

# The Development of Innovation Products and Services in the Financial Services in Namibia: An Exploratory Study

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## Abstract

Innovation processes have become essential for gaining competitiveness and success in companies. With the study reported here, we explored innovation, considering the stages of the innovation process in developing products/services. The study aimed to examine how products/services are developed. A qualitative methodology was used to gather information from the participants concerning the development of products/services. We selected a sample of 15 senior managers of banks and insurance companies in Namibia. An interview guide was used for data collection. Thematic data analysis was adopted as an appropriate method for data analysis.

The study results revealed that banks and insurance companies did not follow the linear stages of the innovation process when developing products/services. The findings suggest a need to formalise the innovation process, starting with idea generation and ending with implementation. The results of this study provide researchers and practitioners in the banking and insurance sector with a clear indication of the benefits of formalising the innovation process and inform them of the possible shortcomings of not adhering to the four stages of that process.

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# **1. Introduction**

## **1.1. Background information**

Research depicts innovation as a new idea that differs from what already exists and that responds to market needs, even if the concept is developed using existing knowledge (Distanont & Khongmalai, 2020:17). For an organisation to stay innovative in today's fast-moving world, it must adapt things quickly (Grass, Backmann & Hoegl, 2020). Innovation is a powerful driver that creates and assures a competitive advantage in business growth (Chang, Bai & Li, 2015; Louw, Schutte, Seidel & Imser, 2018). Recently, Innovation has been included in organisations' vision, mission, and objective statements (Kahn, 2018). Organisations do not only require new technologies but innovation at the business prototypical level (Geissdoerfer, Savaget & Evans, 2017).

Innovation is also regarded as a process (Meissner & Kotsemir, 2016) – a continuous process of sequential stages starting with idea generation as the first stage (Bollinger, 2019). According to Chen and Reyes (2017), the innovation process is long and complex because it moves back and forth between the stages. To increase business competitiveness, companies must master the innovation processes and ensure the successful implementation of an innovative project (Akhmetshin, Vasilev, Mironov, Yumashev, Puryaen & Lvov, 2018).

## **1.2. Problem Statement**

The innovation process is still misunderstood despite the importance attached to this process as a driver of competitiveness. Existing literature focuses mainly on the nature and types of innovation, and its impact on performance, with minimal emphasis on the innovation process (Rodriguez-Sanchez, Willian & Brotons, 2019). Our research has shown that the innovation process has been a neglected area of study, despite the understanding that the ways that innovation can be created and managed are important in any sector (Bagiran Ozseker, 2018). Krüger, Pretorius and Erasmus (2019) note that literature on the innovation process is impeded. Some organisations believe that innovation must be something completely new and radical, which is problematic (Kahn, 2018). Interestingly, according to Gutiérrez, Aguilar, Ortega and Montoya (2022), the innovation problem is essential in the innovation process because it allows the organisation to identify opportunities for improvement. The innovation process is commonly understood to comprise a series of stages (Haefner, Wincent, Parida & Grassman, 2021).

## **1.3. Research Objectives**

The primary research objective is to determine how innovative products/services are formulated and developed. The secondary objectives were to examine how organisations:

- formulate the generation of ideas on innovative products/services.
- select innovative products/services.

- develop innovative products/services.
- implement innovative products/services.

## **2. Literature Review**

This section begins with a brief definition of innovation, followed by a review of the types of innovation, after which the innovation process and stages of the innovation process are discussed.

### **2.1. Innovation**

The term "innovation" is defined as a new organisational and marketing method or process in business practice or the implementation of a new or significantly improved product (goods or service) (OECD, 2005:47). Innovation can be a new idea, object or practice adopted by an organisation (Jalonon, 2012). Stated differently, innovation is a tool to enhance organisations' market power and absorptive capacity, improve the ability to deal with competition and dynamic capabilities and reduce product costs (Hyytinen, Pajarinen & Rouvinen, 2015). Furthermore, innovation includes new products and services, new technology and administrative systems, and new organisational structures and plans or programmes in organisations (Baregheh, Rowley & Sambrook, 2009).

### **2.2. Types of Innovation**

Types of innovation include product innovation and service innovation (Santos-Vijande, López-Sánchez & Rudd, 2016; Hanif & Asghar, 2018; Tarigan, 2018; Wikhamn, 2019; Wang & Zatzick, 2019).

Gault (2018) defines product innovation as a type that potential users can access and is usually changed to meet the needs of prospective users. This type of innovation is the beginning of a new or improved product in the market (Tarigan, 2018). Thus, product innovation encourages organisations to present new products to the market and renew their technological capabilities to enable them to acquire new knowledge (Wang & Chen, 2018). Sinaga, Lumban Gaol, and Ichsan (2021:1361) argue that a product without innovation will only be monotonous.

Service innovation refers to a new process that is implemented and adopted and that creates value for stakeholders. The term "service innovation" is defined as introducing a new or improved product (good or service) or process, new methods of organisational and marketing in business practices and many organisations (OECD, 2005). More specifically, Toivonen and Tuominen (2009) define service innovation as a new service or renewal of an existing service to be introduced in practice and to provide the organisation with benefits. This includes combining the means to enhance and create new customer propositions (Skålén, Gummerus, Koskull & Magnusson, 2015). Similarly, Gustafsson, Snyder, and Witell (2020) define service innovation as a new offering or process to be practised and adopted in the organisation to create value for stakeholders.

### **2.3. Innovation Process**

The innovation process is continuous, starting with an idea and eventually yielding a new product or

service (Bollinger, 2019:215). A well-defined innovation process in an organisation is essential, and it reflects a good sign of a successful innovation initiative (Desouza, Dombrowski, Awazu, Baloh, Papagari, Jha & Kim, 2009). For an organisation to successfully implement the innovation process, it needs to ensure that all the stages in the innovation process are carried out sequentially (Yasini, 2016). Organisations' stages of managing the innovation process include idea generation, selection, development, and implementation (Björklund & Forslund, 2018; Fontana & Musa, 2017; Portnova & Peisenience, 2017).

For the sake of clarity, a brief explanation of each stage is provided below:

- Idea generation is the first innovation stage involving creating ideas to develop new goods or services (Fontana & Musa, 2017).
- As the second stage, selection is when organisations select new ideas based on their strategic direction, accounting for the organisation's resource distribution and vision (Fontana & Musa, 2017).
- The development stage entails transforming ideas based on tangible objects (Fontana & Musa, 2017).
- In the final stage, implementation, ideas are turned into new products or services or a shift in the business model (Portnova & Peisenience, 2017).

### **3. Research Methodology**

This section presents the research design and case selection, sampling technique, and data collection. The section concludes with the data analysis.

#### **3.1. Research Design and Case Selection**

This study was qualitative, using a case study approach. Two banks and one insurance company were selected and labelled Bank X, Bank Y and Insurance X.

Bank X is a development bank with 112 employees and aims to make positive development impacts, harnessing the power of the public and private sectors to promote growth and employment. The bank represents an ongoing endeavour to improve Namibia materially, now and in the future. The bank is commercially and morally bound to serve Namibia and its people in return for long-term, profitable growth. In 2017, Bank X launched its innovation awards to find value and good ideas that transform enterprises and processes. These awards were open to public entry.

Bank Y is one of the commercial banks in Namibia, with 1 500 employees. The bank has always lived up to its promise of bringing banking to the nation. Bank Y offers innovative solutions, such as transactional solutions, global market solutions and services, advisory services, project and export finance, securitisation, equity capital markets, debt primary markets, and structured debt solutions.

Insurance X, with 929 employees, is a committed group of financial experts who, through innovation and superior performance, aim to add value to all spheres of customers' lives. Although it offers excellent

financial services, including life insurance, retirement annuities, savings products, unit trusts, and trust services, it is not just about premiums and policies. It also provides intelligent investment and risk products to Namibian group funds and schemes. Insurance X uses an innovative online quote tool for customers to acquire estimates of insurance products.

### 3.2. Sample and Data Collection

Interviewing was the primary method of data collection in this study. In total, 15 interviews were conducted between April 2021 and May 2022 (cf. Table 1). Due to the confidentiality agreed upon with the participants, the identities of the participants are referred to as P1 (Insurance X), P3 (Bank X), P4 (Bank Y), et cetera. The respondents were from various departments in these organisations. The majority of the respondents (53%) were female, while 47% of the respondents were male. The respondents' qualifications varied from diplomas to doctorate degrees, with eight participants holding degrees (four) and honours degrees (four) as the highest qualifications. Two participants held master's and doctorate degrees as their highest qualifications.

**Table 1: Participants' Biographical Information**

ID	GENDER	RACE	TENURE	DEPARTMENT	JOB LEVEL
P1 (Insurance X)	Female	Black	4	Marketing	Manager
P2 (Insurance X)	Female	White	2,5	Marketing	Manager
P3 (Bank X)	Female	White	10	Business strategy	General manager
P4 (Bank Y)	Male	White	5	IT Project management	Manager
P5 (Bank Y)	Male	Black	4	IT Project management	Manager
P6 (Insurance X)	Male	Black	19	Human capital	General manager
P7 (Bank Y)	Male	Black	15	Learning and development	Manager
P8 (Bank X)	Male	Black	9	Marketing	Manager
P9 (Bank Y)	Female	Black	17	Home loans	Manager
P10 (Bank X)	Female	White	9	Marketing	Manager
P11(Insurance X)	Female	Black	6	HR	Consultant

P12 (Bank X)	Male	Coloured	5	Investments	Manager
P13(Insurance X)	Female	Black	27	Broker services	Manager
P14 (Bank X)	Female	Black	2	Investment	Analyst
P15 (Bank Y)	Male	Black	7	Learning and development	Facilitator

The interviews with the respondents lasted between 19 and 47 minutes. In total, 27 questions were presented to the participants, with six questions covering the introduction, two focusing on identifying product/service innovation, four questions covering idea generation for innovative products/services, three questions on selection, six questions focusing on developing the ideas into possible prototypes/designs, four questions on implementation and two questions on the perception of the product/service innovation process. Interview questions included questions such as "Does your company have a formal innovation department? Could you please say whether the company developed product/service innovations in the last two years?; Giving a historical account of the developed product/service innovations, tell us how ideas originated", etcetera.

### 3.3. Data Analysis and Interpretation

The data analysis followed the six-phase thematic analysis process defined by Braun and Clarke (2006).

**Figure 1: The Thematic Analysis Process (Braun & Clarke, 2006)**



#### 3.3.1. Findings and Interpretation

The findings are reported and presented in line with the six steps of the thematic analysis process.

##### 3.3.1.1. Familiarity with Data

Below are the initial expressions from the interviews described by the participants and transcribed.

##### i) Initial Expression: Formulating Idea Generation

Idea generation is sometimes benchmarked. Customers and staff in companies are the drivers of idea generation. Idea generation starts with market research and looking at the products/services offered to customers. Various teams within the organisation contribute to generating ideas for innovation, such as the product development team, executives and middle management team, project team, and millennium

advisory teams. For market research, the use of consultants is preferred. Once the idea is presented and captured, leadership from different portfolios would decide whether to approve or reject innovative ideas.

#### **ii) Initial Expression: Product/Service Selection**

All organisations indicated that they did not have formalised selection procedures, and noted that there are no universal and standard processes to be followed. For instance, once the ideas are captured, the committee or department would meet and select an idea guided by their policy or procedure. After selecting the ideas, the committee or department would escalate the ideas to the executives for final approval or input. However, new products/services are not only selected based on the leaders' opinions. Leaders dedicate significant time to select new products/services with the committee or project teams. It appears that data analytics plays a significant role in the selection of products or services.

#### **iii) Initial Expression: The Development of the Product or Service**

When developing samples of a new product/service, people in the workplace or whoever generated the ideas in-house, customer experience platforms, and customer fora are involved in the process. The cost aspects determine the choice of prototypes, clients'/customers' needs, and types of products/services. All stakeholders participated in the development of prototypes. Validation or reevaluation of prototypes against the various ideas presented appears to be an essential consideration.

#### **iv) Initial Expression: Product or Service Implementation.**

The implementation of a new product/service is based on the availability of resources. In addition, companies test the products/services according to the customers' needs before implementation. Staff are trained before the product/service is rolled out. Profitability, technology, market research, financial model, finance aspects, and perception surveys are considered to verify the feasibility of implementing a new product/service. At the implementation stage, the organisation revisits and re-evaluates previous stages to determine whether something is missing and, if necessary, changes are effected.

#### **3.3.1.2. Generation of Initial Codes**

The initial codes were generated using the secondary research objective as a guideline. Overall, 31 codes were defined. For the first sub-objective, a total of 12 codes were identified, which included (1) market research, (2) benchmarking, (3) products and services, (4) feedback required, (5) new products, (6) market needs, (7) stakeholders, (8) ideas, (9) innovative ideas, (10) platform availability, (11) customer needs, and (12) financial obligations.

For the second sub-objective, four codes were identified, namely, (1) strength of the business case, (2) customer demands, (3) new product/services, and (4) the influence of the customer.

In the third sub-objective, eight codes were identified, namely, (1) technologies and digitalisation, (2) costing and funding, (3) clients' needs, (4) number of versions, (5) prototypes, (6) processes and systems, (7) designs, and (8) market segments. For the fourth sub-objective, seven codes were identified, namely (1) technology considerations, (2) resources, (3) customer and external perceptions, (4) reliable systems, (4) business values, (6) communication, and (7) training requirements.

### 3.3.1.3. Identification of Themes

Similar codes were grouped into categories after identifying and generating the initial codes. In some instances, sub-categories were based on the emerging patterns. The identified themes were linked to the four main research objectives of the study. Seven broad themes emerged, namely idea generation, innovation process, research and development, business performance, kinds of resources, leadership, communication and technology, and 35 sub-themes were identified.

### 3.3.1.4. Reviewing of Themes

The themes were reviewed according to the research objectives, and no further changes were made (cf. Table 2 for the list of final themes).

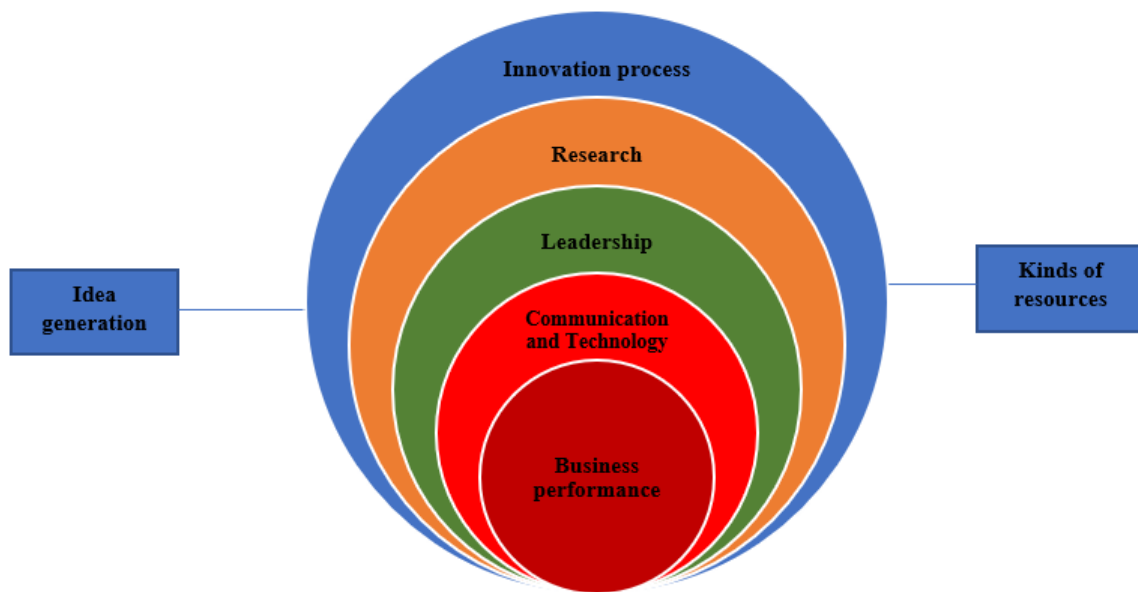
**Table 2: Final Themes**

Themes	Sub-themes
<b>Idea generation</b>	<ul style="list-style-type: none"><li>• New products and services, customer demand, customer needs, processes and systems in place</li></ul>
<b>Innovation process</b>	<ul style="list-style-type: none"><li>• Product and service, innovative ideas, idea development, implementation strategy</li></ul>
<b>Research and development</b>	<ul style="list-style-type: none"><li>• Market evaluation, analysis and survey, business case, data required, project identification and project outcomes</li></ul>
<b>Business performance</b>	<ul style="list-style-type: none"><li>• Management of finance, benchmarking, business, customer value, customer issues, agile and interactive approach</li></ul>
<b>Kinds of resources</b>	<ul style="list-style-type: none"><li>• Budget and finance issues, training required, technology considerations, prototypes</li></ul>
<b>Leadership</b>	<ul style="list-style-type: none"><li>• Leadership and networks, leaders and executives, kinds of procedures, approaches and policy issues</li></ul>
<b>Communication and technology</b>	<ul style="list-style-type: none"><li>• Importance of information technology systems, information available, communication and feedback, technologies and digitalisation</li></ul>

### Definition of Themes

In this phase, we defined each theme identified and thus distinguished the essence of each theme. "Identifying the essence of what each theme is about (as well as themes overall) and determining what aspect of the data each theme captures" (Braun & Clarke, 2006:92). In this analysis, idea generation and kinds of resources are overarching themes that are rooted in the other themes. A thematic map reflecting the relationships between the identified themes is reflected in Figure 2.





**Figure 2: Thematic Map**

### 3.3.1.5. Writing a Report

Regarding the analysis and interpretation of the themes, thematic analysis was adopted for analysis and reporting. Following the recommendation outlined by Braun and Clarke (2006), the themes were analysed in terms of the four stages of the innovation process, namely (1) idea generation, (2) selection, (3) development, and (4) the implementation stage. The synthesis included incorporating the final themes into the four stages of the innovation process.

#### **Idea Generation**

The findings show that significant product and service changes were introduced to the market in the past two years. The companies used different systems and processes for product/service innovation, such as online systems for checking and processing payments and services and collecting customer information. Staff from different departments were involved in product/service innovation. Some respondents indicated that re-evaluation was required to develop prototypes for final products/services. From a process viewpoint, participants indicated that some elements did not work during the prototype process, and the process and tests had to be changed. One of the processes mentioned by the participants was the production process. Participants believed that revisiting elements of previous stages would improve the processes.

*Ideas were originated through customer experience platforms. We have a specific office which speaks to our clients and understands precisely what they want (P5).*

Participants also highlighted that companies looked at what other organisations offered in the market. In

other words, they used benchmarking. Staff also played an essential part in generating ideas within the organisations. Starting with the frontline staff, they were requested to share their inputs. We found that terms of uptake, reception, challenges, et cetera indicate that some level of evaluation took place for new products or services.

*So, I think in the insurance space in which we operate, we generally look at what are the trends out there, what are other organisations offering, and then we also do market research, in terms of what is out there, and what people need, because we don't want to just be selling (P1).*

## **Selection**

The findings indicate that companies do not have formalised selection procedures and select innovation in the initial stages. Selection seems to be influenced by market research. It is based on the expert opinion as well as the scope of the new product or service. The selection of a new product/service is also based on leaders' opinions because leaders carry the responsibility and accountability for the project. The findings indicate that the leadership's role is to decide whether a project may go ahead and to decide about the available budget – thus leading the company in all aspects. In some cases, executive teams make more critical decisions. Some of the views presented considered the public to be part of the new product/service selection.

*Will believe it is based on the expert as well as the scope of the new product or service, not necessarily just the opinion of the leaders (P5).*

*It's mostly based on the executive in charge, as well as the executive of the company. (P6).*

Several versions of products are tested before they move to the development stage. The sentiment is that products must be revised, adjusted, reworked, readdressed, and changed before the last stage. The organisation's resources have the most significant impact on a product/service. It is believed that companies can still thrive based on available resources, even in the absence of some projects.

## **Development**

An agile approach is used to find different ways of developing products/services. Costing of the product/service determines the development thereof. In developing ideas into prototypes, Bank Y involved consulting assistants where the structure and framework were adopted. A framework is set at the leadership level, which outlines the innovation strategy in the organisation. Leadership plays a vital role in leading the development of ideas. Senior management is involved in generating information on developing ideas into prototypes. Discussions between EXCO and management can occur during the strategic sessions or when the idea has been generated.

*Management committee normally the platform to implement/recommend (P12).*

*I think the way things works these days is much more agile in a kind of format (P4).*

It is standard practice to develop ideas into prototypes only if a suitable product is modelled and multiple presentations have been made to committees before it is recommended. In some situations, no directives are being followed. It depends on the idea proposed. There are feedback loops on the new product design, and changes can be made quickly to enhance the product. Interestingly, the respondents held the view that in development, costing was also considered and that the external environment was part of the way to innovate and would require a lot of resources as far as funding is concerned.

*Again, in the development phase, they have we get the information from the relevant department of what the need is, where the gap is (P10).*

## **Implementation**

The issues considered to start implementation included the demand for new offerings, availability of resources, having sufficient internal staff to deal with an additional influx of customers and then also the ability to market a new product at the time of introduction, employee training, technically sound systems to withstand pressure, compliance, resource, and practicality. Interestingly, the findings show that contrary to the insurance sector, the banking sector considers demographics as a vital part of the process when implementing prototypes/designs. Financial viability is an aspect considered in the implementation stage to verify the feasibility of the business case. A cost-benefit analysis is conducted to get to the profit margin of a prototype, including considering the business value, before the idea is chosen. Marketing is one of the aspects of the implementation of a product/service. To launch a new product/service, an organisation needs to market it. Using technology in implementation boosts the innovation process. To ensure the product's success, various teams play a vital role in the functionalities of new products. Teams such as the innovation team, project team, sales team, product development team, advisory team, lending, corporate communications, marketing, and portfolio management are part of the process. Implementing products and services is considered a more focused area in companies. Banks and insurance companies indicate that the final success of a project depends on the decisions made at its initial stages.

## **4. Discussion**

Following the assertion by Wang and Chen (2018), one of the emerging themes from the empirical data is that product innovation does not only encourage organisations to present new products in the market but also to renew their technological capabilities to enable them to acquire new knowledge and the service process is designed through the traditional design methodology (Katzan, 2015). The focus is solely on enabling technologies to be supporting factors in the product/service innovation processes.

The findings show that financial services have different departments involved in product/service innovation and use different systems and processes on products/services. According to Santos-Vijande, López-Sánchez and Rudd (2016), service innovation results from the collaboration between different players, mainly customers, employees and essential stakeholders. Although companies do not have innovation departments, they have committees – members from different departments who deal with

product/service innovation.

The findings reveal that financial services use market research, an aspect considered in financial services, to verify the feasibility of implementing a new product/service – also when selecting the product/service. Portnova and Peiseniece (2017) state that the research process has precise mechanisms and tasks to research market trends, customer needs, technological possibilities, competitors and other sources. In addition, banks use consultants who will research on their behalf. This approach allows companies to implement without negatively affecting the other business processes. The study results indicate that companies face the challenges of competitive projects while trying to implement product/service innovations. Depending on their goals, they would decide whether to introduce more small projects simultaneously or an individual large one. They mostly choose small projects because it is easier to allocate and flow in terms of delegation and responsibility.

One noted challenge with innovation is not having a formal selection procedure. One of the main inhibitors to innovation is not having a structured process, even though product/service innovation is in place using ad hoc procedures. Björklund and Forslund (2018) suggest four stages in the innovation process. They are idea generation (including activities such as setting the stage and customer clue gathering); selection of ideas (identifying ideas of good quality related to existing resources); concept development (including activities such as negotiating, reflecting, and business analyses); and implementation and learning (including inter- organisational learning). These stages form a structural basis for an empirical study.

While companies can use different approaches in developing products/services, the challenge arises with financing when considering a project to be implemented. Companies use interventions such as policies and procedures available to address the challenges posed during the innovation (Mokhber, Khairuzzaman & Vakilbash, 2018). The findings are also supported by merging products and services since companies provide similar products and services. Lastly, business performance is either positive or negative based on the company's performance.

Financial issues have been flagged as essential aspects that companies must consider before initiating and implementing a project. Company leaders drive product/service innovation while employees and clients/customers enable it. Although companies have committees that look at product/service innovation, the role of the leaders is to approve the suggested projects or initiatives.

We also found that leadership needs to align the policies for projects and business (Mokhber, Khairuzzaman & Vakilbashi, 2018). This finding is supported by using different types of leadership, whereby employees are encouraged to participate in innovation projects (Afifah & Daud, 2018).

## **5. Managerial Implications**

The study confirms that leadership is probably one of the most important aspects companies consider when developing product/service innovation. Firstly, leaders are involved in generating information on

developing ideas into prototypes. Secondly, selecting new products/services is mainly based on the leader's opinions. Thirdly, leaders decide whether the project should go ahead; they are responsible for approving and encouraging employees to take part in the initiatives for companies to succeed.

Regarding the practical implications of developing products/services, leaders are urged to continuously be involved in the innovation process and encourage employees to participate in idea generation, selection, development and implementation of the products/services. Additionally, collaboration between various internal and external stakeholders in product/service development is valued in businesses and the industry.

## **6. Conclusion**

With this study, we empirically confirmed that banking and insurance companies have a systematic innovation process, even though they do not have a structured process, product/service innovation is in place using ad hoc procedures. Idea generation is influenced by trends and what other organisations offer; furthermore, customers/clients play a vital role in generating ideas. There are no formalised selection procedures. In the developing stage, the banking sector prefers using consultants for thought leadership and collecting client information. Key issues considered to start implementation include demand for new offerings, resource availability, sufficient internal staff to deal with an additional influx of clients, and the ability to market a new product. Therefore, there is a strong need to formalise the innovation process in an organisation when developing a product/service.

The conclusion that can be drawn from this study is two-fold: firstly, innovation should be managed in a structured manner, and the leader has a significant role to play in innovation. Secondly, the innovation process should include all interested parties, that is employees, customers, and external stakeholders, to name but a few.

## **7. Limitations, Future Research and Recommendations**

### **7.1. Limitations and Future Research**

Some limitations of this study should be noted. Firstly, the study was limited to three companies; two banks and one insurance company. It would be interesting to determine how the innovation process manifests in other industries and how they differ from those identified in this study. Secondly, qualitative data may present subjective and individual perspectives (Riessman, 1993). Therefore, we cannot suggest a broader generalisation of the results beyond Namibia's banking and insurance industries. In addition, future quantitative studies are recommended, which could provide a broader exploration of the innovation process in the financial sector.

### **7.2. Recommendations**

The findings highlight a need for the innovation process in organisations related to developing

products/services. Identifying the stages of the innovation process, idea generation, selection, development, and implementation, make improving product/service development possible.

The study highlights the importance of idea generation as the first stage in the innovation process. One of the key findings is that idea generation is not executed well, and organisations use different practices during this stage, like market research, customer experience platforms, and a need for guidelines and processes to standardise idea generation and procedures to evaluate sources. Equally, there is a need for formalised guidelines and procedures, and this requires selecting ideas based on the company's strategic direction.

Organisations need to develop ideas, which are then developed into potential products or services by following formal procedures. It is recommended that realistic objectives and customer segmentation be established, existing initiatives incorporated, and social networks used. Values and culture are to be emphasised, and the whole industry is targeted.

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