

Strategies to Integrate Innovation into Business Policies in the Nigerian Private Sector

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ABSTRACT

The Nigerian private sector plays a vital role in driving economic growth and development. To remain competitive and sustainable, businesses must integrate innovation into their policies and practices. This article explores strategies for integrating innovation into business policies in the Nigerian private sector, highlighting the importance of innovation, challenges, and proposed solutions. According to the World Bank, the private sector contributes about 50% to Nigeria's GDP. The Nigerian private sector faces significant challenges in delivering effective and efficient services to citizens. Innovation is essential for driving growth, improving service delivery, and enhancing citizen satisfaction. This article explores strategies for integrating innovation into business policies in the Nigerian public sector. It highlights the importance of innovation, discusses challenges, and proposes strategies for successful integration, including leadership commitment, stakeholder engagement, and capacity building. Competitive forces and trending customer preferences within the contemporary global business environment pressure firms to adopt various innovation strategies to enable them to sustain competitive advantage and growth. Although companies in developed economies dominating global business activities have acquired the capabilities for implementing innovation over time, firms in developing economies have not achieved this goal. The reasons behind the lack of successful integration of innovation into business practices by firms in developing economies include the fact that their macro-environments have not been sufficiently supportive and their leaders have not learned from multinational business partners. Firms in developing economies need to adopt business approaches that will not only drive their performance but also support the inclusive growth of the economies in which they do business, imitating the practices of successful multinational firms.

KEYWORDS

Private Sector, Business Management, Business Innovation

I. INTRODUCTION

In the dynamic global economy, innovation stands as a pivotal driver of competitiveness, growth, and sustainability for businesses. For Nigeria's private sector, harnessing innovation is crucial not only for survival but for thriving in an increasingly interconnected and technology-driven marketplace. The Nigerian economy, with its vast potential and youthful population, presents a compelling case for integrating innovation into business policies. This article explores strategies to embed innovation within the Nigerian private sector, examining the imperatives, opportunities, challenges, and practical approaches for businesses operating in Nigeria. The Nigerian public sector plays a vital role in providing essential services to citizens, including healthcare, education, and infrastructure. However,

the sector faces significant challenges, including bureaucratic red tape, corruption, and inadequate funding (Adebayo et al., 2020). Innovation is critical for addressing these challenges and improving service delivery.

Innovation in the private sector involves the introduction of new ideas, products, services, or processes that enhance efficiency, effectiveness, and citizen satisfaction (Hartley, 2005). It requires a culture of creativity, experimentation, and risk-taking, which can be challenging to establish in a bureaucratic environment.

Business leaders' practices propelling the growth of their firms in the industrial world are anchored on the conditions fostering persistent innovative performance, which create and sustain their competitive advantage in the global market (Turulja & Bajgoric, 2016). Several researchers have found that 30% of firms' sales resulted from product innovation introduced in the previous 3 years, leading to macroeconomic expansion and economic growth (Chandran Govindaraju et al., 2013; Chatzoglou & Chatzoudes, 2018; Lichtenthaler, 2016). Business leaders must understand that any innovation solely used by its innovator does not benefit humanity; instead, innovation becomes useful to humanity when the innovation transforms the socioeconomic landscape through massive diffusion within and across countries (Caiazza, 2016). Business leaders using innovations gain the competitive advantage and long-term profitability of firms, leading to macroeconomic expansion that causes economic growth (Gachie & Govender, 2017; Gries et al., 2018).

In light of the benefits of innovation, local leaders of enterprises should learn to innovate from the mature practice of multinational companies to enable them to grow into global prominence and facilitate the much-needed socioeconomic transformation of their communities (Gachie & Govender, 2017; Gries et al., 2018; Jauhiainen & Hooli, 2017). In this study, I focused on the spread or diffusion of innovations among local firms from the multinational suppliers, rather than on engaging in first-mover innovations, which according to Sinfield and Freddy (2016), not only demand the commitment of more resources but also pose more risk than the former in transiting to competitive participation in the global market. Integrating innovation into the business practices of local firms in Nigeria entails adopting and implementing the innovations developed and supplied by multinational companies (Ashfaq et al., 2018).

The literature review section has several subsections. It begins with an introduction, which includes information about the strategy for searching the literature, the frequencies, and percentages of peer-reviewed articles, as well as publication dates. In the next section, I focus on the application of the literature to the research question and include a brief description of the purpose of the study. The themes I discuss in this literature review are preadoption innovation, postadoption implementation, and interfirm diffusion of innovation. Throughout the literature review, I compare and contrast different points of view and relationships between previous research and findings with this study.

The first theme, preadoption innovation, includes a critical analysis and synthesis of the conceptual framework I selected for my study, which is Rogers' (1962) diffusion of innovation theory, using supporting and contrasting theories from relevant literature on the topic of the integration of innovation into business practices. Some of the supporting and contrasting theories include Mannan and Haleem's (2017) theory on the determinants

of diffusion and adoption of product innovation, Damanpour's (1991) theory on organizational innovation, Dewett et al.'s (2007) intrafirm diffusion theory, Wong's (2013) theory on management involvement in innovation, and Liu et al.'s (2005) theory on the impact of social network structure on diffusion of innovation.

The second theme, postadoption implementation of innovation, starts with a brief overview of the development of the integration of innovation into business practices construct over time. I discuss common concerns relating to the construct as well as the various definitions, antecedents, and consequences of integrating innovation into business practices. The third and final theme for discussion is interfere diffusion of innovation. The theme starts with a general discussion about leadership and leadership styles as they relate to the integration of innovation into business practices.

II. APPLICATION TO THE APPLIED BUSINESS PROBLEM

The objective of this qualitative, multiple-case study was to explore the strategies that business leaders use to integrate innovation into business practices. Developing an understanding of such strategies required the use of the qualitative methodology with an exploratory multiple case study design. The findings from this study may provide insight into integrating innovation into business practices from business leaders' perspectives.

The findings of the study may assist with the development of appropriate strategies for integrating innovation into business practices. Once an understanding of the underlying meaning emerges, appropriate strategies might equip leaders with the skills to improve the integration of innovation into business practices. The findings from this study might improve business practice by identifying appropriate strategies, leading to increased productivity and organizational competitiveness. The social change rests in the development of strategies to improve the integration of innovation into business practices and personal well-being.

III. DIFFUSION OF INNOVATION THEORY

Rogers (1962) offered explanations about the way characteristics of an innovation are disseminated through communication channels within a social system, influencing adoption decisions of members over time. Based on Rogers's definition of diffusion of innovation, four elements stand out as determinants of the speed of diffusion of an innovation. The four elements are the characteristics of the innovation, the communication channels, the time delay in a potential adopter's decision process, and the characteristics of the social system of the adopting unit (Rogers, 1962). In organizations, these elements constitute the organizational context factors consisting of technology, organization, and environment attributes, which determine organizational readiness or intention to use technology (innovation) and shape organizational formations for exploiting opportunities, depending on sectoral peculiarities (Mukred et al., 2019; Venkatesh et al., 2016). According to Rogers, the perceived attributes of an innovation that affect adoption decisions are its relative advantage, compatibility, complexity, trialability, and observability.

The relative advantage is the extent to which potential adopters perceive an innovation as more beneficial than the existing one. Compatibility refers to the degree to which potential adopters perceive an innovation as being consistent with their existing values, past experiences, and needs (Rogers, 1962). Complexity is the measure of how difficult or easy an innovation is to understand and use. Trialability refers to the extent to which an innovation is available for experimentation, assessment, and subsequent customization (if necessary) to enable proficient use (Rogers, 1962). Observability is the extent to which the outcome of an innovation used by earlier adopters is demonstrable to persuade potential adopters (Rogers, 1962).

Communication channels in innovation diffusion are the means by which the knowledge of an innovation moves from suppliers or earlier adopters to potential adopters. Mass media channels such as radio, television, and newspapers are communication channels used by the innovation originators to create awareness of the existence of their innovation among potential adopters. Rogers (1962) observed that the adoption decision process depended more on the subjective evaluation of the communicated experience of peers who had earlier adopted and used the innovation. The diffusion process involved the modeling and imitation of network partners (who had adopted earlier) by other members of the social network (potential adopters).

The time element of Rogers' (1962) diffusion of innovation theory is the period within which the potential adopter follows five sequential stages in the process of adopting an innovation. In the first stage, the potential adopter obtains information to increase knowledge about the innovation. The second stage in the adoption decision process involves persuasion, which occurs when a potential adopter develops a negative or positive attitude based on information received. In the third stage, the potential adopter makes a decision to adopt and commit resources for direct use or for customizing the innovation before use, or rejects the innovation and terminates the decision process. The fourth stage involves implementation, which entails putting the innovation into use. Confirmation occurs at the fifth stage when positive reinforcing information or experience motivates the adopting unit to continue implementation and use, or negative information or experience leads to reversal of the adoption decision (Rogers, 1962).

The length of time taken by a potential adopter to complete the adoption decision process determines the adopter category, comprising the innovator, early adopter, early majority, late majority, and laggard. The innovators are the originators of the innovation (Rogers, 1962). The early adopters are the early followers and risk-takers with the capability or absorptive capacity to use the innovation immediately and proficiently. The early majority learn from and imitate the early adopters to adopt and implement the innovation (Rogers, 1962). The early majority, along with the early adopters, testify to the positive outcome of the innovation and reinforce the late majority's intention to use it. The laggards depend on the social influence of the early and late majority to adopt and implement an innovation. The rate of adoption is the relative speed with which members of a social system adopt an innovation at different times (Rogers, 1962). According to

According to Rogers (1962), the graphical representation of adoption rate over time shows that the first to adopt, the innovators, constituted 2.5%. Next to them in time were the early adopters, making up 13.5%, followed by the early majority, late majority, and laggards, who accounted for 34%, 34%, and 16%, respectively. The graph depicting the

distribution of these homophilous groups of adopters based on time lag to adoption traces out an S-shaped curve.

The fourth element of Rogers' (1962) diffusion of innovation theory is the social system of the adopting unit, defined as a group of interrelated units or individuals who cooperate to solve common problems to achieve a mutual goal. According to Rogers, the social structure, the norms, the role of opinion leaders, as well as the activities of change agents, the type of innovation decision-making, and the expected consequences of adopting and implementing an innovation within a social system affect the speed of innovation diffusion. The social structure depends on the formal and informal relationships in a social system.

In the formal structure, the extent of formalization and centralization of authority defines the speed of diffusion. High formalization and high centralization slow down the speed of innovation diffusion, while the opposite increases the speed (Rogers, 1962). The informal structure defines the communication network. Imitation occurs within homophilous groups whose members share similar characteristics, trust each other, and exchange information more frequently (Rogers, 1962).

The norms of a social system, defined as mutually acceptable behavior of members, affect the speed of innovation diffusion. Social systems that accommodate changes will support rapid diffusion, while conservative ones will resist change or slow down innovation diffusion (Rogers, 1962). Opinion leaders, as central members of a social system, exercise influence over others and speed up innovation diffusion within their network. Change agents combine their talent with the knowledge of innovation with the popularity of the opinion leader to gain access to a social network to speed up diffusion (Rogers, 1962).

According to Rogers (1962), innovation decisions in a social network could be optional, collective, authoritative, or contingent within a social system. Optional innovation decisions occur when an individual has the choice to adopt or reject an innovation based on beliefs, norms of the social system, or the influence of interpersonal networks. Collective innovation decision refers to the adoption or rejection of an innovation based on the consensus of the members of a social system (Rogers, 1962). Authority innovation decisions are choices to adopt or reject an innovation based on the decision of a few individuals with power, status, and technical expertise in a social system. Contingent innovation decisions are choices to adopt or reject an innovation based on a prior enabling innovation decision that occurred earlier (Rogers, 1962).

The consequences of adopting and implementing an innovation could be desirable or undesirable, direct or indirect, or anticipated or unanticipated (Rogers, 1962). If the consequence of an innovation is desirable, direct, and anticipated, the diffusion will be fast in the social system. Undesirable and unfavourable indirect and unanticipated consequences on the members of the social system will slow down or terminate the diffusion of the innovation (Rogers, 2003).

The categorization of adopters into innovators, early adopters, early majority, late majority, and laggards reflects the length of time it takes the source of information to persuade different homogenous groups of members of a social system (Rogers, 2003). Dearing and Cox (2018) and Lechman (2013) showed that changes in the adoption rate in a social system over time formed an S-shaped curve when plotted on a graph as

predicted by Rogers (2003). In partial validation of this finding, Zhang (2018) found that the impact of frugal information and communication technologies (ICTs) on the diffusion of internet innovation in developing countries produced an r-shaped diffusion curve depicting a rapid diffusion emanating from the bridging of the chasm between the early adopters and early and late majority adopters. Zhang's (2018) findings contributed to the understanding of the change of the shape of Rogers' diffusion curve to (lower-case) Reshape in the diffusion of frugal ICT innovations in low-income countries. Frugal innovation is the low-cost version of a high-end product introduced for the adoption of the unserved lower end of the market to accelerate the diffusion of a product through customization to meet the requirements of the potential users (C. Lim & Fujimoto, 2019).

Mannan and Haleem (2017) expanded the four elements of Rogers' (1962) diffusion of innovation theory into 17 sub-elements and ranked them according to the preferences of the potential adopting units using the analytical hierarchy process and a systematic review of the literature. The four social system determinants of diffusion of innovation were the attitude towards change, rational relationships based on facts, homogeneity of members, and social and cultural policies of the society. The four communication-related determinants of innovation diffusion consisted of the mode of communication, communication channels, understandable communication, and communication network in the social system. The four determinants of diffusion of innovation based on time of adoption included the appropriateness of the timing of introduction of innovation into the market, product development cycle, progressive technology, and time lag for adopting innovation. The five characteristics of innovation that determine the speed of diffusion were made up of uniqueness, relative advantage, compatibility with existing experience, norms, values, and skills of users, customizability to user specifications, and the opportunity to test the functionality of the innovation (Mannan & Haleem, 2017).

The result of the ranking carried out by Mannan and Haleem (2017) identified progressive technology, understandable communication, adoption rate, mode of communication, and product introduction timing, among twelve other factors, as the most relevant considerations of adopters in making adoption decisions. Mannan and Haleem supported Adelowo et al.'s (2015) study, which confirmed that firms acquired technological learning in Nigeria's Technology Incubation Center to develop innovative products for the improvement of their competitive advantage and profitability.

In advancing Rogers' (1962) diffusion of innovation theory, Brown et al. (2016) showed that the credibility of the source of information about an innovation persuaded adopters more than the inherent attractiveness of the innovation. In the empirical testing of the diffusion of innovation theory in the diffusion of environmental agricultural innovations in New Zealand, Brown et al. found that farmers trusted those demonstrating success in applying environmentally friendly practices in their past farming experiences.

Brown et al. found that educational level and financial robustness of the source of information predicted trust in environmental information provided by government agencies.

For innovation to diffuse quickly within an organization and yield the expected results, business leaders have to identify and develop the capabilities and behaviours required to pursue full assimilation, leading to innovation and financial performance within a firm and

macroeconomic expansion in an economy (Dewett et al., 2007). In line with this philosophy, Dewett et al. (2007) recommended three modes of diffusion of innovation. The first mode is the internal preadoption stage of innovation, which is intended to prepare and reconfigure organizational capabilities in terms of creating a supportive structure, culture, and climate for postadoption implementation (Chen et al.,

2018; Shahzad et al., 2017). The second mode is the internal postadoption implementation, which involves realigning the systems and resources of the organization, re-inventing the adopted innovation, and engaging the employees through training and motivation (Villaluz & Hechanova, 2019). The third mode is the interfirm diffusion of innovation involving the spread of innovation among firms in the private sector of an economy (Gries et al., 2018). While the internal postadoption implementation of innovation enhances business performance at the microeconomic level, interfirm diffusion or spread of innovation within an economy account for macroeconomic expansion that brings about socioeconomic development (Tigabu, 2018).

In comparing stage models of innovation adoption and implementation, Dewett et al.'s (2007) two-stage intrafirm innovation adoption model (preadoption and postadoption) corresponds with the five stages of Rogers' (2003) model consisting of knowledge, persuasion, adoption, implementation, and confirmation and Ram et al.'s (2016) model consisting of initiation, adoption, implementation, use and performance outcome. In particular, the preadoption stage in Dewett et al.'s model is equivalent to the initiation and adoption stages of Ram et al.'s model and Rogers' innovation model, made up of knowledge, persuasion, and adoption stages. The postadoption implementation stage in Dewett et al.'s model is equivalent to the implementation, use, and performance outcome stages in Ram et al.'s model and the fourth and fifth stages in Rogers' intrafirm diffusion process.

Organizations prospecting to adopt an innovation should reconfigure their internal structure, evaluate the innovation, develop their absorptive capacity, and realign the employees to facilitate rapid diffusion over time (Rogers, 2003). Dewett et al. (2007) posited that the internal diffusion of an innovation was influenced by the characteristics of organizational leaders (Carreiro & Oliveira, 2019), the organization (Awa & Ojiabo, 2016), and the context (Jaganathan et al., 2018). Dewett et al. developed a conceptual model that captured the effect of the characteristics of the organization, innovation, and employees and their interactions in the process of adopting and implementing an innovation (Blomberg & Kallio, 2017). According to Dewett et al., organizational factors consisted of the degree of structural formalization and centralization, functional differentiation, professionalism, size, capacity to coordinate multiple and interdependent innovations, resource allocation priorities, and availability of slack resources, as postulated by Damanpour (1991). Innovation factors included the number, types, interdependency, visibility, utility, and cost of the innovation. Human factors concerned top management support, exercise of power, distribution of innovation roles, and communication network (Jia et al., 2018).

In an empirical testing of Rogers' (1962) diffusion of innovation theory on the impact of financial incentives on the adoption of residential solar systems in Western Australia, Simpson and Clifton (2017) found that the incentives increased the rate of adoption by apparently increasing the relative advantage. The incentives induced those who would

otherwise not use the residential solar system to adopt because of cost reduction occasioned by sales discount. This category of adopters has the tendency to discontinue adoption due to lack of understanding of the real benefits beyond the incentives. According to Simpson and Clifton (2017), the incentives temporarily bridged the chasm between early adopters and early majority adopters by inducing the early majority to adopt because of cost reduction, not for reasons of pollution control and improved quality of living. Such adopters might withdraw from continued adoption when incentives cease. Simpson and Clifton recommended that incentives promoting the adoption of an innovation should go along with adequate information dissemination to ensure that potential adopters took well-informed and high-quality decisions. In the case of subsidies given to financially strong and weak firms to promote the adoption of ICT in Tunisia, the general level of adoption slowed down because of the fundamental barriers experienced by financially weak firms (Khalifa, 2018). The result of Khalifa's study supports

Simpson and Clifton's (2017) findings indicate that incentives promoting the adoption of an innovation were not sustainable unless accompanied by effective dissemination of information on the dimensions of the benefits of the innovation.

Research studies using Rogers' (1962) diffusion of innovation theory as a conceptual/theoretical framework confirmed that the diffusion of additive manufacturing technology for over two decades had remained slow because of various barriers perceived by potential adopting firms (Marak et al., 2019; Oettmeier & Hofmann, 2017;

Schniederjans, 2017). In one such study, Marak et al. (2019) confirmed that relative advantage, ease of use, and trialability positively and significantly affected the adoption of additive manufacturing technology, while compatibility and observability did not. Marak et al. studied the effect of characteristics on the adoption decision of firms using traditional fabricating technologies.

Evidence shows that small and medium enterprises (SMEs) enhance their competitive advantage to overcome the pressure of global competition by leveraging emerging technologies and their structural flexibility (Mamun, 2018). Using the conceptual lens of Rogers' (2003) theories on the diffusion of innovation and organizational diffusion of innovation in his studies, Mamun (2018) found that innovation persuasion, strategic orientation, and firm characteristics directly and positively affect the adoption of innovation by manufacturing SMEs in Malaysia. According to Mamun, innovation persuasion refers to the perceived relative advantage of an innovation weighed against its compatibility, complexity, trialability, and observability. He conceptualized strategic orientation as entrepreneurial vision, customer focus, and market development to enhance competitive advantage. Organizational antecedents associated with intrafirm diffusion of innovation comprised the organizational characteristics and reconfigurations that engender readiness for innovation implementation. They were robust absorptive capacity, availability of knowledge-based resources, and exercise of managerial risk-taking behavior. These findings were consistent with the positions of Oettmeier and Hofmann (2017), Asare et al. (2016), Felizzola Cruz and Anzola Morales (2017), and W. Li et al. (2018) on the need to realign resources and systems in readiness for innovation implementation.

The testing of Rogers' (1962) diffusion of innovation theory by Balas and Chapman (2018) on the diffusion of new clinical practice in the United States proved that its emergence

from medical research in the healthcare industry took about 17 years to reach 50% adoption because of the protocols of transformation, dissemination, adoption, and implementation. Balas and Chapman suggested that clinical research discoveries or best clinical practice recommendations should undergo peer review transformation through publications before dissemination for clinical trials. Consistent with Rogers' diffusion of innovation theory, Balas and Chapman identified the diffusion process as consisting of the innovators, who were the researchers who made the discoveries through clinical study. Next in the diffusion process were the few early adopting institutions that pioneered the adoption of the practice and verified the public health impact. After the early adopters followed the early and late majority adopters used coded standards of clinical practice, patient information, decision support, new incentives, and supportive policies for implementing safe clinical practice. Finally, the laggards, consisting of providers of clinical services to underserved communities, adopted the clinical practice to reach the last segment of the social system or population (Balas & Chapman, 2018).

Balas and Chapman's (2018) inter-hospital diffusion of new clinical practice in the healthcare industry also validated the S-shaped diffusion curve depicting the rate of adoption over time as postulated in Rogers' (1962) diffusion of innovation theory. In support of Balas and Chapman's findings, Dearing and Cox (2018) observed that healthcare innovations, such as Extension for Community Healthcare Outcomes, did not attain a tipping point in the national diffusion curve of the United States after fourteen years of introduction. Dearing and Cox argued that social influence and the consideration of an innovation's attributes improved the quality of the adoption decision. Dearing and Cox noted that the first adopters, who were the innovators, adopted because of excitement over novelty, non-vulnerability to social influence, and the existence of supportive absorptive capacity. Early adopters adopted the innovation because they perceived relative advantage, while the early and late majority adopters did so to conform to social pressure from early adopters. The laggards adopted the innovation when its attributes became more customizable for more favorable and proficient use based on the recommendations of earlier adopters. In support of Rogers' diffusion of innovation theory, Dearing and Cox confirmed the role of opinion leaders in influencing other members through advice-seeking and advice-giving relationships as central members of the social network. As a central actor in a social network, an opinion leader exerts influence to increase the imitation potential of other members (Blaney, 2015; Liu et al., 2005; Wu et al., 2017). In another study on the diffusion of evidence-based clinical practice, Mohammadi et al. (2018) found that individual innovativeness, attitude, knowledge, and perception of innovation attributes influenced adoption among clinical practitioners in Iran. These findings were consistent with Rogers' (2003) diffusion of innovation theory. Mohammadi et al. found that attitude had the greatest effect among all other factors. This finding supports Brown et al.'s (2016) findings indicating that the attitude of New Zealand farmers was negative towards the information disseminated by government agents. In another research investigating the factors affecting the adoption of patient portals as against the use of telephone or visiting the doctor's office, Emani et al. (2018) distinguished adopters from non-adopters through the perception of relative advantage, ease of use, and trialability by the former. Emani et al. noted that the relative advantage of patient portals over the use of telephone or visiting the doctor's office was the dominant consideration in increasing the adoption of patient portals in healthcare delivery.

IV. IMPORTANCE OF INNOVATION

Innovation is crucial for businesses to stay ahead of the competition, improve efficiency, and increase productivity. It involves introducing new ideas, products, services, or processes that enhance business performance and create value for customers. In Nigeria, innovation can help businesses overcome challenges such as infrastructure deficiencies, corruption, and bureaucratic red tape.

V. STRATEGIES FOR INTEGRATING INNOVATION

Government-Industry Collaboration: Foster regular dialogue between government and business stakeholders to ensure coherent policy formulation. This collaboration can lead to policy incentives, such as tax breaks for firms adopting innovative technologies.

Digital Transformation: Leverage technology to streamline operations, expand market access, and reduce bureaucratic inefficiencies. This can be achieved through the adoption of e-commerce platforms, cloud-based solutions, and online payment systems.

Capacity Building: Invest in employee training and development to build digital skills across the workforce. This can be done through government-sponsored training programs or partnerships with tech companies.

Innovation Incubators: Establish innovation hubs and accelerators to support startups and entrepreneurs. These incubators can provide access to funding, mentorship, and networking opportunities.

Public-Private Partnerships: Collaborate with government agencies, private sector companies, and startups to drive innovation and entrepreneurship. This can include partnerships for infrastructure development, technology transfer, and skills development.

VI. POLICY FRAMEWORKS SUPPORTING INNOVATION

National Digital Economy and e-Governance Act: This policy mandates absolute preference for Nigerian-made IT products, software, and services in government procurement. It also emphasizes capacity-building clauses and technology transfer in foreign contracts.

Nigeria Digital Innovation, Entrepreneurship and Startup Policy (NDIESP): This policy aims to promote digital innovation, entrepreneurship, and startup growth. It outlines five priority thrusts: advancing human capital, unlocking access to capital, enabling infrastructure, boosting demand, and promoting innovative entrepreneurship.

Nigeria Start-Up Act: This act establishes the National Council for Digital Innovation and Entrepreneurship, which supports complementary policy-making and approves programs for startup development.

VII. STRATEGIES FOR INTEGRATING INNOVATION

To overcome these challenges, the following strategies can be employed:

Leadership Commitment: Leaders must champion innovation and create a culture that encourages creativity and experimentation (Bason, 2010).

Stakeholder Engagement: Engage citizens, civil society organizations, and private sector partners to identify needs and develop innovative solutions (Voorberg et al., 2015).

Capacity Building: Provide training and capacity-building programs to enhance employees' skills and knowledge in innovation and problem-solving (Hartley, 2005).

Innovation Incubators: Establish innovation incubators or accelerators to support the development and testing of new ideas (Pauwels et al., 2016).

Collaborative Partnerships: Foster partnerships with universities, research institutions, and private sector organizations to leverage expertise and resources (Etzkowitz & Leydesdorff, 2000).

VIII. NIGERIAN PRIVATE SECTOR INNOVATION CASE STUDIES

The Nigerian private sector has seen significant innovation in various industries, driving economic growth and development. Here are some notable case studies

Alluvial: An agricultural company using digital solutions to support local farmers, aggregating them into cooperatives to access equipment, inputs, finance, and services more competitively. They also developed an agro-advisory service, allowing farmers to query weather and soil information via chatbots.

Kobo360: A logistics company that created an app matching truck drivers with companies looking for freight services, reducing transportation costs and improving efficiency. The system addresses challenges such as poor infrastructure, safety issues, and difficulties finding cargo to transport.

Paystack: A payment services company providing secure online payments, acquired by Stripe in 2020. Paystack's digital strategy enabled it to facilitate business and trade despite the global economic downturn triggered by the pandemic.

Flutterwave: A fintech company that leveraged blockchain technology to streamline financial transactions, reducing transaction times by 50% and enhancing security. This innovation increased customer trust and improved operational efficiency.

Opay: A company that issued green bonds, attracting socially responsible investors and enhancing its brand image. This showcased its commitment to sustainability and attracted environmentally conscious investors.

Distrifoods Nigeria: A company aiming to make nutritious snacks available to disadvantaged residents. Although facing challenges in pricing, the company demonstrates the potential for social impact and profitability in the private sector.

Tomato Jos: A company founded by Mira Mehta to help smallholder farmers become expert growers. The company highlights the importance of training and support for farmers to become commercial producers.

These case studies demonstrate the innovative spirit of Nigerian companies, leveraging technology and digital solutions to drive growth, efficiency, and social impact. They showcase the potential for private sector innovation to address development challenges and create opportunities for economic growth.

IX. CONCLUSION

Innovation is essential for driving growth and improving service delivery in the Nigerian private sector. By employing strategies such as leadership commitment, stakeholder engagement, and capacity building, the sector can overcome challenges and integrate innovation into business policies. Collaborative partnerships and innovation incubators can also support the development and implementation of innovative solutions.

RECOMMENDATIONS

Limited Access to Funding: Provide access to funding and tax incentives for startups and innovative companies.

By implementing these strategies and policies, the Nigerian private sector can integrate innovation into its business practices, driving economic growth and development.

I recommend that business leaders in the services, retail, and manufacturing sectors adopt the findings relevant for integrating innovation into their business practices to increase financial performance. Firms should transform their resources and assets into capabilities over time by capitalizing on top management support to develop absorptive capacities, implement multiple innovations, and avoid and optimize risks stemming from the deficient national innovation ecosystem to increase financial performance (Haddad et al., 2020; Su & Baird, 2018), as the participating companies exemplified. Business leaders should develop their firms' dynamic capabilities to drive periodic reconfiguration of resources and capabilities before existing capabilities become outdated to address environmental changes and eventually develop into clogs in the wheel of progress (Franco et al., 2021; Hutton et al., 2021). In the long term, the government should facilitate the development of institutions, human capital and research, infrastructure, and market and business environments in line with WIPO's (2020) GII criteria for enabling innovations aligning with an economy's international comparative advantage. To effectively provide these innovation-enabling services, the government should also learn from the participating companies' technology-based product development or service design processes to apply project management principles in executing development projects (Soderlund & Sydow, 2019). Firms should use industry or cluster associations to negotiate government policy support or interventions to improve these innovation-enabling services in the short term (Nam & Bao Tram, 2021). Finally, I will disseminate a summary of these findings and recommendations to study participants, industry associations, relevant government institutions, and public and private research institutions to support business practice and spur further research. Channels of dissemination include conferences, seminars, training sessions, and publications in international research domains.

Establish an Innovation Unit: Establish a dedicated innovation unit within the Nigerian public sector to champion innovation and provide support for innovative initiatives.

Develop an Innovation Framework: Develop a framework for innovation that outlines principles, processes, and guidelines for integrating innovation into business policies.

Provide Funding and Resources: Provide adequate funding and resources to support innovation initiatives and projects.

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