Manifestations of innovation cultures using the example of Austrian mechanical engineering companies

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Innovation Culture and its Antecedents

Research definition: A corporate culture that commits to the strategic goal of innovation, where organizational members share ideas collaboratively and openly, determined to the creation of new value-adding solutions.
Competing Values Framework

Highest propensity for

- Improving innovation capabilities (e.g., Škerlavaj et al., 2010; Büschgens et al., 2013),
- Implementing and maintaining innovation (e.g., Sanz-Valle et al., 2011)
- Improving innovation output (e.g., Lau and Ngo, 2004; Obendhain and Johnson, 2004; Naranjo-Valencia et al., 2011)
Research Question

Which combinations of organizational factors and company values can be found in (established) innovation cultures?
Method

- Case study approach / semi-structured structured interviews
- 4 executives (top managers and CEOs)
- SMEs; mechanical engineering; Austria
- Interviews voice-recorded
- Analysis with MAXQDA12 and acc. to Miles and Huberman (2003)
- 37 sub codes; 228 text fragments
- Standardized CVF questionnaire
Results

All four cases: hybrids of clan and ad hocracy cultures

- “Innovation is more important than strategy”
- Promotes creativity and innovative work (e.g., Martins and Terblanche, 2003; Brettel and Cleven, 2011): high levels of commitment towards employees’ learning and development
- External orientation (Ahmed, 1998; Petraite and Ceicyte, 2012)
- Market- or customer-orientated (Dobni, 2008; Petraite and Ceicyte, 2012; Krot, 2013) with clan elements “The supply chain of trust”
- **Transformational** (Sattayaraksa and Boon-itt, 2016)
- **Inspirational guides / challengers** (Hyland and Beckett, 2005; Sattayaraksa and Boon-itt, 2016), **idea sponsors** (Dombrowski et al., 2007; Leong and Anderson, 2012): “One [source of ideas] is our owner who is CEO as well, he brings a lot of new ideas into our company”.
- **Quick evaluation for strategy fit** (Ahmed, 1998; Andriopoulos, 2001)
- **Acceptance of failure and errors** (Andriopoulos, 2001; De Brentani et al., 2010; El Harbi et al., 2014)

- **Flexible** (Hogan and Coote, 2014; Padilha and Gomes, 2016; Mohan et al., 2017)
- **Independent, project-related work units** (e.g., Baković et al., 2013; El Harbi et al., 2014)
- **Interdisciplinary cross-functional teams** (Dombrowski et al., 2007; Petraite and Ceicyte, 2012)
- Open (e.g., Petraite and Ceicyte, 2012; Krot, 2013; Padilha and Gomes, 2016): door policies
- Trustful and non-judgmental (Ahmed, 1998; Jassawalla and Sashittal, 2002; El Harbi et al., 2014)
- Honest discussions about mistakes (e.g., Jassawalla and Sashittal, 2002; Crossan and Apaydin, 2010): “It [failure] is very important - it is a need!”
- Sharing of knowledge, ideas and problems; collaborative problem solving

- Reward of creativity (e.g., Crossan and Apaydin, 2010; Mohan et al., 2017): time, expertise, resources, decoupled innovation projects; “[…] It’s something you want to attain; it’s a status you want to get to and leadership attention does also do its’ trick.”
- Personal development, educational opportunities for state-of-the-art mindsets and methods
Discussion and Conclusion

Ad hocracy + Clan culture = leveraging the disadvantages of each culture type

⇒ Corporate culture design accordingly but do not solely reengineer cultural artifacts
⇒ Stay flexible in your cultural hybridity

Limitations and Future Research

- No generalizable conclusions
- Possible selection and self-serving bias
- Future quantitative studies
- Different phases in the innovation process
Thank you for your attention!

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