisations in Southern Africa. These organisations were all customers of SDT as explained in chapter 5. The results of the instrument were then plotted on a four quadrant matrix (see addendum 5) to illustrate the effect a combination of variables, which were identified after analysing the literature, could have on an organisation's overall strategic innovativeness.

Although the purpose of this study was not to develop a refined instrument it is believed that this instrument could be used as a basis for further research on measuring strategic innovativeness.

#### **7.3.4.7. To what extent can life assurance organisations in Southern Africa be regarded as being strategically innovative?**

The results from this study (see chapter 6) indicated that organisation in the Life Assurance Industry of Southern Africa could be deemed as having a moderately strategic innovative environment. The level of strategic innovativeness depends on the presence and integration of certain variables as was identified in this study.

The results also highlighted the need for leadership development and the development of subject matter expertise in these organisations. The development of these two aforementioned variables will assist the participating organisations in becoming more strategically innovative.

### ***7.4 Recommendations***

The first objective of this study was to describe the role of intellectual capital, the knowledge economy, the corporate curriculum and learning theory plays in creating a strategically innovative operational environment. It is recommended that:

- More constructs are added to allow for more integration with other relevant subject fields in order to refine the instrument.



The second objective of this study was to develop an instrument to measure an organisation's operational environment in order to determine if it is conducive to strategic innovation. It needs to be noted that the purpose of this study was not to build a refined instrument but rather to explore how an instrument could be developed by integrating various constructs. By further plotting the results on a matrix the researcher tried to illustrate how certain variables could promote or inhibit an organisation's strategic innovativeness.

After the development and application of the instrument the following problems were identified with the instrument:

#### 7.4.1 Some questions were asked in the negative

Some questions were asked in the negative. These were:

- *“Your working environment leaves **no** room for experimentation. Errors are **not** tolerated.”*
- *“You are **not** faced with complex problems on a regular basis.”*
- *“Your working environment is **inflexible**.”*
- *“In your environment group work is **not** a priority.”*
- *“It is **not** a priority to socialise and interact with colleagues.”*

From listening to the recordings of the interviews the researcher picked up that some participants tried to remember what they had previously answered on the construction axis, before answering questions on the instruction axis. One participant also joked that he should not be caught “lying” with reference to a previous question.

It is therefore recommended to rather ask open ended questions that are not in the negative.



#### 7.4.2 Pilot or pre-testing of the instrument

For this research only one pilot test of the instrument was done on staff of SDT. By doing more pre-testing the researcher believes the quality of statements could be improved.

#### 7.4.3 Some questions were a combination of two or more questions

The following question could have been constructed differently: “Your interests are valued in the workplace and are used to solve problems”

It is recommended that this question be split in two to avoid confusion, e.g.:

- *“Your interests are valued in the workplace.”*
- *“Your interests are used to find solutions to solving problems.”*

#### 7.4.4 Question sequence

Questions on the construction axis were posed to the participants first, followed by questions on the instruction axis. It is recommended that the questions are scrambled to avoid participant bias towards a certain topic or construct.

Further recommendations include, but are not limited to:

- Add more dimensions to the instrument.
- Follow a mixed model approach to quantify findings and refine instrument.
- Use a wider spectrum of evaluators to evaluate the organisations.

After the above recommendations are implemented it is suggested to reapply the instrument to more cases across different industries, settings, content, etc. to find an instance where both constructivists as well as instructivist elements are high.

It is recommended that if this instrument is used in further studies, attention should be given to the above in order to refine the instrument.



On the positive side, the researcher believes that the following contributed to developing a successful pilot instrument:

1. The statements were not ambiguous or vague and didn't assume too much of the respondents. The reason for this is that the statements were e-mailed prior to conducting the interviews to give participants time to prepare. All participants were comfortable with the questions as indicated by them in the interviews.
2. The constructs were not fictitious to the participants and they were all comfortable with the statements. The reason for this could be that the target audience for conducting interviews were selected carefully in conjunction with SDT in order to improve the accuracy of the data. The statements were forwarded to participants two weeks prior to conducting the interviews. This gave the participants the opportunity to prepare and familiarise themselves with the content.
3. Leading questions were not asked. Instead the researcher used statements to evaluate organisations on which the participants had to agree or disagree with. The participants were also asked to comment on some statements so that the researcher could gain further understanding.
4. The layout of the questions was easy to follow and not confusing as was confirmed by the participants.
5. The instrument wasn't too long and consisted of forty four statements. The telephonic Interviews were also completed in a reasonable time frame.
6. There was no indication that statements were too sensitive or threatening for the participants to answer.
7. More than one statement was put forward to measure a construct, ensuring that the researcher gained the necessary understanding.

The researcher believes that even though some mistakes were made when developing and applying the pilot instrument, and in lieu of the above, it added sufficient value to the topic of measuring an organisation's strategically innovative environment. The researcher also believes that the above recommendations could assist in refining the instrument in further studies on the topic.



A third objective of this study was to assist SDT to understand the innovation environment their customers operate in, in order for this vendor to provide a customised product offering to its customers.

Some recommendations for SDT therefore include, but are not limited to:

- Provide customers with documentation that includes customised training material, process maps and system manuals.
- Use a collaborative approach which relies on customer input to develop products and systems.
- Work with change agents in organisations to understand their drive towards change.
- Continue to invest in building its staff's subject matter expertise.
- Create an environment conducive to learning with constant feedback after implementations to learn from mistakes.
- Build centres of excellence to foster skills transfer within departments.
- Continue to develop leadership at all levels of the organisation.

A fourth objective of this study was to provide the participating organisations with insight on how they could build an operational environment conducive to strategic innovation. With this in mind the following is recommended:

#### **7.4.1 Recommendation 1**

*At organisational level it is recommended that organisations retain their focus and level of personal skilfulness.*

The empirical study revealed that the participating organisations surveyed, place a high premium on developing staff members' personal skilfulness. This is ascribed to the staff members' willingness to improve and the strong emphasis that is placed on professionalism by these organisations. These organisations are all ruled by financial legislation and financial governing bodies that encourage professional conduct.

An awareness of the need to develop soft skills will be beneficial to organisations wishing to improve their staff's personal skilfulness. The researcher suggests that



soft skills training such as conflict handling and negotiation skills form part of staff members' development plans.

#### **7.4.2 Recommendation 2**

*It is recommended that organisations appoint change agents to improve overall proficiency.*

The participating organisations were deemed to be proficient in their approach to problem solving and adapting to change. Strategically innovative organisations are characterised by the fact that they adapt easily to changing circumstances and they are able to reinvent themselves to exploit new opportunities. This ability to change requires individuals to be highly adaptable and requires a high level of proficiency in dealing with these changes.

The empirical research conducted indicated that all the organisations, except one, were rated as being very proficient by the participants. It is recommended that organisations familiarise staff with new ideas and engage in formal change management procedures in order to improve individuals' proficiency. Change agents can be appointed to drive and manage change in these organisations. This will ensure buy-in at all levels in the organisation and will lessen the resistance to changing to a strategically innovative environment.

#### **7.4.3 Recommendation 3**

*It is recommended that organisations encourage continuous development in staff in order to improve the overall subject matter expertise.*

The literature study highlighted the importance of subject matter expertise in strategically innovative organisations. Employees need someone to look up to, a mentor to guide and coach them. Mentoring is important for individuals to gain the necessary knowledge and skills to excel in their daily tasks. Organisations need to





get the balance right between Mode I (scientific) and Mode II (applied) knowledge (Gibbons *et al.*, 1994) for individuals to grow.

Results from the empirical research revealed that only one out of the eight of the participating organisations demonstrated a high level of subject matter expertise. This result implies that organisations in the life assurance industry of Southern Africa are for the most part uninformed regarding the importance of subject matter expertise.

Results from the empirical research suggested that the participating organisations need to work hard to improve the overall subject matter expertise. It is important that training initiatives be aligned with business outcomes.

#### **7.4.4 Recommendation 4**

*It is recommended that a flexible learning environment be created with documented processes, procedures and tutorials to follow.*

The findings of the research suggest that the documentation of processes, procedures and tutorials did not exist or was very limited in the participating organisations. This finding implies that these organisations relied too much on knowledge that resides in people's heads. The impact is that if a knowledgeable employee leaves the department or organisation, all their knowledge leaves with them. The lack of documented processes, procedures and tutorials also makes it very difficult for new employees to get up to speed quickly.

Results from the empirical study revealed that only three out of the eight organisations were perceived to have a flexible learning environment by the participants. This finding implies that creating a flexible learning environment was not a priority for all participating organisations.



Results from the empirical study also suggested that participants felt that their learning environments could be more flexible, allowing for individual interests to contribute to the overall learning experience.

#### **7.4.5 Recommendation 5**

*It is recommended that the level of complexity in employees' daily tasks be balanced between highly complex and not so complex tasks.*

The literature study and the empirical component of this research indicated that employees should constantly be challenged in their daily tasks; otherwise they might become complacent and bored. The literature study suggested that employees should be given special projects or even be moved around to different departments for them to learn new skills.

#### **7.4.6 Recommendation 6**

*It is recommended that leadership development at all levels of the organisation be a priority.*

The literature study and the empirical research revealed a lack of strong leadership in the participating organisations. Only one out of the eight organisations indicated that a high level of leadership existed within that organisation. This implies that leadership development is not a priority for life assurance organisations in Southern Africa.

The presence of strong leadership at all levels of an organisation is critical if organisations wish to develop and improve their strategic innovativeness.

#### **7.4.7 Recommendation 7**

*It is recommended that organisations establish communities of knowledge with departments to share knowledge and ideas.*



The empirical research suggested that not all of the participating organisations regarded the establishment of communities of knowledge, e.g. focus group discussions, as a priority.

The literature review highlighted that the establishment of informal communities of knowledge to share knowledge and ideas is very important if organisations wish to develop and improve their strategic innovativeness.

#### **7.4.8 Recommendation 8**

*It is recommended that organisations continue to challenge their approach to innovation and make necessary changes where required.*

The results from the empirical research further suggested that all eight organisations placed a high priority on their approach to innovation and would change their approach if needed.

The above recommendations (7.4.1 – 7.4.8) are fully motivated in table 6.3.

#### **7.5 Limitations of this research**

In this section some limitations regarding the design of the instrument is discussed where after some limitations regarding the methodology followed to conduct this study is summarised in table 7.1.

The first limitation is that the design of the instrument was based on integrating the corporate curriculum (Harrison & Kessels, 2004), learning theory (Cronje & Burger, 2006) and elements of strategic innovation (Palmer & Kaplan, 2007) only. Literature pertaining to the knowledge economy (chapter 2) and intellectual capital (chapter 3) was analysed to describe the climate in which organisations need to operate in. The second limitation is that the assessment of strategic innovation was based the strategic innovation framework of Palmer & Kaplan (2007). The third limitation was that the purpose was not to develop a refined instrument but rather to provide the

foundation for further research into the topic of developing a holistic tool (Palmer & Kaplan, 2006) for measuring the strategically innovative environment of organisations.

Limitations pertaining to the methodology followed to conduct this research are summarised below:

**Table 7.1: Limitations of this research and the impact on this study**

Limitation	What happened in this study?
This research was a qualitative explorative study only.	<p>Concepts such as the knowledge economy, intellectual capital, the corporate curriculum, learning theory and strategic innovation were explored.</p> <ul style="list-style-type: none"> <li>• The objective was to understand, rather than to explain.</li> <li>• It was a naturalistic observation rather than a controlled measurement.</li> <li>• The focus was on implementation rather than on quantifiable outcomes.</li> <li>• The study is a subjective exploration of an insider's perspective rather than that of an outsider.</li> <li>• To aim was to enhance further improvement and self-determination.</li> </ul>
This study was based only on a select number of cases in the life assurance industry.	Other industries were excluded from this study which might have impacted on the overall results.
Only the knowledge economy, intellectual capital, knowledge production and strategic innovation were explored.	Adding more constructs to the study might improve the overall validity and reliability of the results.
The primary objective of this study was to explore how strategic innovativeness could be measured and not necessarily to present a refined instrument.	The process of developing an instrument by integrating various constructs through exploration was the focus of this study and not necessarily to develop a quantifiable instrument.
Only eight organisations participated, as this was an exploratory study only.	Gathering and analysing data from more cases might improve the reliability and validity of the results.

Table 7.1 above summarises some of the limitations regarding the methodology followed for conducting this research.

## ***7.6 Recommendations for further research***

Related aspects regarding the topic of study that could require further research are as follows:



- A model could be developed to improve strategically innovative environments at a macro level across various industries.
- A strategically innovative benchmark could be established for organisations to measure themselves.
- Further research is needed to refine the instrument as noted in section 7.4.

The implementation of all these recommendations would result in a more refined instrument.

## ***7.7 Concluding remarks***

### **7.7.1 Relation to objectives**

The first objective of this study is to describe the role intellectual capital, the knowledge economy, the corporate curriculum and learning theory plays in creating a strategically innovative operational environment. To meet this objective literature pertaining to the topic at hand was analysed and reanalysed in order to establish relationships between these constructs. Certain variables were then identified which formed the basis of a Likert-based instrument (see Addendum 1) to evaluate participating organisations.

The second objective of this study was to explore how an instrument could be developed to measure the strategic innovativeness of life assurance organisations in Southern Africa. Prior to this study a lot of debate existed on how to measure innovation in organisations. This study hoped to add to this debate by suggesting a phased approach to developing such an instrument based on a holistic approach as noted by Palmer and Kaplan (2007). This study argued that it is critical for organisations to create an environment conducive to strategic innovation if these organisations wish to survive in the knowledge economy. By developing the pilot instrument it is hoped that this study could be used as a base for further research in order to refine the instrument.

To meet this objective the following were undertaken:



- Constructs such as the knowledge economy, intellectual capital and its role in the knowledge economy, the corporate curriculum, learning theory and elements of strategic innovation were explored.
- The nature and characteristics of these constructs were discussed to determine their conceptual boundaries.
- These constructs were described to create a high level of understanding of the nature and implications of probable relationships.
- There are numerous touch points between these constructs and some unique drivers to each. An overview of these touch points and drivers highlighted the need for a more holistic approach to measuring strategic innovation in organisations.
- By identifying the touch points and drivers certain variables emerged that could promote or inhibit an organisation's strategic innovativeness.

A third objective of this study was to assist SDT in understanding the environment its customers operate in. It was believed that by understanding its customers' environment SDT could customise its product offering to meet their customers' ever changing needs. To meet this objective the following were undertaken:

- A pilot instrument was developed and applied to eight life assurance organisations in Southern Africa. These organisations were all customers of SDT.
- The results from the instrument were plotted on a four-quadrant matrix for each participating organisation in order to illustrate to SDT which variables affected an organisation's strategic innovativeness.
- Recommendations were put forward to SDT on how it could optimise its product offering and operations, based on the results from the matrix.

A fourth objective of this study was to provide the participating organisations with some recommendations on how they could improve their overall strategic innovativeness.



### 7.7.2 Hypothesis testing

The original hypothesis was that organisations need to become strategically innovative to survive in the knowledge economy. A holistic instrument to identify an organisation's strategically innovative environment could therefore assist organisations in improving their operational environment, thus becoming strategically innovative. This hypothesis was neither proven nor disproven in the Southern African context specifically, with reference to both the performance and importance of issues identified.

### 7.7.3 Expected results from chapter 1

The researcher was of the opinion that the research would identify that organisations need to become strategic innovative if they wish to survive in the knowledge economy. The researcher was further of the opinion that constructs such as the knowledge economy, intellectual capital, the corporate curriculum, learning theory and elements of strategic innovation are related, with the importance of continuous learning to develop human capital as the cohesive force that link these constructs. By integrating these constructs the researcher hoped to identify certain variables that could promote or inhibit the strategically innovative environment. It was further expected that life assurance organisations in Southern Africa would be strategic innovative due to the nature of the industry they find themselves in.

Confirmed results as expected in chapter 1 (see section 1.7) are listed below:

- An instrument could be developed based on the constructs above.
- Due to the importance of learning in creating a strategically innovative environment, Cronje & Burger's (2006) model on learning theory could be adapted to illustrate the results.
- An improved learning environment, subject matter expertise and leadership emerged as the areas which need improvement if organisations wish to improve their strategic innovativeness.
- Participating organisations could be regarded as having a moderately strategically innovative environment.



Expected results from chapter 1 (see section 1.7) that were not confirmed, include:

- Organisations need to become strategically innovative to survive in the knowledge economy.
- The instrument assisted organisations in identifying which variables affect their strategic innovativeness.
- The instrument allowed organisations to prioritise which areas they wish to improve to enhance their strategic innovativeness.
- The instrument assisted SDT in understanding its customers' environment to enable SDT to customise its product offering.

#### **7.7.4 Application of the pilot instrument**

The application of the pilot instrument was successful in this environment according to the researcher. The instrument together with the matrix provided a useful representation of the results in order for the participants to make effective business decisions.

Participants were allowed to comment on each statement which allowed them to provide their own opinions and to elaborate on certain issues.

Probably of most value was that the instrument provided the participants with valuable insight into areas that need improvement.

#### **7.7.5 Conclusion**

The researcher came to the conclusion that the concept of strategic innovation is fairly new, especially in the Southern African context. Although a lot has been written about measuring innovation a holistic approach that integrates various concepts could be beneficial in developing an instrument to measure strategic innovation.

The instrument developed for this study could be further refined as stated previously. The researcher believes that this research added to the debate of measuring strategic innovation by opening up other avenues in exploring how tools could be





developed to measure the intangible human factor that drives strategic innovation as referred to by Prentice (2009).

This research established that an environment conducive to learning is of critical importance to develop strategic innovation in an organisation together with other variables that have been identified in this study.

Although this study could not confirm or deny that organisations need to be strategically innovative to survive in the knowledge economy it is believed that by measuring strategic innovativeness could assist organisations in making effective business decisions. Measuring strategic innovation could also assist organisations in developing a strategic innovative culture amongst its employees.

To conclude it needs to be noted that the path to becoming strategic innovative differs from organisation to organisation and could be described as evolutionary.