

## THE EFFECTS OF INNOVATION MANAGEMENT ON ORGANIZATIONAL SUCCESS IN THAILAND

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### ABSTRACT

Innovation begins with creativity with new ideas which can be used in businesses. The innovation plays an essential role to drive the firms in any sizes in the 21st century to generate higher profits. Entrepreneurs are considered as innovators to add value for organizations to be successful. The positive effects of the innovation management lead to organizational effectiveness, development, performance and competitive advantages. These factors are major sections in driving companies' growth, generating value for organizations and customers, and increasing profits. In the rapidly changing world, the innovation management should be highly required in Thai organizations in order to have more accomplishment in a long term sustainably.

**Keywords:** Innovation Management, Organizational Success, Entrepreneurs, Sustainability.

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## INTRODUCTION

When customers' expectation and behaviors have been changing; as a result, the entrepreneurs need to adjust their businesses rapidly to enhance their organizations. Innovation can be provided and utilized to many sectors. For example, in the tourism and hospitality industry there are plenty of questions and inquiries from customers via social media such as Messenger and text message per day. It is hard to human to reply those fast to satisfy waiting customers. The simple online services and mobile applications have been applied in reservations for customers; for example, inquiry and advice for travelling, air tickets, hotels and food ordering (Følstad & Taylor, 2021; Leung & Wen, 2020, pp. 377-386; Ukpabi, Aslam & Karjaluoto, 2019 pp. 105-121). Similarly, in the food industry of Thailand the innovation has been used to improve the organization and achieve the survival and success. The National Innovation Agency (NIA) provided funding programs for Thai companies to develop many types of innovations. This can be one of the important factors to make the organizations successful (Naruetharadhol, Srisathan, Geb sombut, Wongthahan & Ketkaew, 2022, pp. 48-57). It clearly shows that the innovation can positively impact the success of the organizations in the current situation. It can definitely boost economic growth in Thailand.

## OBJECTIVES

The objective of this academic article is to analytically examine the innovation management affecting on organizational success which is relevant to organizational effectiveness, organization development, organizational performance and organizational competitive advantages. This paper additionally offers the samples of successful Thai companies to clarify the innovation management directing Thai organizations to accomplish and achieve success.

## LITERATURE REVIEW

Innovation is a complex construct. It is the crucial factor influencing on organizational success. It helps them to have better improvement to have accomplishment in various ways such as cost reduction, market expansion, customer engagement, and higher profits.

Pramanik & Rokonuzzaman (2018, pp. 715-726) defines innovation as an essential tool for entrepreneurs to enhance their business competitiveness and wealth.

Innovation is defined as "the connotation of newness, success, and change" (Fartash et al., 2018, pp. 1497-1507).

Crossan & Apaydin (2010, pp. 1154-1191) defined innovation as "production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems".

The Organization for Economic Co-operation and Development or OECD defines innovation as "the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations" (Organization for Economic Co-operation Development, 2005, pp. 9-25).

There are numerous types of the innovations which the companies use for the development. One of the leading innovations is called strategic innovation. (Sudarman, Kartini, Helmi & Dewi, 2021, pp. 407-414) defined the strategic innovation as "the creation of growth strategies, new product categories, services, or business models that change the game and generate significant new value for consumers, customers, and the corporation. Organizational innovation is another important innovation which involves adopting new methods and processes to improve operations and outcomes.

Ahmed, Abduljabbar & Hussein (2021, pp. 1-12) mentioned that "innovation acts as a game-changer for businesses, helping them to improve their speed to market while at the same time enabling organizations to deliver superior customer experience and increased revenue"

Innovation by author defines that the process of creating existing products to new products or services with added value or creating new things or services with creation, knowledge and technology leading to increase organizations' development, effectiveness, performance and competition.

## THE POSITIVE RESULTS OF INNOVATION MANAGEMENT TO THE ORGANIZATIONS

### **Organizations' competitiveness**

Becoming a successful firm is not easy. There are many elements to conduct to reach the goals. In the 21st century businesses need to provide tools to manage the organizations. Each firm set its goals differently. Some are related to productivity, quality services, efficiency, talented workers and customers' satisfaction. When the organizations achieve their goals, it refers organizational effectiveness.

Thatrak (2021, pp. 37-45) defined organizational effectiveness as "a concept to measure the efficiency of an organization in meeting its objectives with the help of given resources without putting undue strain on its employees". The strategic innovation positively influences on organizational effectiveness as the organizations, or the companies meet their goals.

Hariyono & Tjahjadi (2021, pp. 217-224) explained that operation on innovation plays an important role on helping organizations work more efficiently. For example, when the companies make improvement on reducing the costs of production and operation while they still increase productivity. Furthermore, they generate more profit and income for the organizations.

Niratisayakul, Bua-In & Shoommuangpak (2021, pp. 1-10) mentioned that the innovation management not only directly affected the competitiveness of the businesses but also increased efficiency of the companies. Moreover, the management of the innovation also elevates sustainable business competitiveness.

Limlahapun & Kanchanathaveekul (2019, pp. 179-199) proposed that this crucial factor built up the companies' competitiveness which made contributes to a market and financial performance with sustainability in a long term. When the innovation management causes to improve attractive products to a market. These products target customer segment, satisfy customer's needs and help the customers to get what they look for. It shows that this factor is able to rapidly respond the changing customers' needs. Without the innovation, the firms would provide the same things which were out of date in the industry. The customers are likely to deny old and same products.

### **Organization development**

There are a variety of the departments consisting of one firm such as Production, Marketing, Logistics, Human Resources and more. They operate and coordinate to get the best products and services to provide to the customers. The companies are not supposed to stop or stay still without any development as this world is changing rapidly. At the same time, the customers would like to try different products, patterns or colors, therefore, the businesses need to have awareness of developing their products, services and employees continuously.

Strategic Innovation is a type of the innovation management. It has a positive effect on organization development. The innovation enhances the development of product, service and employees. The employee development emphasizes on rewarding success, motivation and morale which leads to organization development. It creates improvement which the strategies

are evaluated, developed, implemented and assessed for quality and outcomes (Thatrak, 2021, pp. 37-45).

Strategic Innovation enables to develop capabilities of the organizations. It also leads to in the development of new products, services, and work processes including a new business model (Phayat Wutthirong, 2014). The entrepreneurs are likely to sell more products and reach the consumers' needs. It is important to for businesses to have the survival in intensely competitive situation.

### **Organizational performance**

The company achievement is distinguished depending on the objectives. To reach the goals, the organizations can measure from many factors. One of them is referred to performance. There are various aspects of the performance; for instance, operation, marketing, finance, employee and social responsibility.

Thatrak (2021, pp. 37-45) defined company performance as "the potential and ability of a business to efficiently utilize the available resources to achieve targets in line with the set plans of the company, keeping in mind their relevance to the users". For the organizational performance, both organizational and strategic innovation have a direct positive effect. The outstanding performance of the companies is positively influenced by organizational innovation (Thatrak, 2021, pp. 126-142). Similarly, the company performance is greatly affected by strategic innovation (Thatrak, 2021, pp. 37-45).

It is necessary for the firms to be alarmed to challenge adjustment enhance competence and improve the work efficiency in the organizations in operations, services and workers in all departments to respond to rapid changes. In the current situation, the firms should emphasize on strategic innovation for high company performance in order to survive (Soewarno & Permatanadia, 2020, pp. 329-336).

Furthermore, the quality of the innovation improves firm performance in the terms of marketing, finance and operation (Afriyie, Du & Ibn Musah, 2019, pp. 1-25). The entrepreneurs should have awareness of the innovation to be successful.

### **Organizational competitive advantages**

According to the economy in Thailand, there is high competition in the market. It will be advantages for the business if the firm generates greater values for the customers and accomplish to be in a superior position in the market. The organizational competitive advantages can divide into various sources; for example, differentiation, cost leadership, customer loyalty

and brand reputation. The innovation can build up the advantages of the competition for the organizations (Chaithanapat, Punnakitikashem, Oo & Rakthin, 2022, pp. 1-10). The process of creating new things is called innovation which cause the sustainability of competitive advantages. The better innovation with creativity, knowledge, skills and ability help the organizations encounter and survive the environment of the intensive competition (Thatrak, 2021, pp. 126-142). The organizations which can manage competitive advantages have more opportunities to be successful. Thus, the company should continuously develop to become a greater competitor in the industry.

Clearly, the innovation is essential for small and medium-sized enterprises or SME to compete with other strong competitors (Afriyie, Du, & Ibn Musah, 2019, pp. 1-25).

The quality of the innovation has influence on marketing performance, so the companies especially small and medium-sized enterprises should be aware of the quality of the innovation to reach competitive advantages (Fidel, Schlesinger & Emilo, 2018).

## THE SAMPLES OF THE INNOVATION IMPACTING ON SUCCESSFUL ORGANIZATIONS

### **The tourism and hospitality industry in Thailand**

Thailand is one of the leading travel destinations in the world. According to tourism statistics in 2023, there were approximately 28 million foreigners visiting Thailand. The top five countries which visitors came to Thailand the most were Malaysia (about 4.62 million), China (about 3.52 million), the Republic of Korea or South Korea (about 1.66 million), India (about 1.62 million) and the Russian Federation (about 1.48 million) respectively (Ministry of Tourism and Sports, Online, 2023). The amount of the total revenue by both Thai and foreign tourists in Thailand was over 2.17 trillion Thai Baht (Statista, Online, 2024). The local and international tourists plan the trip in advance by booking air tickets, accommodation, transportation and more. They use applications, Chatbots, and online payment.

Bowen & Morosan (2018, pp. 726-733) stated that Chatbots are being invented in the hospitality and tourism sectors to help the customers plan travelling and support them with good advice for 24 hours a day. It is very convenient and safe plenty of time.

Kwangsawad & Jattamart (2022, pp. 1-13) explained that the Chatbots can not only help customers' satisfaction but also perceived enjoyment and perceived benefits. These applications enhance a competitive advantage and increase revenue.

Diethelm Travel established in Thailand in 1957 received numerous awards internationally such as Best Travel Agency in Thailand and Indochina and Asian's Leading Tour Operator (Diethelm Travel, Online, 2024). This Thai tour operator has been using innovation management to operate tours to many destinations around Asia. Moreover, Klook, Asia's leading platform for travel services earned about 210 million U.S. dollars updated in December, 2023 with profitable increase (Klook, Online, 2023). In addition, the famous travel and leisure reservation website named Booking.com or Booking Holdings worldwide increase profitable growth each year with approximately 21.4 billion U.S. dollars in 2023 (Statista, Online, 2024). Both Klook and Booking Holdings have been using innovation to reach customers' needs in terms of ease, convenience, speed and privacy. Finding cheapest hotel, creating their own tours, and booking transportation, the customers can proceed from anywhere in the world with Chatbot automation available 24/7.

### **The food industry in Thailand**

The Kingdom of Thailand is well-known for cuisine worldwide. Thailand's food industry plays a crucial role for Thai economy. (Niratisayakul, Bua-In & Shoommuangpak, 2021, pp. 1-10) mentioned that the global food industries need to have intense adaptation through the innovation management to be survivals. The products and services must reach the consumers' needs. This industry has high competition; therefore, the development of the innovation is required to be competitive. The food industry generated the greater gross domestic income to Thailand. It remarkably helps economy in Thailand grow.

Niratisayakul, Bua-In & Shoommuangpak (2021, pp. 1-10) indicated that the innovation was applied to utilize in the food industry in Thailand approved by experts with the methodology of focus group analysis in qualitative research. The success can significantly lead to the sustainable competitiveness.

Limlahapun & Kanchanathaveekul (2019, pp. 179-199) stated that the Thai dessert businesses in the Central region of Thailand is successful by the innovation management. It showed that the innovation influences on financial performance, the market and long-term sustainability as well as international competition. Moreover, it achieves benefits and have great value of Thai desserts for the consumers. It additionally affects to the success of the Thai dessert organizations in various aspects such as a variety of products, marketing, service and the value dimension and economy. There are some advices for the Thai dessert businesses that to become a challenge internationally, Thai entrepreneurs use inputs with Thai society and culture, creative thinking and process and results as the basis of business ideas.

## CONCLUSION

In the rapid changing world with intensive competition, the organizations need to have strong development and adaptation to stay competitive and maintain higher performance. The innovation management plays a crucial role in numerous Thai industries in any sizes. It positively affects on organizational success which consists of competitiveness, development, performance and competitive advantages. The organizations that have the innovation management are more successful in the long-run sustainability. They generate added values and enable to reach the customers' expectations and needs. When they have high satisfaction, they are likely to repurchase, provide word of mouth of positive products and services to friends and family. Finally, they become customer loyalty. These factors lead the businesses to have higher profits and increasing growth including Thailand's economy growth.

Fortunately, Thailand has supportive innovational sector entrusted by the government under the Ministry of Science and Technology. It is called National Innovation Agency or NIA. Their vision is to enhance national innovation system towards sustainable values (National Innovation Agency, Online, 2018). This sector provides not only innovative knowledge but also support the organizational leaders who need more business network development. This paper shows that the innovation management leads to the success of the organization; therefore, Thailand's new businesses should start and proceed the companies with the innovation to enhance the organizations and Thai economy in competitive advantages.

## RECOMMENDATIONS

According to innovation management, the study found that it plays an important role in businesses. It leads to organizational effectiveness, organization development, organizational performance and organizational competitive advantages. There are some points for the further study as this paper focuses on only a quantitative study, so the qualitative study should be analyzed. Moreover, some organizations have workers who are only in the comfort zones and are not eager to use new technology or innovation, the companies will be likely to be less competitive and not in progress. The organization should provide a training and a manual to the employees in order to increase the effectiveness in working on the innovation. For the next study, the innovation management tool and techniques should be specifically analyzed in order to add more value in the organizations.

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