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Michał Adam Leśniewski¹

CORPORATE CULTURE OF INNOVATIVENESS. PART 2

Summary: The organisational culture which creates and develops innovativeness is called the culture of innovativeness. The purpose of this article is to present the concept of innovativeness and highlight its importance for company development. The importance of this problems enhances (expands) achievements of management sciences.

Key words: culture of innovativeness, corporate innovativeness, soft factors

1. Introduction

The interest of the world of science and economic practice in the problem of organisational culture should be seen in significant achievements of Japanese economy of the 70s and 80s of the 20th century, whose products represented and still represent high quality. Pascale R. T. and Athos A. G., while looking for success factors of Japanese and American companies, noticed that in Japanese companies (contrary to the American ones) special attention is paid to the *soft factors* which shape employees' orientation and increase their motivation (PASCALE R. T. ATHOS A. G. 1981). Further analysis can demonstrate that soft factors create the basis for efficiency and effectiveness of company employees.

A business entity, in order to function in the changing environment, must be developing all the time (JELONEK D. 2003). One of the factors facilitating company development is *innovativeness*. This problem, developed on the grounds of management studies, is connected with many other problems. Product innovations are often never

¹ dr, adiunkt, Uniwersytet Jana Kochanowskiego w Kielcach, Towarzystwo Naukowe Organizacji i Kierownictwa – Oddział Kielce, e-mail: michaladam.lesniewski@wp.pl
Numer badań: 614538.
PhD, assistant professor, Jan Kochanowski University in Kielce, Scientific Society for Organization and Management - Department of Kielce, e-mail: michaladam.lesniewski@wp.pl. Number of research: 614538.

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implemented, production process innovations are not always successful or there is no agreement of the employees for organisational innovations. Thus, it becomes necessary to study the factors influencing company (organisation) innovativeness which, among others, include: organisational structure, managerial style, employees' qualifications, motivation system and organisational culture. Every change within a business entity requires a proper type of organisational culture which is the change-friendly.

One of the resources facilitating corporate innovativeness is organisational culture. In case of innovativeness, we speak about the *innovativeness culture* which must have such factors as employees' teamwork, knowledge, creativity and trust. These factors are the so-called *basic factors* which give rise to other factors, such as co-operation, openness to changes, openness to the future, etc.

The aim of this work is to present the concept of innovative culture and highlight its importance for company development. The importance of this problem enhances (expands) achievements of management science. (BORKOWSKI S. ČOREJOVA T. 2004).

2. Creativity and employees' trust in corporate innovativeness

For modern companies, it is almost a „*routine*” to face new challenges, uncertainty and risk. This phenomenon changes into a constant pressure to introduce innovative solutions in the key areas and processes of an organisation. This imperative of innovativeness implicates the need for building up the creativity of employees, teams and organisations (BRZEZIŃSKI M. LESZCZEŃSKA A. 2009).

According to the literature, *creativity* is the process of creating new, useful ideas of products, services, processes or procedures. The effects of creativity are simple adaptations, radical changes and new product and process developments (PABIAN A. 2010). Pursuant to the above, the essential features of creativity are novelty and usefulness, and these features are complementary to each other. Originality of an idea is not enough to make it creative; its value is determined by the possibility of its potential application. Thus, there is no controversy between creative

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thinking and effective action, between the process of creativity and the realisation of the organisation strategy (BRZEZIŃSKI M. LESZCZEŃSKA A. 2009).

Creativity has an impact on the development of the company innovativeness and is the „soft” element of management. Creativity occurs when knowledge coming from various areas (fields) is united to create new ideas, bringing new, original solutions (WEST M. A. 2000). Creativity manifests itself in the ability to create something new, non-existent so far. Creativity may be defined as a group of features of a given individual or a group of people, allowing to constantly search for new solutions. In every organisation it is its employees who are the source of creativity. Creativity consists of skills and abilities necessary to create new concepts and ideas which, in every organisation, are generated or acquired by individual employees or teams.

Creativity is an intangible element strongly linked to the organisational culture. Creativity is essential for the innovativeness of individual people, groups, organisations and entire economies in the global world. Considering creativity in the context of organisational culture, we may speak about the creative culture² which includes the participation of creative people or creative groups. The development of competitive advantage of business entities forces companies (organisations) to encourage people (employees) to think creatively, which is essential in the process of implementing changes. Organisational culture oriented at creative culture develops best when a company is a *learning institution* (JANASZ W. JANASZ K. 2013).

Another factor, besides creativity, stimulating changes in a company is *trust*, which is also the „soft” element of management. Trust is an organisational asset because it has a positive impact on co-operation, productivity, quality of life in the work-place and business performance. It is the asset which supports other assets. It is a desirable capital, giving the sense of purpose to the efforts of all the stakeholders of the organisation. Sztompka P. said, “*If we trust each other, we may risk more, be more innovative, faster and easier set up companies, invest, take*

²Culture of innovativeness and entrepreneurial culture are types of creative culture.

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credits. It is a fundamental element of good existence in any dimension” (SZTOMPKA P. 2007). There is a huge number of studies that showed positive impact of trust on social and business performance. Drawing practical conclusions from different studies is very difficult. What works in some conditions, is a total failure in others. What satisfies some employees or customers, discourages others. There is a clear need for building a strategy of gaining trust and satisfaction because every organisation is specific and giving general advice may end in failure (BUGDOL M. 2010).

Trust was recognised as one of the main modern paradigms of management, besides knowledge, innovation and organisational culture (GRUDZEWSKI W. M. HEJDUK I. K. SANKOWSKA A. WAŃTUCHOWICZ M. 2007). These paradigms, treated as interdependent and complimentary, reveal important aspects of organisation performance while creating a new analytical perspective. These paradigms influence one another. Knowledge influences innovations whose creation, as well as implementation, is determined by organisational culture, together with the accepted attitude towards entrepreneurship. The fact that employees are committed to the development of innovations is embedded in the organisation values and behaviour based on trust resulting from it. Such strong interdependence makes it difficult to separate important elements from the whole. These elements are crucial in terms of the need for research, their systematic recognition to make the complex organisational reality more transparent and less resistant to the efforts of managers (ZIÓŁKOWSKA B. 2013).

Generally speaking, trust as a social category, is connected with the faith in unknown people and institutions with which we have not cooperated or co-acted before. It may be treated as a grade-able category whose level strongly depends on the fact whether individuals observe the commonly accepted moral values and are believed to preserve those values in social and business life (ZIÓŁKOWSKA B. 2013).

Trust is an important dimension of social structure and the basis of interpersonal relations within the community. According to Sztompka P., trust is like a wager on uncertain future actions of other people. (SZTOMPKA P. 2007). The lack of trust generates the so-called

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cost of trust i.e. the loss of benefits resulting from the refusal to extend the trust in a given situation (SZTOMPKA P. 2007).

Trust and creativity form strong roots of any changes in a company, including innovativeness. The level of trust and creativity influences the level of innovativeness.

3. Corporate culture of innovativeness

Stimulating innovations requires proper organisational culture. Each type of culture has its specific features, and the innovativeness culture is not different.

O'Reilly C. A. thinks that the key features of innovative culture are: risk taking, tolerance, team work, and speed of action (O'REILLY C.A. 1989). The term *innovative culture* is used interchangeably with the term *pro-innovative culture*.

Table 1 presents several selected features of innovative culture.

Table 1. Selected features of innovative culture

C. A. O'Reilly	Autonomy of action, belief in action, common goals
Cz. Sikorski	Good communication, the skill of coping with uncertainty, creating cooperation bonds inside the company
L. Zbiegień-Maciąg	Creativity, openness to change, being future-oriented
Ch. Evans	Trust and honesty, openness, co-operation, acceptance of failures
J. Matejuk	Supporting group actions, acquiring knowledge, building the atmosphere of trust
W. Popławski	Controlled risk, efficient systems of communication, the level of education and general knowledge

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Source: author's own work on the basis of: O'REILLY C.A., 1989. Corporations, Culture and Commitment: Motivation and Social Control in Organizations, "California Management Review", Summer. SIKORSKI CZ. 1999. Zachowania ludzi w organizacji. Społeczno-kulturowe skutki zachowań [Human behaviour in an organisation. Social and cultural effects of behaviour], Part III, PWN, Warszawa. ZBIEGIEN-MACIĄG L. 1999. Kultura w organizacji. Identyfikacja kultury znanych firm [Culture in an organisation. Identification of culture in well-known companies], PWN, Warszawa. EVANS CH. 2000. Developing a Knowledge Creating Culture, Roffey Park Institute. MATEJUK J. 2005. Zarządzanie innowacyjne jako warunek konkurencyjności przedsiębiorstwa, „Zarządzanie Zmianami” [Innovative management as a condition of company competitiveness, Managing changes], POPŁAWSKI W. 2006. Wiedza w innowacyjnym przedsiębiorstwie [Knowledge in an innovative company], "Ekonomika i Organizacja Przedsiębiorstwa". 6.

These features of innovative culture must complement each other, and create mutual relations with each other, since only in this way they will contribute to the innovativeness of a company.

In those business entities where the culture of innovativeness exists, employees cope with uncertainty themselves, supported by their own knowledge, skills and experience; dynamic networks of corporate bonds are created by e.g. setting up task teams; what prevails is the management system fostering employees' independence, increasing their right to take the initiative and independent decisions; it is where being result-oriented, process-oriented, or customer-oriented, as well as dynamic and frequent communication, is predominant (SIKORSKI CZ. 1999).

Culture of innovativeness means also the atmosphere of freedom, which refers both to certain behaviours (e.g. the right to mistakes) and to the time and place of work, and even to appearance (casual clothes) (GADOMSKA-LILA K. 2011).

The culture of innovativeness includes the relations between the organisation resources which contribute to creating something new (e.g., a new product/service, etc.) or to modifying something already existing (modification of a product/service, etc.) If specific goods (e.g., a product/service) are modified, such a modification must differ (be distinct) significantly from the earlier modification, from the company and the customer's point of view.

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Developing the culture of innovativeness is a process whose specific stages are presented in Table 2.

Table 2. Stages of the process of developing the culture of innovativeness

Innovation stage no.	Innovation stage title
1.	Recognition and analysis of innovation determinants
2.	Grouping/categorisation of organisational innovation determinants
3.	Selection of desirable culture models
4.	Selection of instruments to implement/improve the culture of innovativeness

Source: Author's own work on the basis of: GADOMSKA-LILLA K. 2011. Budowanie kultury innowacyjności w świetle badań empirycznych [Building the culture of innovativeness in the light of empirical research]. "Współczesne Zarządzanie". 1. pp. 124-133.

The starting point is to recognise and analyse the key determinants of innovativeness. It concerns, particularly, conditions in the organisation and is the basis for qualifying specific factors to individual, group or systemic ones. Such a categorisation makes it possible to influence more effectively the process of creating or implementing an innovation by deliberate selection of management tools. Then, having considered the key stimulators and inhibitors, it is necessary to define which culture features are desirable in the company, which should be introduced, which should be developed and which to reject. Worth remembering is the fact that the development or change of the culture type is a long-term process, and the activities carried out do not bring immediate results. The selection of instruments to implement or improve culture is the final stage of the process of developing the culture of innovativeness. It concerns, mainly, the organisational structure and the human resources management (HRM) system. The management should stimulate innovative actions of the employees at each stage of the HR process, both at the recruitment stage (emphasis on creativity, initiative and activity of candidates), and during the motivation process (rewarding pro-innovative behaviour), development (concern for the development of

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creative abilities) or assessment (assessment criteria including desirable attitudes and behaviour, e.g., number of presented ideas, number of applications for patents, number of patents). Creating proper conditions will improve the process of building the culture of innovativeness. The conditions which make innovations quite likely are: vision, mission and goals which include innovative activity, access to necessary resources (creative employees, information, technology, time, etc.), flexible organisational structure, the minimum of formality and standardisation of actions, minimal number of rules and organisational procedures, motivation system supporting innovativeness, open communication and deliberately selected practice of HRM (GADOMSKA-LILA K. 2011).

4. Conclusion

The culture of innovativeness must be oriented at creativity, intellectual development (personality development), different points of view and plurality of ideas; it must be oriented at the working environment which inspires the use of creativity and the intellectual potential of its employees. The culture of innovativeness facilitates creating relations between various market participants who also possess and follow the same culture. Innovative culture-based relations between various organisations, e.g. a company – a university, facilitate the exchange of experience, new views on a given problem, etc.

The culture of innovativeness, like any other company asset, changes in time and space. What is innovative today, ceases to be innovative with time. Something is innovative in one country while in another one it is not innovative at all. The culture of innovativeness must change its features in new social and economic conditions. The aim of the culture of innovativeness is to optimise relations between the company and its external environment, between its competitiveness and the quality (BORKOWSKI S.2004) of products and services offered. The culture of innovativeness facilitates the growth of company value and prefers the concept of a *learning company* which is characterised by high adaptability to the changing environment. The culture of innovativeness requires the use of long-term thinking which influences rational operations of the company in its environment.

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