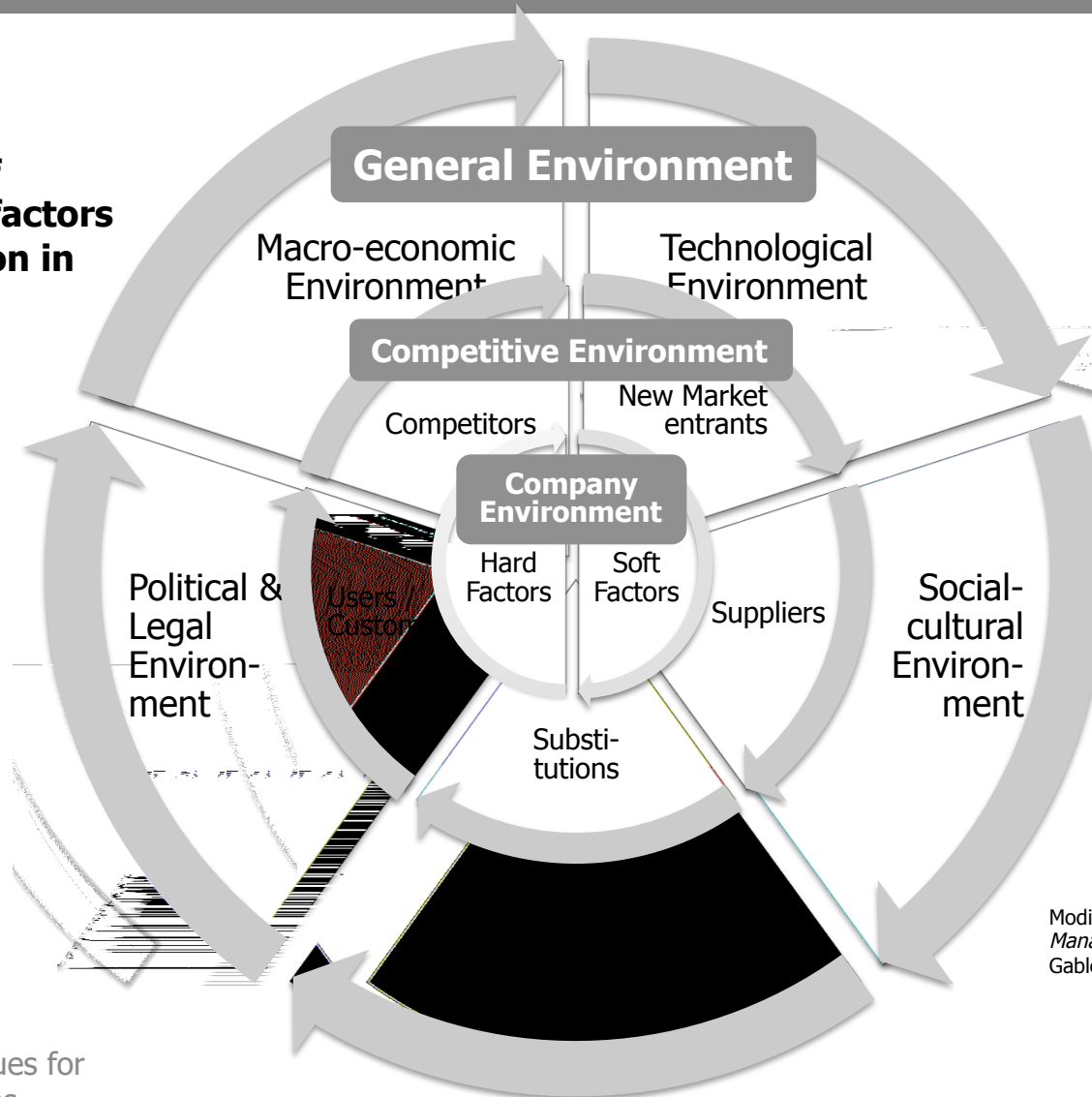


AN INTERNATIONAL PERSPECTIVE ON THE IMPACT OF ORGANIZATIONAL VALUES ON PRODUCT INNOVATIONS IN MANUFACTURING COMPANIES



Research Context: Success Factors for Innovation

Segments of influencing factors for innovation in companies



Modified after Steinmann, H. et al. *Management*. Wiesbaden: Springer Gabler, 2013, p. 169 & 181.

Topicality & Research Gap

- Global Innovation Index 2013: **Germany** and **Austria** **ranked** only **15th** and **23rd** (Cornell University et al. 2013, p.XX).
- Company's culture is one of the most important factors for successful innovation (van der Panne et al. 2003, p.310). No consensus about the term "culture", but the importance of **common values** is stressed (Hofstede et al. 1990, p.286).
- **Only little empirical research is available** when it comes to values, norms and assumptions involved in promoting and implementing creativity and innovation (Martins, E. C. and Terblanche, F. , 2003, p. 69).

Purpose & Methods

- Purpose
 - to contribute to a deeper understanding of **the impact of organizational values on product innovation** in manufacturing companies and to show an **international** perspective on the topic.
- Research Methods
 - Secondary Research: Literature Review & Content Analysis
 - Primary Research: Written expert interviews

Theoretical Analysis: 12-theme Value Profile

Theme (Abstraction level 2)	Allocated subjects (Abstraction level 1)	In accordance with
Achievement	Challenge, Discipline, Result orientation	Schwartz' Value Survey (Zhang et al., 2008)
Altruism	Equality, Ethical behaviour, Integrity, Loyalty	Work Values Survey (Cable and Edwards, 2004) Rokeach Value Survey (Rokeach, 1973)
Authority	Bureaucracy, Control, Formalization	Work Values Survey (Cable and Edwards, 2004)
Debate & Discussion	Debate, Diversity, Internal communication, Openness	Situational Outlook Questionnaire (Isaksen et al., 1999) Organizational Dynamics Instrument (Reynierse and Harker, 1986)
Freedom	Autonomy, Freedom, Independence	Situational Outlook Questionnaire (Isaksen et al., 1999) Work Values Survey (Cable and Edwards, 2004) Rokeach Value Survey (Rokeach, 1973)
Involvement	Commitment, Enthusiasm, Identification, Involvement, Motivation, Participation, Responsibility	Situational Outlook Questionnaire (Isaksen et al., 1999)
Market orientation	Customer orientation, External competitiveness	Organizational Dynamics Instrument (Reynierse and Harker, 1986)
Risk taking	Risk taking, Risk tolerance, Tolerance for failures	Situational Outlook Questionnaire (Isaksen et al., 1999)
Self-direction	Curiosity, Entrepreneurship, Experimentation, Flexibility, Imagination	Schwartz' Value Survey (Zhang et al., 2008) Rokeach Value Survey (Rokeach, 1973)
Social recognition	Appreciation, Internal competitiveness, Recognition, Respect	Rokeach Value Survey (Rokeach, 1973) Organizational Dynamics Instrument (Reynierse and Harker, 1986)
Support	Empowerment, Encouragement, Support	Situational Outlook Questionnaire (Isaksen et al., 1999)
Trust	Intimacy, Relationships with others / Collaboration, Self-confidence, Teamwork, Trust	Situational Outlook Questionnaire (Isaksen et al., 1999) Work Values Survey (Cable and Edwards, 2004) Organizational Dynamics Instrument (Reynierse and Harker, 1986)

Data & Interview contents

Qualitative Research Strategy	Contents
Design: Confirmative / Explorative	Organizational Values <ol style="list-style-type: none">1. Estimated importance for product innovations in general2. Estimated importance for product innovation per value theme3. Estimated level of characteristic for manufacturing companies in experts' home countries4. Organizational data
Target Group: Innovation experts across the EU28 countries plus Switzerland from universities, public or private research institutions, governmental institutions, research laboratories, or business consultancies with innovation reference	
Sampling Method: Non-probability sampling (Convenience Sampling)	
Instrument of Data Collection: Pre-tested written, online self-completion questionnaire Mostly closed questions with 5-point Likert-scales	
Sample: 13 respondents from 10 European nations (6 employed with university, 3 business consultancy, 2 public research institutions, 1 bank, 1 governmental institution)	

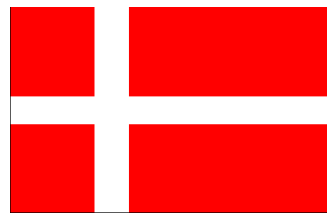
Nations included



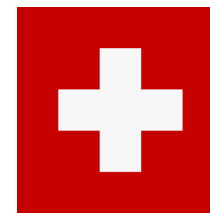
Latvia!



Lithuania!



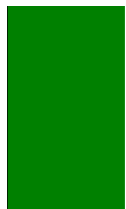
Denmark!



Switzerland!



Germany!



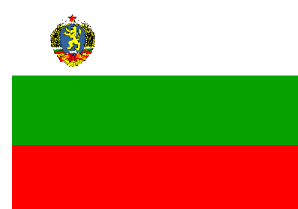
Italy!



Slovenia!



Croatia!



Bulgaria!



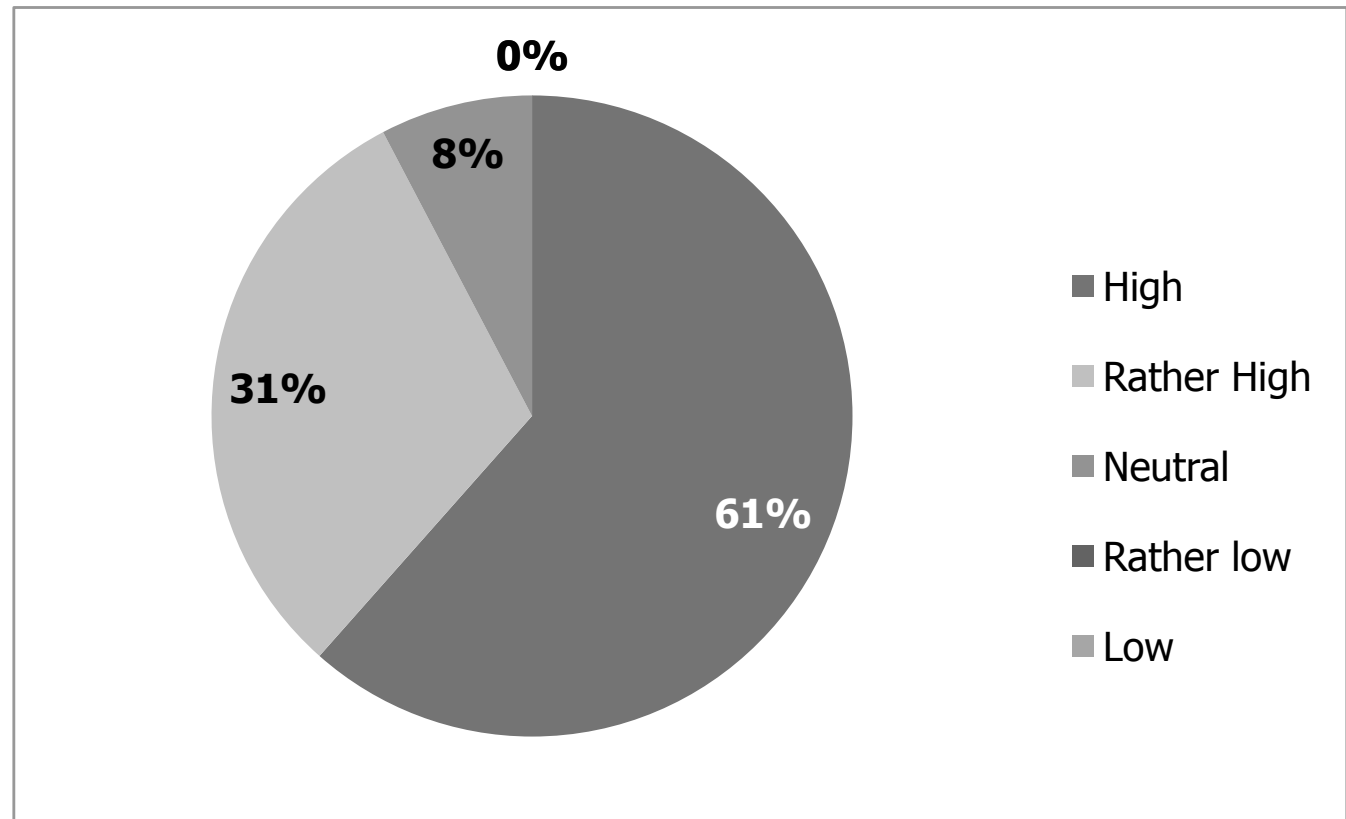
Greece

Results of written expert interviews

1. Descriptive statistics

General impact of organizational values on product innovations according to experts

Q2: How do you evaluate the impact of organizational values on successful product innovation in general? Choose one of the following answers. (n valid = 13)

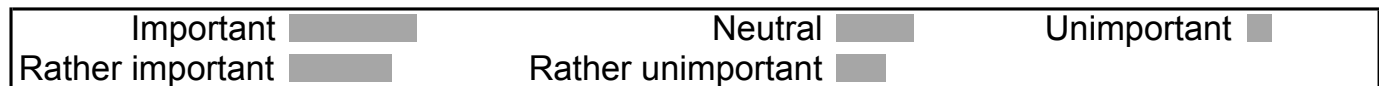
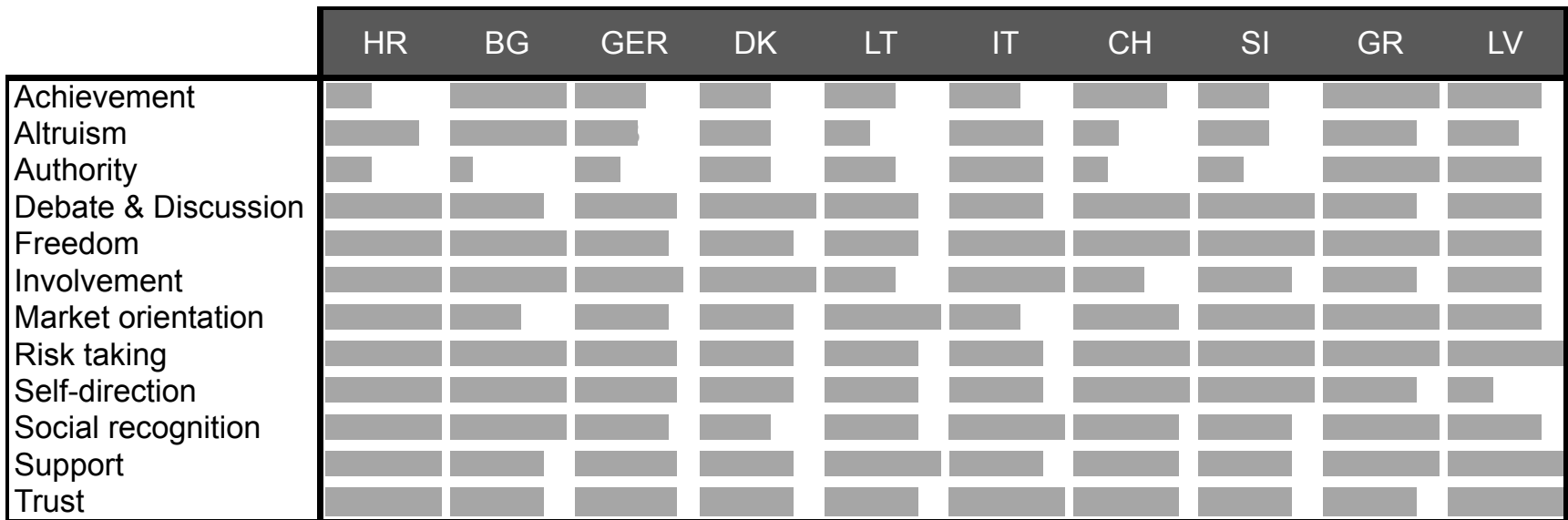


Source: Interview Results

Results of written expert interviews

1. Descriptive statistics

Country comparison: Evaluated importance of the 12 value themes (n = 13)

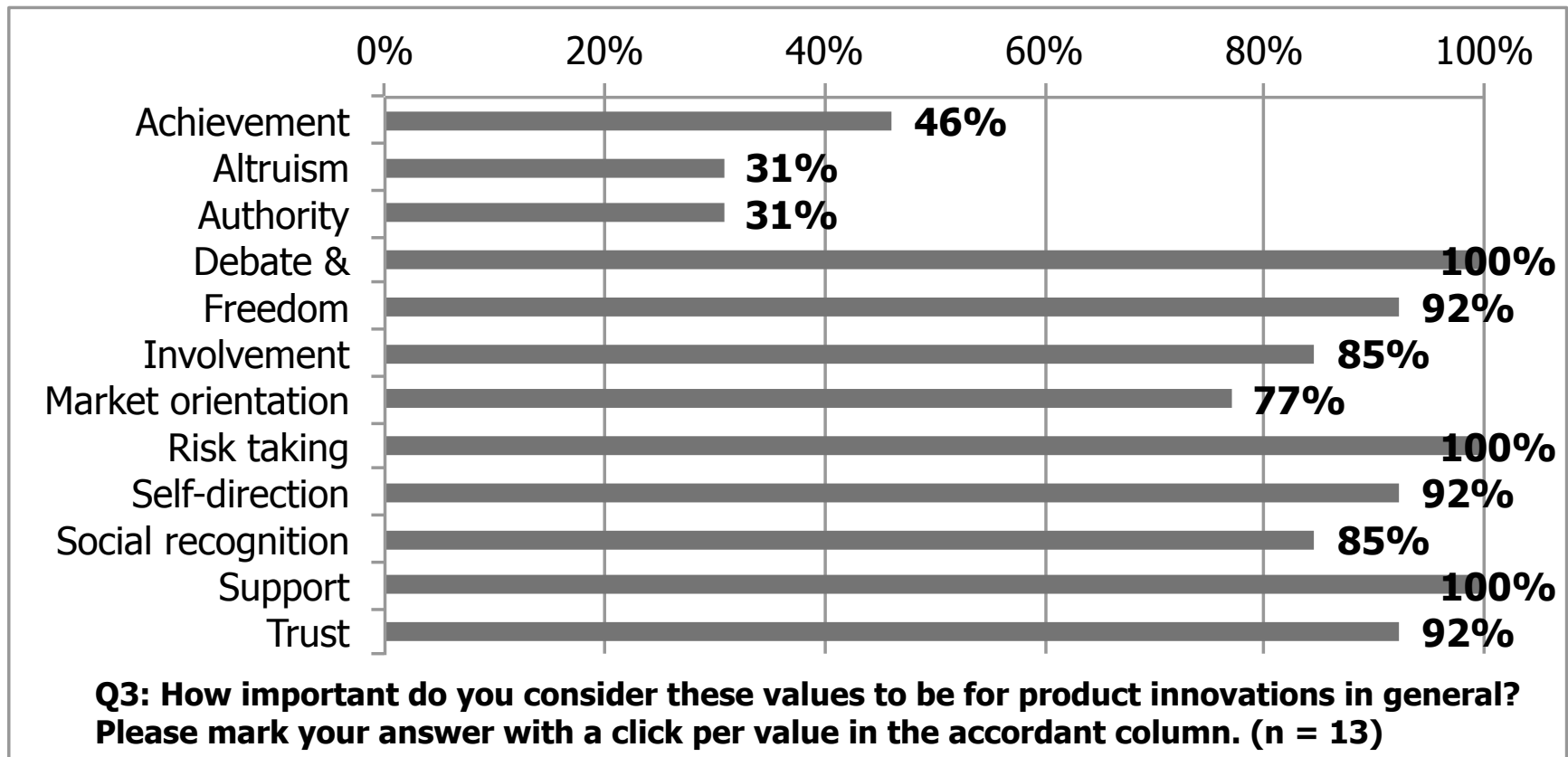


Source: Interview Results

Results of written expert interviews

1. Descriptive statistics

Importance of the 12 defined value themes for successful product innovation according to experts (n = 13) Top 2 - Boxes

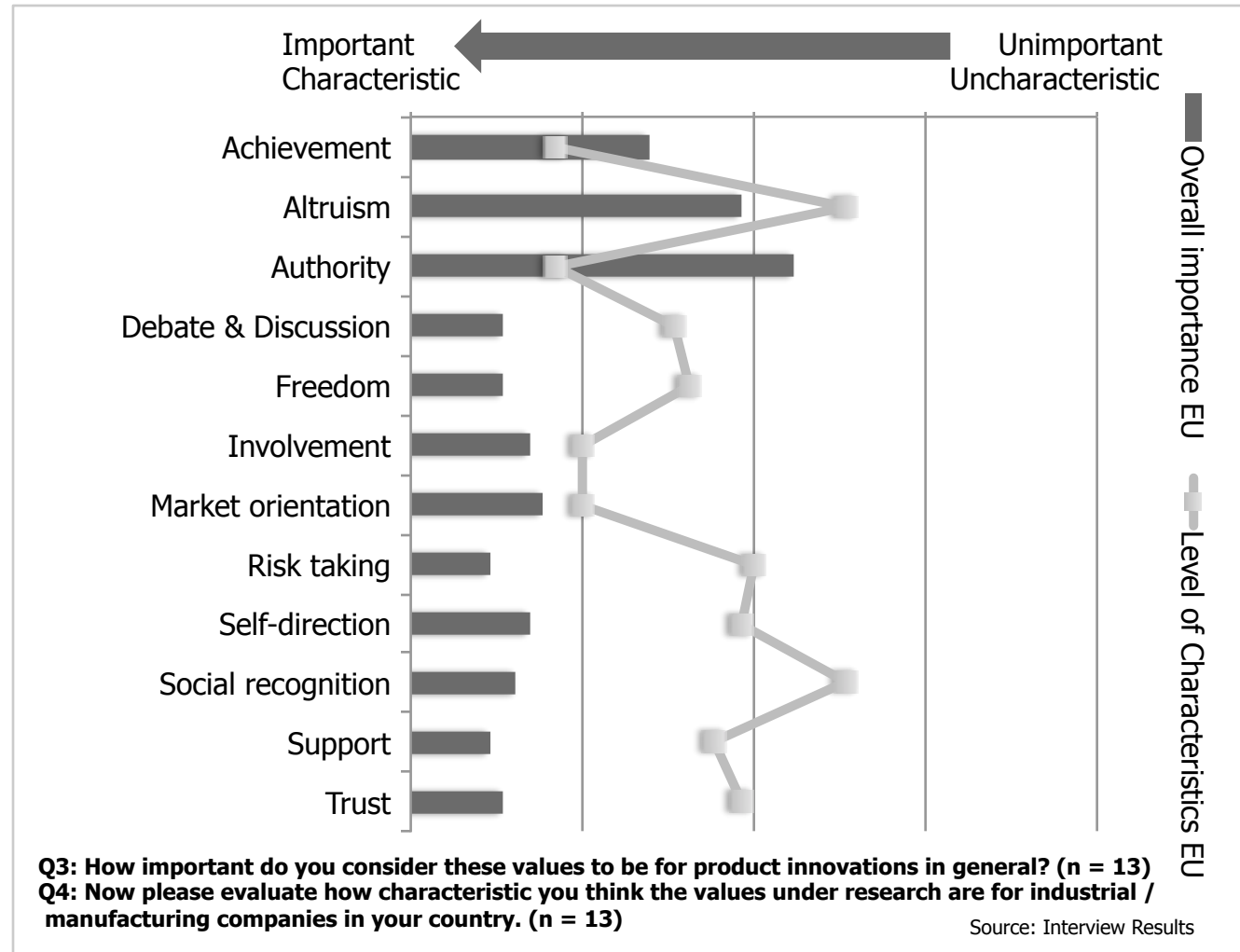


Source: Interview Results

Results of written expert interviews

1. Descriptive statistics

Importance of each value theme vs. how much it is characteristic in European manufacturing companies



Results of written expert interviews

2. Non-parametric tests

Mann-Whitney U-test for comparing what experts find **important** for product innovations and what they judge manufacturing companies in their home countries to be **characteristic** of:

Only four value themes where the hypothesis can be accepted ($p > .05$)! (Achievement, Altruism, Involvement, Market Orientation)

	Achievement	Altruism	Authority	Debate & Discussion	Freedom	Involvement
Asymp. Sig. (2-tailed)	,212	,135	,013	,002	,016	,262
	Market orientation	Risk taking	Self-direction	Social recognition	Support	Trust
Asymp. Sig. (2-tailed)	,659	,001	,002	,000	,016	,001

a. Grouping Variable: Original Question Number

Source: Interview Results

Results of written expert interviews

2. Non-parametric tests

Mann-Whitney U-test for comparing experts with an **academic** background to experts with a **non-academic** background:

No significant findings!

	Achievement	Altruism	Authority	Debate & Discussion	Freedom	Involvement
Asymp. Sig. (2-tailed)	,501	,705	,560	,805	,335	,752
	Market orientation	Risk taking	Self-direction	Social recognition	Support	Trust
Asymp. Sig. (2-tailed)	,091	,409	,937	,812	,187	1,000

a. Grouping Variable: Type of expert

General importance of values

Asymp. Sig. (2-tailed): ,934

a. Grouping Variable: Type of expert

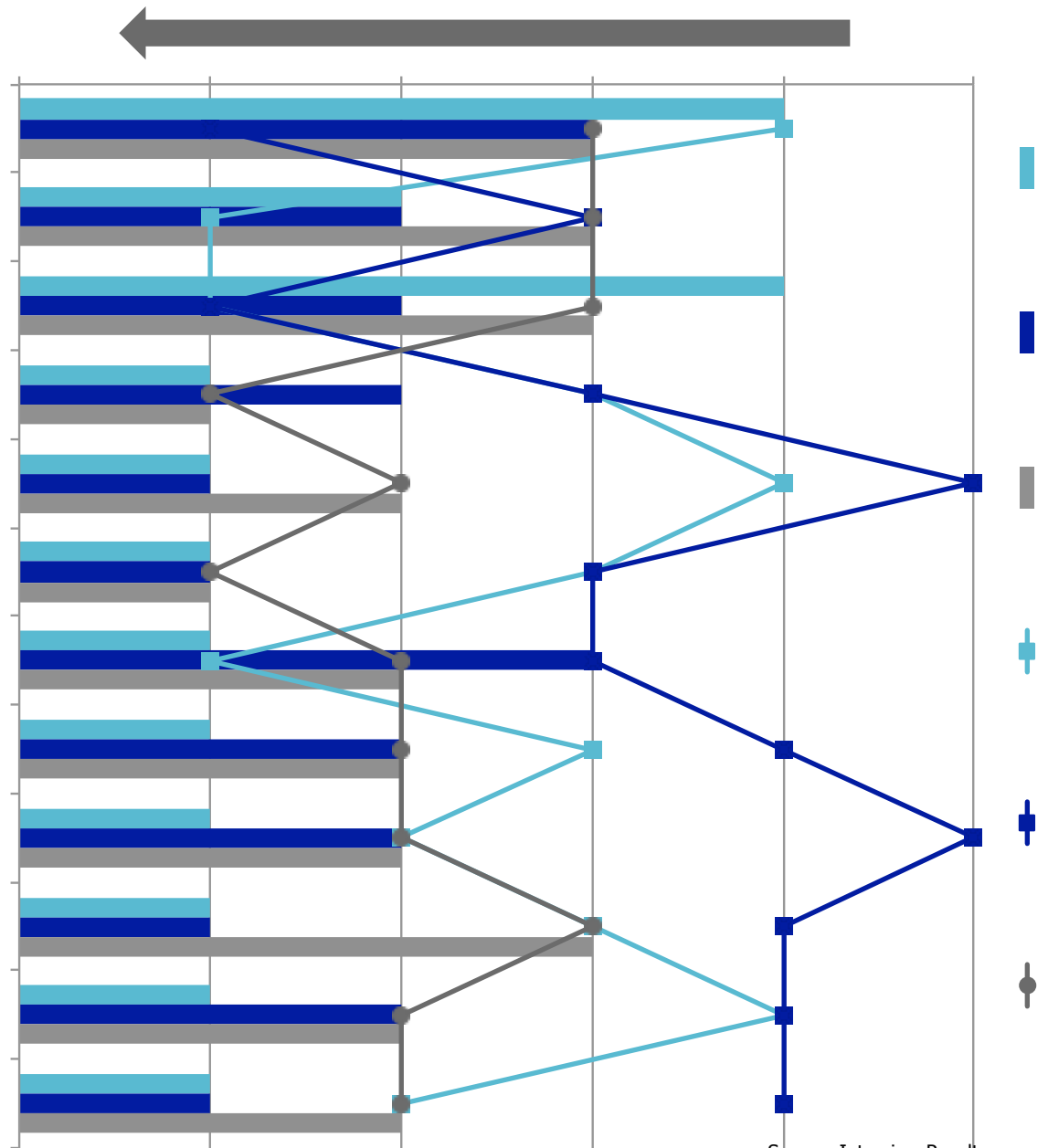
Source: Interview Results

Results of written expert interviews

3. Country comparison

Importance of each value theme vs. how much it is characteristic in manufacturing companies in 3 European countries

&



Source: Interview Results

Q3: How important do you consider these values to be for product innovations in general? (n = 3)
 Q4: Now please evaluate how characteristic you think the values under research are for industrial / manufacturing companies in your country. (n = 3)

Discussion of Results & Implications

- 1. Positive impact** of organizational values on product innovation and their importance for it can no longer be denied.
- 2. Perceptions about the value themes vary country-wise** – in some countries, manufacturing companies seem to be better prepared for innovation.
- 3. The fit between what is important for innovations and what is characteristic of companies** leaves a lot of possibilities for improvement in Europe.

Limitations of the empirical study

- **Reliability:**

- Measurement techniques sourced from official sources and various earlier studies on organizational values
- Replication possible and welcome since results are published

- **Validity:**

- Selectivity between value themes as a challenge, although distinctive explanations about the value themes were available.
- Experts' evaluations only
- Only qualitative research

Conclusion: The topic might grow in importance, since there is a lot of research about culture, but not particularly about values. It opens up many additional questions such as the matter of implementation.

Recommendations:

- **To Scientists on values and culture with regard to innovations:**
 - To examine the impact of organizational values on innovations **in other industry sectors.**
 - To transfer the results of the findings to **other countries throughout Europe.**
 - To work on more recommendations for managers regarding the **implementation of innovation-supportive values.**
- **To Managers and Practitioners of manufacturing companies:**
 - To communicate more openly on the topic and work actively on an appropriate implementation of the findings.