

The Culture of Innovation Styles: Are our Corporate Cultures Tuned for Innovation?

Ellen Czaika

Ricardo Valerdi



Agenda

- Overview of Hofstede Cross Cultural Dimensions
- Interactions among the dimensions
- Miller & Friesen Models of Innovation
- Brown Systems Model of Innovation
- Application to Industry
- Models for Innovation
- Matching Types to Innovation
- Next Steps
- Closing Thoughts

Matching Culture to Innovation?

A study investigating whether cultural characteristics match innovation styles in organizations.

Hofstede Cross Cultural Dimensions

Power Distance Index

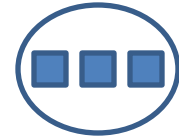


High

Hierarchical & Comfort with Power differences among individuals

Low

Non-hierarchical & more equal power distribution among individuals



Individualism

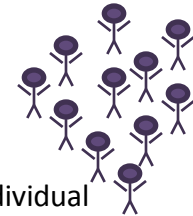


High

Valuation of individual over group

Low

Valuation of group over individual



Masculinity-Femininity



High

Assertiveness
Outward Success

Low

Human Relationships & Environment



Uncertainty Avoidance Index



High

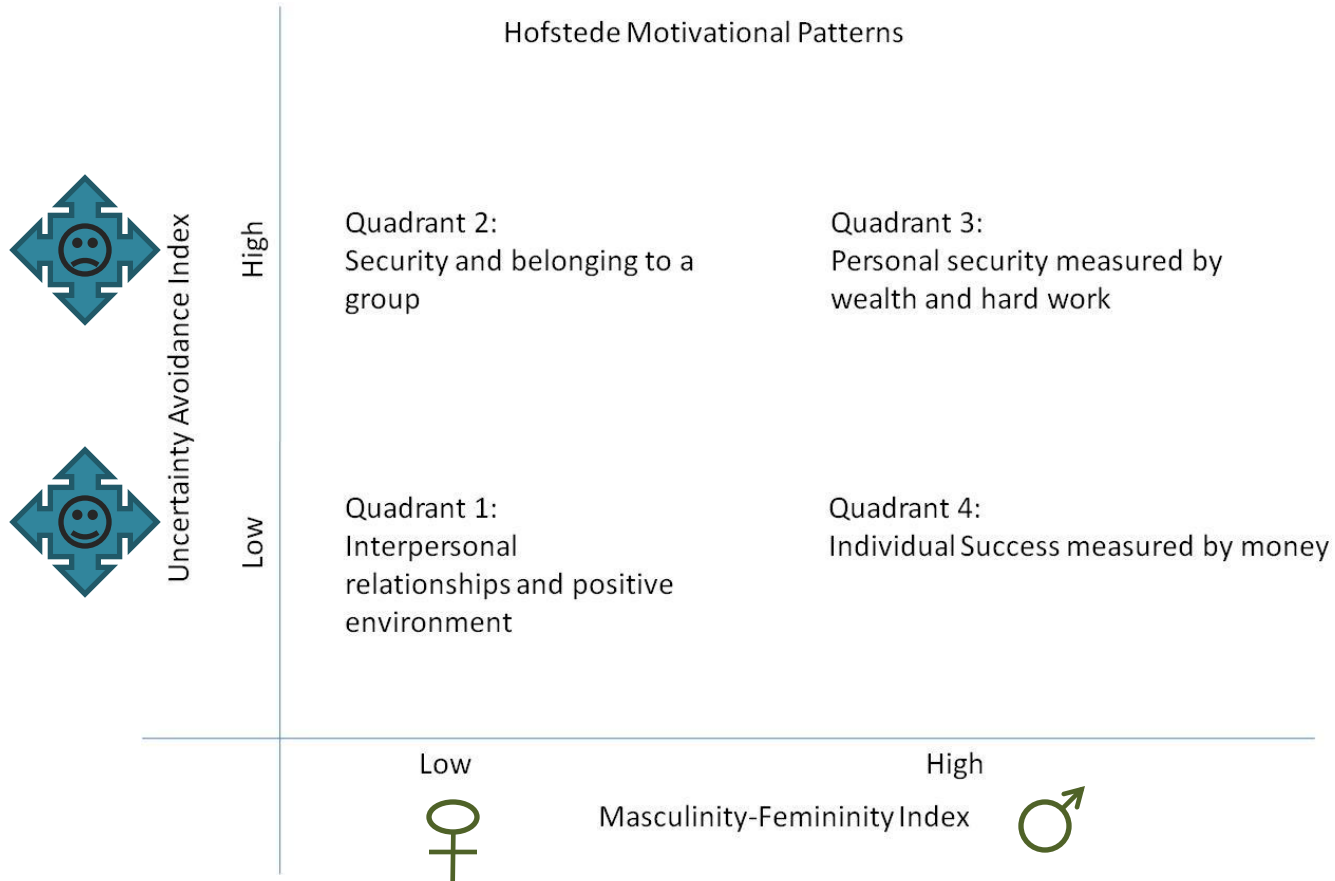
Uncertainty and unknown situation cause threat & anxiety

Low

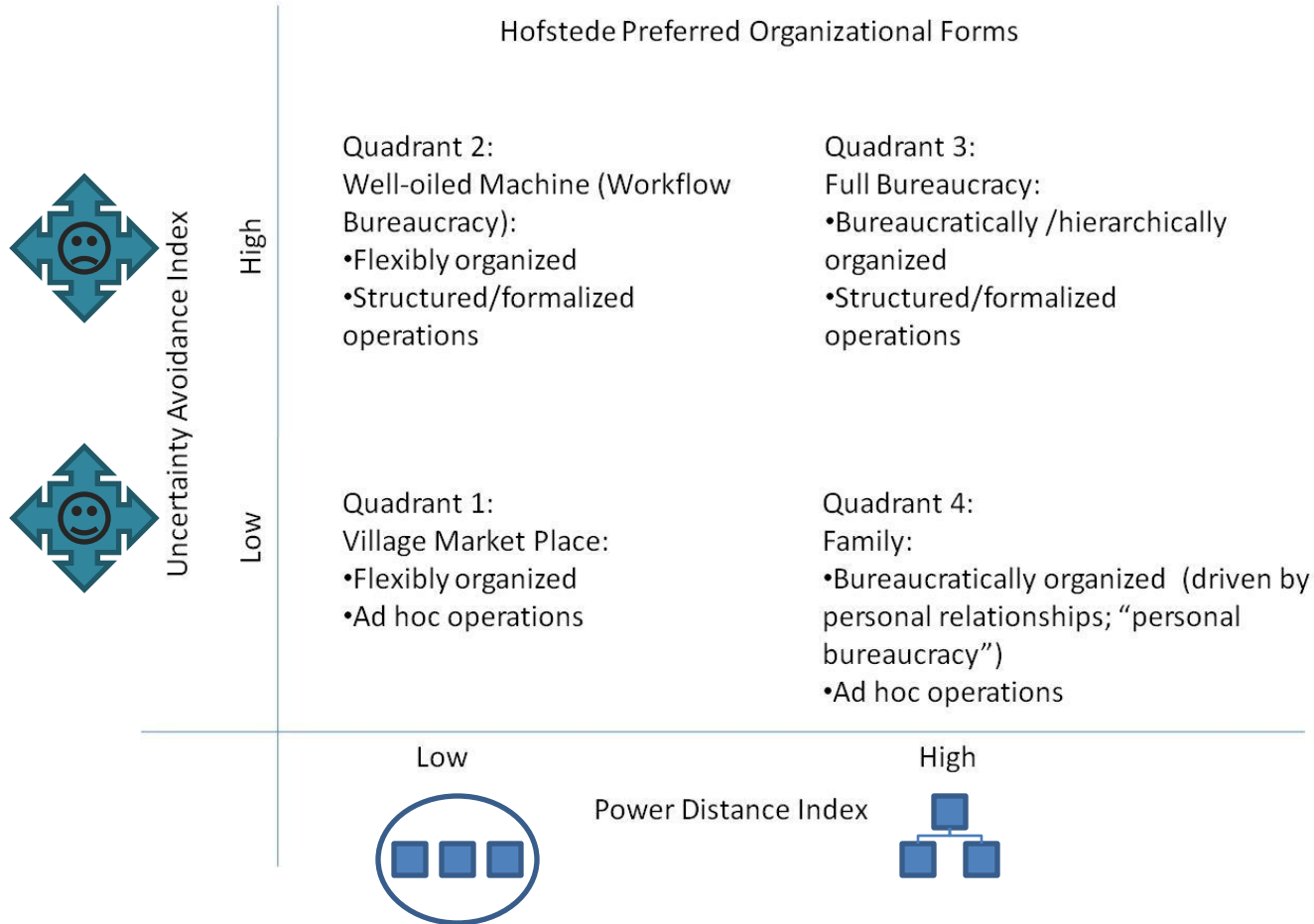
Uncertainty and unknown situations are not threatening and do not cause anxiety



Motivational Patterns



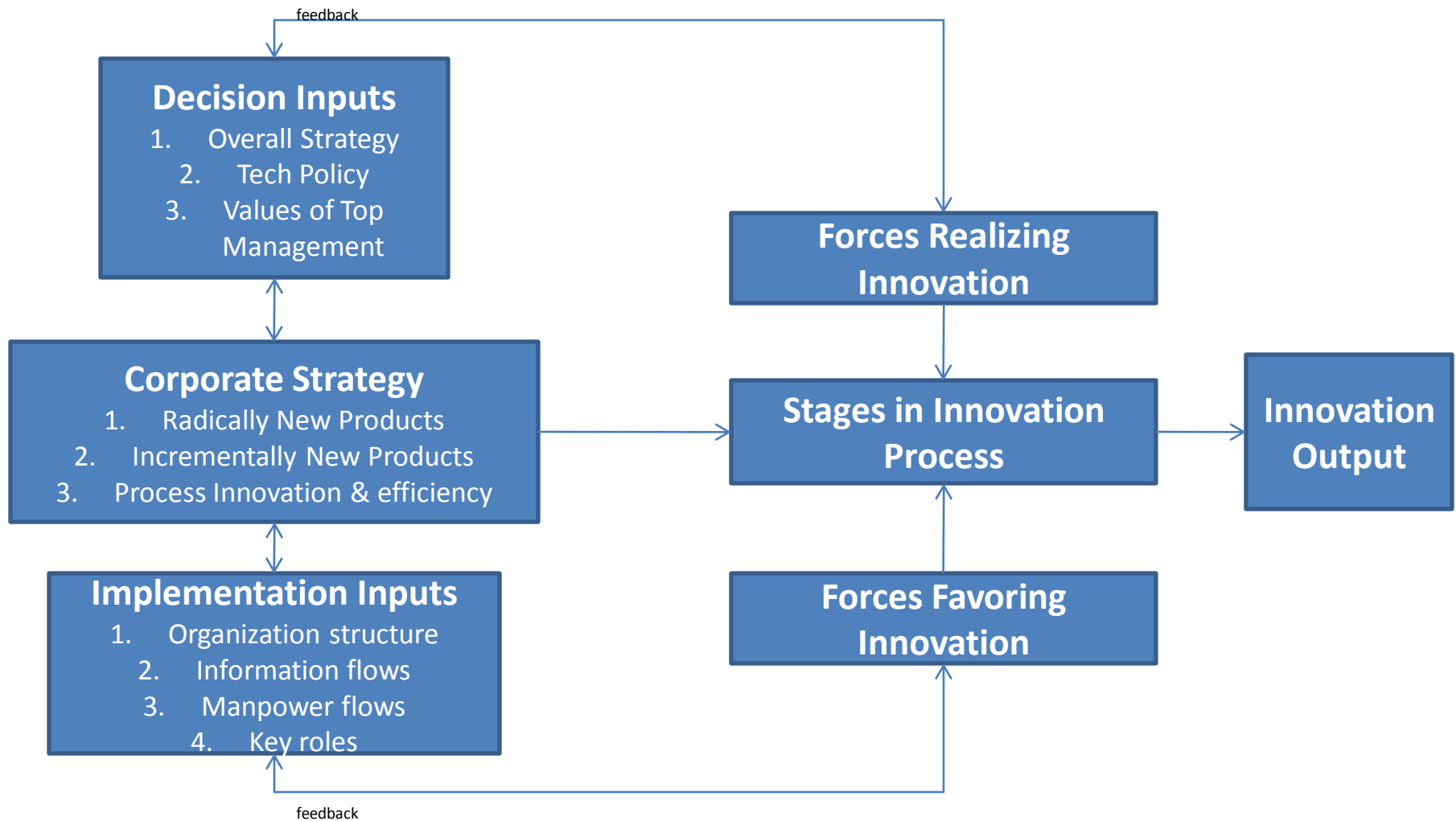
Preferred Organizational Forms



Miller & Friesen Models of Innovation

- Conservative
 - Innovation is abnormal
- Entrepreneurial
 - Regular innovators

Brown Systems Model of Innovation



Brown Systems Model of Innovation

- Inputs to innovation divided into
 - Decision inputs
 - Implementation inputs
- Conducive Personal Roles
 - Gatekeeping
 - Idea generating
 - Project championing
 - Project management
 - Sponsorship by senior management

Application of Theory to Companies

- Hofstede – Fowler applied to French educational system to predict and explain her observations – setting precedence for using the Hofstede dimensions to “type” characteristics of an organization
- Miller & Friesen – aggregate random sample across industries, sizes of business, etc.
- Brown Systems Model – Brown targeted his paper to companies encouraging them to innovate

Matching for Innovation*

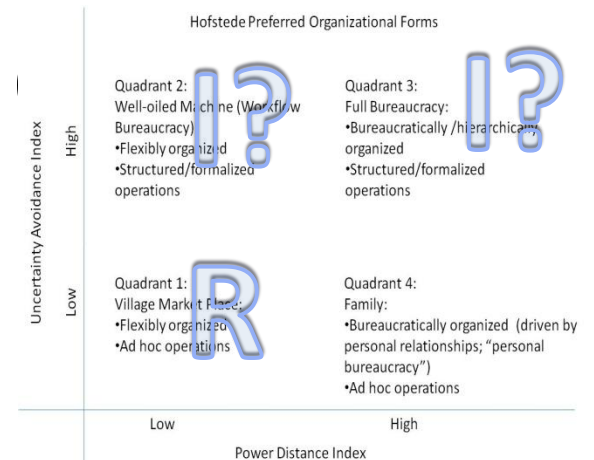
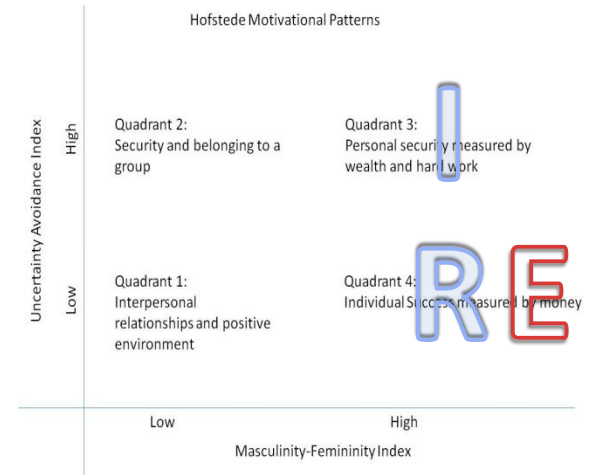
- Uncertainty-Avoidance
 - Low – Miller & Friesen's entrepreneurial
 - High – Miller & Friesen's conservative
- Power Distance Index
- Uncertainty Avoidance – hit the middle;
 - Brown's Systems' Model Generating ideas
 - Developing ideas

Matching to Types of Innovation*

- Radical Innovation
 - Motivated by individual success (Q4)
 - Village Market Place (org Q1)
- Incremental Innovation
 - Motivated by personal security

I=Incremental
 R=Radical
 E= Miller and Friesen's
 Entrepreneurial

*expected results; next steps include testing



Next Steps

- Design & Execute tests for these Models
- **Consider other models:**
 - Abernathy & Utterback Model; Utterback Model; Utterback & Kim Model
 - Christensen
 - Lotka-Volterra Model for Multi-mode Technology Interactions
- Collect Data
- Analyze Data

Closing Thoughts

- The Hofstede Cross Cultural Dimensions may be a useful means of describing corporate culture
- That may then be able to be matched
- With a corporate innovation strategy
- Potentially increasing the likelihood of successful innovation

References

- Afuah, A. and Utterback, J. M. "Emergence of a New Supercomputer Architecture." *Technological Forecasting and Social Change*, 40, 1991: 315-328.
- Brown, W. B. and Karagozoglu, N. "A Systems Model of Technolgoical Innovation." *IEEE Transactions on Engineering Management*, (36).1, 1989: 11-16.
- Christensen, C. *The Innovator's Dilemma*. HarperCollins Publishers, New York, 2003.
- Christensen, C.M. and Raynor, M.E. *The Innovator's Solution: Creating and Sustaining Successful Growth*. Boston: Harvard Business School Press, 2003.
- Fowler, F. C. "Applying Hofstede's Cross-Cultural Theory of Organizations to School Governance: A French Case Study." *Reports - Comparative and International Education Society Conference*. Toronto: Comparative and International Education Society, 1999. 1-35.
- Hofstede, G. *Cultures and Organizations: Software of the Mind*. London: McGraw-Hill Book Company, 1991.
- McGregor, J. *The World's Most Innovative Companies; Businessweek*. April 17, 2008. http://images.businessweek.com/ss/08/04/0417_mostinnovative/index_01.htm (accessed Nov 10, 2008).
- Miller, D. and Friesen, P.H. "Innovation in Conservative and Entrepreneurial Firms: Two Models of strategic Momenetum." *Strategic Management Journal*, 3(1), 1982: 1-25.
- Pistorius, C. & Utterback, J.M. "A Lotka-Volterra Model for Multi-mode Technological Interaction: Modeling Competition, Symbiosis and Predator-Prey Models." Proceedings of the 5th International Conference on Management of Technology; 27 Feb-1 Mar 1996.
- von Hippel, E. *Democratizing Innovation*. Cambridge: The MIT Press, 2005.

