

Developing an organization culture to facilitate radical innovation

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There is much discussion about the challenges posed by what have variously been called “disruptive”, “discontinuous”, “breakthrough” and “radical” innovations. It is clear that under conditions in which the dominant “rules of the game” change as a result of emergent or shifting markets, major movements at the technological frontier, dislocations in the regulatory environment etc, even organizations with well-developed innovation capabilities get into difficulties. This is not so much a matter of particular technological, market or political stimuli than of the limitations of the repertoire of organizational responses available to the firm. This resurfaces a long-running concern with managing innovation in two different modes, namely “exploitation” and “exploration” sometimes described as “ambidexterity”.

The paper describes an insider action research project to create a sustainable radical innovation capability in a firm that was hitherto effective at incremental innovation. The results of exploratory research into specific aspects of the organizational culture within the Research and Development setting of a small mature UK based company, will be explored. Appropriate management interventions for developing an innovation culture that facilitates radical product innovation will be described. The impact of the interventions will be discussed, with a gauging of radical innovation culture before and after the interventions being made. The action research was conducted with the Research and Development team and led by the Managing Director of the firm.

The firm designed and manufactured quality control instrumentation and had been successful with radically new products. In the decade prior to the research project, this propensity for “radicalness” had declined and the company wished to regain this capability. A grounded research methodology and a participative action research approach was utilised to surface issues that clearly illustrated both the presence and intensity of aspects of organisation culture that enabled and inhibited radical product innovation. Participative analysis of the data identified nine emerging themes and key constructs of an innovation culture that was found to influence “radicalness” in new product development ventures. This led to the development of a conceptual model that incorporated two “ideal” archetypal forms of innovation culture. A composite instrument was developed based on existing evaluation tools and used to assess the innovation culture. First use of the instrument indicated areas of opportunity in developing a radical innovation culture.

Further participative analysis of the emergent themes and the assessment and evaluations of the extant innovation culture, resulted in a series of management interventions to stimulate the development of a culture to facilitate radical product innovation. The design of the interventions was also informed by the literature and other organizations undergoing similar ambitions.

Four years after the initiation of the management interventions, the composite instrument was used to assess the innovation culture developed following the management interventions.

The paper will define the cultural changes the firm underwent in creating a sustainable radical innovation capability, and describe the tangible benefits in new product development that the firm enjoyed from the development of this ambidextrous innovation culture.