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

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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: Modesty, 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

Hofstede Motivational Patterns

Uncertainty Avoidance Index

High

Quadrant 2:
Security and belonging to a group

Quadrant 3:
Personal security measured by wealth and hard work

Low

Quadrant 1:
Interpersonal relationships and positive environment

Quadrant 4:
Individual Success measured by money

Masculinity-Femininity Index

Low

High
Preferred Organizational Forms

Hofstede Preferred Organizational Forms

Quadrant 2:
Well-oiled Machine (Workflow Bureaucracy):
• Flexibly organized
• Structured/formalized operations

Quadrant 3:
Full Bureaucracy:
• Bureaucratically /hierarchically organized
• Structured/formalized operations

Quadrant 1:
Village Market Place:
• Flexibly organized
• Ad hoc operations

Quadrant 4:
Family:
• Bureaucratically organized (driven by personal relationships; “personal bureaucracy”)
• Ad hoc operations
Miller & Friesen Models of Innovation

• Conservative
  – Innovation is abnormal

• Entrepreneurial
  – Regular innovators
Brown Systems Model of Innovation

**Decision Inputs**
1. Overall Strategy
2. Tech Policy
3. Values of Top Management

**Corporate Strategy**
1. Radically New Products
2. Incrementally New Products
3. Process Innovation & efficiency

**Implementation Inputs**
1. Organization structure
2. Information flows
3. Manpower flows
4. Key roles

**Forces Realizing Innovation**

**Stages in Innovation Process**

**Forces Favoring Innovation**

**Innovation Output**

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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

*expected results; next steps include testing
Matching to Types of Innovation*

- **Radical Innovation**
  - Motivated by individual success (Q4)
  - Village Market Place (org Q1)

- **Incremental Innovation**
  - Motivated by personal security

*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