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Model of pro-innovative organizational culture – a theoretical study

Introduction

Development and survival of modern organizations increasingly depend on effective implementation of changes to the new knowledge, ideas, or discoveries. Thus the need to create a new framework for the functioning of organizations in which innovation will be recognized as fundamental cultural norms arises. At the same time there is growing evidence that organizational culture can significantly affect the level of innovation in organizations. The purpose of this article is an attempt to approximate the theoretical model of pro-innovation culture. Knowledge of the factors determining this type of culture will undoubtedly let managers deliberately shape innovation in the organization.

The essence and the model of organizational culture

For the first time the term "culture" in relation to the organization was used by E. Jacques in 1951. He has defined corporate culture as "customary and traditional way of thinking and acting, shared in greater or lesser extent by all members, and the new members must learn and at least partially accept that they themselves may be accepted in the company" [Aniszewska, 2007, s. 13]. However, only in the early eighties of the twentieth century culture of the organization became the subject of increased interest to researchers in psychology and sociology of organization and management theory. Analysis of the definitions of many foreign authors [Peters and Waterman 1982; Deal and Kennedy 1982; Pettigrew 1979; Hofstede 1980, Robbins 2004, Schein 1992, *Martins 1987, Langfield-Smith 1995; Bate 1999; Cameron* and Quinn 2003; Brown 1995] as well as Polish authors [Sikorski 2006; Kostera 2008; Zbiegień-Maciąg

2005, Sułkowski 2002, Konecki 2002] indicates the existence of differences in the description of this concept, depending on whether they concern the way of thinking or action. Another difference is the treatment of culture as a subsystem of organization or its synonym [Smircich, 1983, p. 328-358]. In general, differences in definitions depend on the discipline, on the basis of which the concept of culture is defined. The science of management points to the three main categories describing the organizational culture [Bratnicki, Kryś, Stachowicz, 1988, s. 68; Hofstede 2000, p.266]. The first one treats culture as a system of values shared by members of the organization. Second, as the climate of the organization associated with the common perception of the organizational situation. Third, as a set of beliefs characterizing a specific group of participants in the organization respect the specific patterns of effective action [Stańczyk, 2008, p.22]. In turn, one of the most popular definitions of organizational culture in management literature is considered by Edgar H. Schein term. It treats the organizational culture as "a pattern of shared basic assumptions, the group learned in the course of solving the problems of external adaptation and internal integration, working well enough that they were considered valuable, and therefore taught to new members as the correct way to perceive, think and feel in relation to these problems" [Schein, 1992]. The author distinguishes three levels of culture, taking as criteria for division the durability and visibility. The most visible level of culture is artefacts (artificial creations of the culture): language (specific language, myths and stories), behavioural (collective rituals, ceremonies) and physical (equipment, technology, material objects). The second level of the standard form of organizational culture and norms and values, much more durable than artefacts and far more difficult to observe: declared and observed. The deepest, most enduring and yet most difficult to identify the level of organizational culture are basic assumptions. They relate to the nature of human relationships, the organization as such environmental organizations and organizations relationship with the environment [Schein 1992]. It should be noted that in the opinion of E.H. Schein culture is a strategic management area, which reflects its impact on the inner life of the organization and its relationship with the environment. It is worth noting that the broader culture is widespread among workers and deeply rooted in their consciousness; the harder it is subject to change. On the other hand, in the present circumstances it is difficult to ensure organizational culture homogeneity and consistency [Deal, Kennedy, 1982]. There is therefore a dilemma to choose between strong cultures, but the trends are closing, locking, new orientation and a weak culture, but more open to the outside, the new orientations. This problem corresponds to the definition of organizational culture in the context of the theory of open systems [French and Bell, 1995]. This approach stresses the interdependence of the various subsystems and components in the organization, which is regarded as an open system [French and Bell, 1995].

This model explains the interactions between the subsystems of the organization (goals, structure, management, technology and people) that take place at different levels, between individuals and groups within the organization and with other organizations and the external environment. No doubt can be seen as the primary determinant of behaviour in the workplace. Against the background of the work of Schein (1985) and based on a systems approach, Martins [1987] developed a model used to describe the organizational culture, composed of eight elements:

1) The mission and vision of the organization,
2) External Environment,
3) Measures to achieve the objectives of the organization,
4) The image of the organization,
5) Process management,
6) The needs and expectations of employees,
7) Interpersonal Relationships,
8) Leadership.

At the same time, this model was used by Martins [2003] as a starting point in the development of organizational culture factors influencing innovation in the organization (the model will be presented later in this article). Therefore, it is necessary to approximate the concept of innovation, which need to be absorbed the more distinctly by modern organizations is raised in numerous studies.

The concept of innovation in organization

Like the concept of organizational culture in the literature can point to the ambiguity of the concept of innovation. This concept is not clearly interpreted in the literature. Some definitions focus on the description of specific innovations, such as the implementation of an idea for a new product or service. Other categories of innovation refers to modes of action such as restructuring, cost savings, improved communications, new technologies, new organizational structures, or employment plans [Robbins, 1996]. The best-known definition of innovation was determined by J. Schumpeter, who treats this concept in terms of techniques and technologies and apply them to the five cases: 1) conduct a new product, 2) the introduction of process innovation, 3) opening a new sales market, 4) the opening of a new supply market, 5) introduction of management of innovation [Schumpeter, 1960, p.104]. According to P. Drucker, innovation is the specific instrument of entrepreneurship [Drucker, 1992, p. 5]. It is a concept more economically and socially understood than technically explained. The universal way to treat the concept of innovation was proposed by A. Pomykalski. In his view, innovation is a process involving all activities related to the generation of an idea, invention, creation and implementation of this new product, service, or process [Pomykalski, 2001, p.17]. It should also be pointed out that innovation

can be not only technical, but also social [Kwiatkowski, 2000, p.84]. The broad approach to this phenomenon presents J. Penc, who says that innovation can take many forms: improving products, processes for their preparation, to introduce new production methods, improving the organization of work, modernization of management methods and techniques, marketing, distribution, or introduction of new technology [Penc, 1998, p.271]. Analysis of the definition of innovation can make innovation considered as implementation of a new or significantly improved product, process, marketing method or a positive material change in the organization. Considering the nature of innovation should be noted the need to concentrate research (with all their diversity) on the common elements of innovation, which are the change and novelty. It should be stressed that innovation is regarded as something new, which leads to change. However, changes cannot always be regarded as an innovation, since it does not always involve new ideas and do not always lead to improvements in the organization. Dynamic changes in the environment of contemporary organizations need to determine the broadcasting activities of the new features of their adaptability and flexibility. At the same time, these changes are an important determinant of innovative activity, which should be based on the culture of these organizations. It is worth noting that innovation in organizations also applies to the specific attitudes, skills and behaviour of staff. Further it can be concluded that the ability to shape effective relationships with stakeholders of the organization in rapidly changing conditions of their operation aimed at innovation, it can become a key feature of the workers. Important roles in these processes also play managers, who should care for a conscious acceptance of innovative changes both at home as well as in their subordinates to become leaders in innovation.

Relationships of organizational culture of innovation - an attempt to determine the model

Organizational culture seems to be a key factor in the success of any organization. As indicated by some studies, effective organizations have the ability to absorb the innovations to organizational culture and management processes [Tushman and O'Reilly, 1997]. This thesis, however, requires an attempt to accurately determine the characteristics and determinants of pro-innovative culture in the organization. The main issue here are links with the culture of innovation. The literature suggests, among other things, two main ways to link these phenomena [Tesluk, Faar, Klain, 1997, p. 21-41]:

1) Use the processes of socialization in the organization, which may cause the accepted standards for innovation and shared by individuals, will become common standards.

2) Use of assumptions and principles that lead to promotion, rewarding activities of personnel directly affecting innovation in the workplace, for example through the financial support of workers forming new ideas.

Despite many empirical studies highlighting the importance of values, norms, or behaviour in the promotion and implementation of innovation, ultimately there is no consensus on the model of pro-innovative culture [Ahmed, 1998; Nystrom, 1990; O'Reilly, 1989, Pinchot and Pinchot, 1996]. An interesting attempt in this regard has taken N. Martins, which is examining the relationship between organizational culture and innovation, pointed to the need to combine measures, including seven areas (strategy, focus, trust relationships, behaviour stimulating innovation, work environment, customer orientation and management support) to create a model of organizational culture to support innovation [Martins, 2003]. Based on the model of Martins and using the achievements of other researchers, in particular, such as: Lock & Kirkpatric, Ternblanche, Dunford, O'Reilly, Filipczak, Frohman and Pascarella, 1990, p. 21; Shaw] can point to the following areas and related factors that may indicate a proinnovative organizational culture. These are the organizations strategy, organizational structure, staff orientation on organizational goals, trust relationships, behaviour stimulating innovation, the internal environment, customer orientation (internal and external), management methods:

The first area is the strategy of the organization (mission and vision of the future of the organization). Innovation strategy supports the development and implementation of new products and services, and a source of innovation lies in the vision and mission, which are focused on the future. In addition, vision and mission of innovative organizations are focused on solving customer problems. It is important that employees understand the vision and mission to promote innovation and undertook the effort of reducing the differences between the current situation and future vision and mission. It is also essential to organizational goals and objectives to reflect the priorities and values of the organization, which in turn may promote or hinder innovation.

The second area is the organizational structure. Organizational structure uses flexibility, autonomy, decision making and teamwork. It is well to the organizational structure to support creativity and innovation. Important values such as: flexibility, autonomy and creativity are crucial in support of creativity. The stimulation of creativity and innovation are essential for independence and equality in decision making. The speed of decision making may also support or inhibit innovation. Another important aspect is the teamwork, where team members show us the trust and mutual respect, mutual understanding for their views and style of action, make decisions, despite differences of opinion, effectively communicate, and are open to new ideas.

The third area is personnel oriented for the purposes of the organization. The idea is that employees understand the mission and vision of the organization, associated with the need to be innovating. Important here is the commitment of employees to the objectives of the organization and the results used standards

[Terblanche, 1990, p. 283; Martins, 2003, p. 227]. Lock and Kirkpatrick (1995, p. 120) argue that it is necessary to setting specific targets for specific innovations and standards to achieve them. The results of measurements of the objectives should lead to improved creativity and innovation (Filipczak 1997, p. 36, St. Martins, 2002, p. 151].

The fourth area is the relationship of trust. In recent years, widely disseminated in the literature is a new approach to culture, namely, based on trust [Barrett 1997, p. 15)], which argues that organizational culture, which is based on trust, which is manifested in the openness, in the opinion of many researchers is that trust is crucial for the success of the organization in an increasingly complex and rapidly changing environment (Dunford, 1999; Martins, 1987). Relationships of trust in an organization are related to the mutual openness of the people to themselves. People feel emotionally secure, what in turn can promote the development of pro-innovative working environment (Filipczak, 1997, p. 35, Frohman and Pascarella, 1990, p. 21]. A high degree of innovation can be achieved if the corporate culture is created by management and promotes a high degree of confidence (Shaw, 1997, s.120; Martins, 2000, p. 229). Mutual trust makes it easier for people to adapt to change and new ways of doing things, what may increase the likelihood of success [Shaw 1997, p. 3].

The fifth area is behaviours that encourage innovation. The idea is to generate aspects, such as encouraging the generation of ideas, good ideas, sales, management ideas, ideas, and encouragement to take initiatives and to find new ways to solve problems. Management should develop values that promote risk-taking and must demonstrate through their actions that risk-taking and experimentation are the good behaviour patterns [Arad, Hanson & Schneider, 1997, p. 48, Robbins, 1996, p. 736]. At the same time it is important to take risks that were balanced to ensure the freedom of workers in decision making. The management of this process should involve employees. Shattow [1996, p. 4] argues that participation in decision making can lead to rapid generation of ideas, faster decision-making and transforming into the results.

The sixth area is the work environment. The determinant of this idea seems to focus on employees in the organization and how to work within the organizational culture. It can be argued that in an environment where employees feel well, they have the freedom to create new ideas and participation in decision-making and the organization continues to evolve [Martins, 2000, s.234].

Seventh area is customer orientation. This factor focuses on understanding the needs of internal and external customers improve customer service and flexibility in customer service. For many organizations, innovation is essential for their ability to offer high quality products and services (Hellriegel, Slocum and Woodman, 2001, p. 436). At the same time Nystrom [1990, p. 156] emphasizes that the response to the needs of clients should be flexible.

The eighth area is management support. Important here are such concepts as open communication, fault tolerance, and adaptation of rules and regulations. Open communication within the organization on an equal level is like its "open door in supporting innovation and change" [Filipczak 1997, p. 36, Lock and Kirkpatrick 1995, p. 20] and Shattow [1996, p. 47]. Bresnahan [1997, p. 52]. As pointed out by Tushman and O'Reilly (1997, p. 115) the level of tolerance for mistakes, especially in relations with superiors will promote or obstruct innovation. At the same time it creates the possibility of errors and opens discussion and learning mistakes. In a culture of innovation, managers should create access to knowledge, both internal and external, to encourage the idea of generating new ideas, emphasize the positive aspects of innovation, as well as assist in their implementation. Thus, to a large extent the efficiency of managers depends on the degree of adaptability of workers to new rules, regulations, rate of acceptance of change and innovation in organizations.

Conclusion

For most organizations today, change is inevitable. At the same time effective implantation of changes in strategy, technology, work systems and management style requires a thorough analysis of the values, beliefs and behaviour patterns of organization. Summarizing the above considerations it can be concluded that the model presented in the article (firmly embedded in the proposal of Martins) offers an interesting approach to the description of pro-innovative culture. The identified factors (strategy, structure-oriented goals, and trust relationships, behaviour stimulating innovation, work environment, customer orientation, and support mechanisms) are difficult to even be considered as an established theory, but they can certainly serve as a starting point for better understanding of the issues of pro-innovative culture in the organization and further empirical research. Such studies seem to be quite urgent, especially since more and more forcefully the literature points the need for effective management of innovation, where the role of culture is already unassailable.

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Abstract

This publication is an attempt to determine factors enhancing pro-innovative organizational culture shaping. The analysis of literature leads to conclusion that the main factors of pro-innovative culture are strategy, structure-oriented goals, and trust relationships, behaviour stimulating innovation, work environment, customer orientation, and support mechanisms. The identified factors are difficult to even be considered as an established theory, but they can certainly serve as a starting point for better understanding of the issues of pro-innovative culture in the organization and further empirical research.