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Research on Enterprise Management Innovation Paths from the Perspective of Strategic Management

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Abstract: Enterprise management innovation is not a simple revision of rules, an adjustment of departments, or the introduction of digital tools. Its substantive function is to help a firm reshape resource allocation, organisational coordination, process operation, data governance, and performance evaluation around strategic objectives. Under the combined influence of innovation-driven development and digital transformation, enterprise competition is shifting from partial efficiency competition to a more integrated contest of strategic judgement, organisational resilience, and continuous innovation capability. Drawing on strategic management theory and data from China's enterprise innovation survey, this paper analyses the internal logic, practical dilemmas, and feasible paths of enterprise management innovation. The study argues that management innovation should be embedded in a strategic management loop. Enterprises should define innovation directions through strategic themes, optimise resource allocation through innovation portfolios, improve cross-functional coordination through process redesign, strengthen strategic feedback through data governance, and promote capability accumulation through performance evaluation. Furthermore, the paper highlights the critical role of dynamic capabilities in enabling firms to sense emerging opportunities, seize strategic resources, and reconfigure organisational structures in response to rapidly changing market conditions. By integrating insights from strategic management, organisational behaviour, and innovation studies, this research provides a comprehensive framework that enhances the systematic nature, executability, and long-term value of enterprise management innovation. The findings offer actionable guidance for managers seeking to align innovation initiatives with overarching strategic goals while fostering sustainable competitive advantage in an increasingly complex and uncertain business environment.

Keywords: strategic management; enterprise management innovation; dynamic capabilities; organisational coordination; performance evaluation

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1. Introduction

In an institutional environment shaped by innovation-driven development and the construction of Digital China, enterprise technological innovation, data-resource utilisation, and the digital transformation of the real economy have become interrelated components of high-quality development. This context transforms the foundational role of enterprise management innovation. Management innovation is no longer a partial adjustment of existing rules, but a mechanism through which external change is converted into internal organisational capability [1]. If a firm continues to rely primarily on functional separation, experience-based decision-making, and short-term assessment, its strategic intent will struggle to translate into stable organisational action.

Digital transformation further intensifies the complexity of management innovation. The deep integration of digital technologies with the real economy strengthens the interconnection among information flow, capital flow, business flow, and knowledge flow within enterprise operations. Managers must therefore address not only the efficiency of individual processes, but also the alignment among strategic choice, resource allocation, organisational collaboration, and risk control. Strategic management must go beyond

setting direction: it must convert that direction into identifiable objectives, allocable resources, executable processes, and evaluable outcomes.

This paper situates enterprise management innovation within a strategic management framework [2]. The central question is how enterprises can avoid fragmented management innovation and build a systematic mechanism that sustains long-term competitive advantage. To answer this question, the paper integrates strategic management theory with enterprise innovation survey data, then develops an innovation path linking strategic themes, resource portfolios, process redesign, data governance, talent mechanisms, and performance evaluation.

The contribution of this paper lies in framing management innovation as a bridge between strategy formulation and organisational execution. Existing discussions often underscore the importance of innovation, yet enterprises continue to face challenges in determining where to begin, how to prioritise resources, and how to evaluate innovation outcomes [3]. By integrating theoretical insights with empirical survey evidence, this paper delivers an operational framework that aligns strategic intent with managerial mechanisms.

2. Internal Logic of Enterprise Management Innovation from a Strategic Management Perspective

2.1. From Local Improvement to Strategic Capability

Innovation management research identifies strategy, knowledge, capability, organisation, and performance as enduring focal points in enterprise innovation [4]. The scope of inquiry has broadened from technological innovation to encompass platforms, ecosystems, business models, and digital innovation. This evolution underscores that the significance of management innovation lies not in formal novelty, but in whether new practices, processes, and tools enhance the quality of strategic execution.

Strategic management provides the directional discipline for management innovation. Strategy is not a collection of slogans or broad intentions; rather, it constitutes a competitive logic grounded in positioning, deliberate trade-offs, and coherence among organisational activities [5]. When management innovation operates independently of strategy, it risks devolving into fragmented initiatives—rules may be revised without accompanying process redesign, organisational structures may be reconfigured without clarified accountability, and digital systems may be deployed without integrated decision-making mechanisms. A strategic perspective therefore necessitates that firms first articulate their value-creation logic before selecting or adapting management tools.

The theory of dynamic capabilities further clarifies why management innovation must be approached as capability development [2]. Sustainable competitive advantage arises not solely from static resource endowments, but also from an organisation's capacity to sense emerging opportunities, seize them effectively, and reconfigure resources amid environmental change. Management innovation strengthens this capacity by embedding strategic judgement into resource allocation, organisational coordination, and performance feedback loops. Likewise, business model innovation indicates that management innovation should be systematically aligned with core value propositions, essential resources, collaborative networks, and revenue mechanisms.

2.2. Survey Evidence and the Need for Management Innovation

To make the table data directly relevant to the paper, this study draws on indicators from the national enterprise innovation survey that are more closely related to management innovation, rather than using broad macro-level input indicators as the main empirical background. The survey covers innovation activity scope, comprehensive innovation, cooperative innovation, success factors, and obstacles. These indicators help explain why enterprise management innovation needs to enter a strategic management loop [6].

Table 1 retains only the indicators directly related to management innovation. The data show that enterprise innovation has become relatively common, yet comprehensive

innovation remains limited: only 8.5% of enterprises simultaneously realised product, process, organisational, and marketing innovation [2]. This gap indicates that management innovation should prioritise coordination over isolated improvement.

Table 1. Selected Enterprise Innovation Indicators in China in 2020

Indicator	Key data	Strategic implication
Innovation activity	379,000 firms; 43.3%	Clarify strategic themes.
Comprehensive innovation	74,000 firms; 8.5%	Coordinate product, process, organisational and marketing innovation.
Cooperative innovation	188,000 firms; 67.4%	Strengthen cross-organisational coordination.
Success factors	Employee identification 77.7%; talent 76.7%; incentives 74.5%	Build talent, culture and incentive mechanisms.
Main obstacles	Talent shortage 28.8%; cost 20.5%; information gap 17.2%	Improve resource allocation and data feedback.

Source: compiled from Statistical Analysis of the Characteristics of Enterprise Innovation Activities in China in 2020[7].

The table also reveals that cooperation, talent development, incentive systems, and information access are central to innovation outcomes. These findings align with the analytical pathways proposed in this paper: strategic theme design, innovation portfolio management, process redesign, talent and cultural mechanisms, data feedback, and performance evaluation [2].

The simplified table should be read alongside the following analysis. The 43.3% coverage rate indicates that innovation activity already has a broad enterprise base, while the 8.5% comprehensive innovation rate highlights a clear coordination gap [4]. Many firms can improve a product or a process, but fewer successfully integrate technological change with organisational and market renewal. Strategic management becomes necessary precisely at this juncture—to guide decisions on which innovation activities to prioritise, how to sequence resource allocation, and which operational routines to redesign.

Data on cooperation, talent, and innovation obstacles further demonstrate that innovation success depends critically on managerial conditions [6]. Cooperative innovation requires clearly defined authority boundaries and effective partner coordination. Talent development and incentive alignment depend on supportive organisational culture and well-designed performance frameworks. Information gaps necessitate robust data governance and systematic review mechanisms. Thus, the table serves not merely a descriptive function but provides an empirical foundation for framing management innovation as a strategic management issue.

This separation between table and prose enhances readability. The table presents the minimum data required to support the argument, while the text clarifies why these data matter for strategic management. Readers can first identify the empirical signal and then follow its interpretation in the surrounding paragraphs. This structure keeps evidence visible without overloading the table and reserves sufficient conceptual space for subsequent sections to address implementation mechanisms, operational safeguards, and systemic enablers in a coherent manner [7]. Such balance between evidence and explanation is essential for concision and rigour in academic journal articles.

The evidence further clarifies why management innovation must be treated as a strategic issue. The low proportion of comprehensive innovation suggests that many firms conduct discrete innovation types but struggle to integrate technological, organisational, and market changes. The high prevalence of cooperative innovation signals that innovation increasingly extends beyond internal departments. The centrality of people, incentives, and information access confirms that innovation success hinges on managerial

conditions. Collectively, these patterns point to a single conclusion: enterprises require integrated management mechanisms – not fragmented, isolated innovation initiatives.

2.3. The Strategic Management Loop as the Basic Form

From a strategic management perspective, enterprise management innovation should follow a cyclical process comprising strategic identification, resource allocation, organisational execution, data feedback, performance evaluation, and capability accumulation. Strategic identification clarifies directional orientation [2]. Resource allocation determines investment priorities. Organisational execution addresses cross-functional coordination. Data feedback enables timely adjustment. Performance evaluation establishes accountability. Capability accumulation sustains innovation continuity.

This cyclical framework also shapes the paper's analytical focus [8]. The quality of management innovation is not determined solely by the introduction of new rules or systems, but by whether strategic objectives are effectively decomposed, resources are aligned with core priorities, operational processes are oriented toward value creation, data inform systematic review, and performance evaluation reinforces long-term capability development.

3. Practical Dilemmas of Enterprise Management Innovation

3.1. Strategic Intent Is Difficult to Transform into Organisational Action

Many enterprises articulate strategic objectives such as transformation, digital operations, or service upgrading. However, these objectives often lose momentum during implementation. This occurs because strategic intent is not effectively translated into operational mechanisms. Responsibility assignment, budget allocation, authorization frameworks, and performance evaluation criteria are frequently misaligned or adjusted in isolation. Consequently, innovation tends to remain a temporary task rather than an embedded organizational capability.

This challenge is especially pronounced in digital transformation initiatives. While organizations may deploy digital platforms, strategic value seldom materializes if decision-making authority, process accountability, and performance metrics remain unmodified. Employees may perceive innovation efforts as supplementary administrative tasks. Middle managers may prioritize functional autonomy over cross-departmental integration. Senior leaders may gain increased data volume without corresponding improvements in strategic insight.

3.2. Weak Process Coordination Reduces Value Creation

Functional structures support the development of professional expertise within enterprises, yet they also reinforce departmental silos. Management innovation necessitates integrated participation across marketing, research and development, finance, human resources, supply chain, and information systems. When processes remain largely governed by departmental authority, organizations encounter redundant approvals, delays in information flow, and fragmented accountability. Such weak process coordination impairs responsiveness to customer needs and hinders the translation of innovation investment into tangible operational outcomes.

Process fragmentation further obscures costs that do not consistently appear in financial statements. Disparate data definitions and performance metrics across departments may lead to misaligned incentives: a project might meet one department's targets while undermining system-wide effectiveness. From a strategic management perspective, process design must therefore prioritize value creation over administrative expediency.

3.3. Insufficient Data Governance Weakens Strategic Feedback

Digital tools can accelerate data collection, but data do not automatically translate into strategic insight. If core data definitions, performance indicator specifications, access policies, and system interfaces are inconsistent, managers receive fragmented reports

rather than a coherent factual basis for decision-making. Weak data governance also impedes organizational knowledge accumulation [9]. Innovation experience may remain confined to individuals or project teams, hindering cross-organizational replication.

This issue undermines both operational control and continuous learning [10]. Without consistent, reliable data, organizations cannot accurately identify root causes of performance deviations or evaluate the effectiveness of corrective actions. Effective management innovation therefore requires establishing standardized data definitions, clear data stewardship responsibilities, regular governance reviews, and structured feedback mechanisms—enabling the conversion of operational records into strategic learning.

3.4. Performance Evaluation Remains Too Short-Term

Management innovation typically entails cross-period investment and delayed returns. Overemphasis on current profit, cost reduction, or localized efficiency in performance evaluation incentivizes managers to prioritize low-risk, short-cycle improvements while avoiding strategically important yet uncertain initiatives. Such short-term orientation also fosters departmental indicator protection, undermining interdepartmental collaboration and long-term organizational learning.

Consequently, management innovation tends to become fragmented: projects are initiated without systematic assessment of their contribution to strategic capability development. While organizational activity may appear high, the accumulation of sustainable competitive capacity remains limited. A strategy-aligned evaluation mechanism is therefore essential to integrate innovation efforts with long-term competitiveness [11].

4. Enterprise Management Innovation Paths from the Perspective of Strategic Management

4.1. Calibrating Direction Before Selecting Projects

The main challenge in management innovation is often not the lack of initiatives, but the weak alignment between those initiatives and the organization's strategic objectives. Digital platforms, process optimization, organizational realignment, and performance evaluation enhancements may all appear on an innovation agenda. If these efforts do not collectively support a coherent competitive logic, increased activity may lead to greater fragmentation rather than strategic coherence [12]. Strategic management therefore focuses innovation efforts on a limited set of themes that directly articulate how future value will be created.

These themes must be operationally grounded—not merely aspirational statements. They should specify the target customer segments the firm intends to serve, the core capabilities required to sustain future competitiveness, and the established managerial practices that impede effective strategy implementation. Once these elements are clearly defined, innovation projects can be selected with greater rigor. Management innovation thus begins by identifying which existing practices have become barriers to strategic execution.

In practice, this requires a transparent decision criterion. A project should be included in the management innovation agenda only if it explicitly identifies the strategic objective it addresses, the capability it aims to develop, and the operational barrier it seeks to overcome. This criterion does not reduce ambition; rather, it distinguishes meaningful progress from mere activity and empowers managers to justify prioritization decisions under resource constraints.

4.2. Embedding Resource Allocation in an Innovation Portfolio

Innovation resources are inherently limited. Treating all projects with equal priority obscures strategic focus and undermines accountability. A more effective approach categorizes projects into three distinct types: improvement initiatives addressing immediate operational constraints; integration efforts enhancing cross-functional

coordination; and exploratory ventures targeting new business areas or capabilities. Each category demands differentiated time horizons and evaluation criteria [1].

Portfolio management must incorporate clear exit criteria. Continued investment is unwarranted when a project's foundational assumptions are invalidated, its resource consumption becomes disproportionate, or it diverges from core strategic objectives. Such persistence does not reflect commitment to innovation but risks displacing higher-potential opportunities. Strategic management entails dynamically reallocating resources toward activities that sustain competitive advantage [13].

The innovation portfolio must be explicitly aligned with financial planning. Improvement initiatives typically require modest funding but rigorous operational oversight; integration projects depend on formalized cross-departmental commitments; exploratory efforts necessitate tolerance for ambiguity and phased capital allocation. Making these distinctions explicit transforms budget deliberations into strategic learning exercises rather than interdepartmental negotiations—particularly critical for digital investments, where software expenditures generate value only when they drive measurable changes in organizational routines [4, 13].

4.3. Reducing Coordination Costs through Process Redesign

Many management innovation initiatives fail not due to flawed strategic direction, but because they encounter insurmountable friction within existing operational workflows. Redundant verification steps, inconsistent data definitions, and ambiguous accountability structures erode strategic intent through excessive daily coordination overhead. Process optimization extends beyond streamlining approval procedures; it entails clarifying outcome ownership, specifying essential information flows, and empowering frontline units with appropriate decision-making authority [2].

For innovation-driven activities, cross-functional collaboration models, dedicated project accountability, or centralized support functions may enhance effectiveness. However, such models yield sustainable results only when aligned with concurrent adjustments to budgeting mechanisms, data governance frameworks, and performance evaluation criteria. If structural adjustments occur without corresponding updates to resource allocation logic and assessment metrics, personnel simply replicate legacy tasks under revised reporting arrangements [4].

Process optimization must be articulated in terms accessible to frontline staff. Describing a new workflow solely as an organizational adjustment risks perception as an added administrative burden. Managers should therefore translate strategic objectives into tangible modifications—such as shifts in decision authority, data input requirements, handover protocols, and exception resolution pathways. The more granular and operationally seamless these adjustments appear in daily practice, the more profoundly they reshape the organization's strategic execution capability.

4.4. Improving Organisational Learning through Data Review

Data governance extends beyond report standardisation and system integration. Meaningful data enable managers to identify the sources of deviation, assign process accountability, and evaluate the effectiveness of subsequent adjustments. Organisations can establish a limited set of stable indicators aligned with core processes, maintain consistent definitions, and integrate indicator analysis into regular business reviews rather than confining it to annual evaluations.

Systematic data review also mitigates overreliance on individual expertise. Upon completion of an innovation initiative, organisations should retain more than a final performance score: they should document the validity of underlying assumptions, the appropriateness of resource allocation, the smoothness of process execution, and the transferability of key insights. This transforms management innovation into sustained organisational learning rather than an isolated, time-bound effort.

4.5. Recognising Time Lags in Performance Evaluation

Performance evaluation may inadvertently constrain management innovation when overemphasising short-term financial outcomes. Exploratory initiatives frequently entail initial costs, operational friction, and uncertainty before delivering measurable benefits. A multidimensional evaluation framework—encompassing financial performance, customer satisfaction, internal process efficiency, and organisational learning and growth—helps prevent strategic decision-making from being reduced to a single financial metric [10].

A more appropriate approach involves stage-aligned evaluation: during exploration, emphasis lies on hypothesis testing and knowledge acquisition; during growth, attention shifts to process optimisation and cross-functional coordination; and at maturity, cost-benefit realisation and scalability assume greater significance. This time-layered methodology enables timely organisational adaptation while affirming experimentation as disciplined strategic inquiry rather than operational deviation [12].

5. Implementation Safeguards

Management innovation requires sustained senior-level support, yet must not rely solely on executive initiative. A more critical objective is to institutionalise transparent and consistent protocols for deliberation and decision-making. Criteria governing which initiatives are elevated to strategic forums, which require alignment with budgetary planning, and which undergo phased evaluation must be clearly defined. Once formalised, such protocols help safeguard innovation from dilution by organisational inertia.

Pilot implementation serves as an effective approach for managing uncertainty. Organisations may initially select business units characterised by well-defined operational boundaries and measurable outcomes to test new processes, data governance arrangements, and performance evaluation frameworks. Pilots must reflect authentic operational conditions rather than idealised scenarios. Subsequent scaling should adapt authority delegation, resource allocation, and performance indicators based on empirical insights generated during the pilot phase—enhancing cross-unit acceptance.

Risk management must be integrated into the design phase. Advancing decision-making authority may introduce compliance challenges; expanding data sharing may heighten information security concerns; and recalibrating incentive structures may shift interdepartmental dynamics. These potential risks should be systematically identified prior to project approval, actively monitored throughout execution, and formally assessed upon completion. Management innovation does not entail a reduction in governance rigor; rather, it involves a deliberate realignment of governance responsibilities under increasingly complex operational environments.

Implementation must incorporate mechanisms for iterative refinement. A pilot may reveal that a performance indicator proves impractical to collect, that delegated approval authority cannot be transferred at the intended pace, or that incentive adjustments produce unintended behavioural responses. Such observations should not be interpreted as setbacks. Instead, they provide valuable insight into the organisation's actual operational boundaries [6]. Accordingly, safeguard mechanisms serve not only as control instruments but also as channels for grounding improvement efforts in real-world operational realities.

6. Conclusion

From the perspective of strategic management, the value of enterprise management innovation lies not in novelty for its own sake, but in translating strategic choice into sustainable organisational action. The enterprise innovation survey shows that innovation activities already have a broad base, yet comprehensive innovation, collaborative innovation, talent incentives, and information access continue to reveal managerial gaps. The central task is therefore to strengthen integration among strategic direction, resource allocation, operational processes, data infrastructure, and performance evaluation.

For enterprises, a feasible approach is not to implement all changes simultaneously. Instead, it involves first clarifying strategic priorities, then deliberately selecting innovation initiatives, and progressively building capability through process refinement, data-informed review, and iterative evaluation. Such management innovation does not prioritise formal consistency. It prioritises improved resource utilisation within actual operational conditions. Only when innovation activities become embedded in organisational routines, enabled by processes, guided by data, and refined through evaluation can enterprises develop a more resilient competitive advantage amid uncertainty.

The analysis also supports a grounded understanding of innovation. Management innovation is rarely achieved through a single redesign and cannot be assessed solely by the introduction of new frameworks. Its impact emerges incrementally—in sharper strategic focus, more agile coordination, higher-quality information flows, and greater willingness to adjust decisions. These shifts are less conspicuous than declarative statements, yet they reflect how competitive advantage is substantively cultivated. For this reason, the ultimate measure of progress is not novelty, but whether everyday managerial practices grow increasingly strategic and dependable over time.

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