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BUILDING A "CREATIVE CULTURE" FOR SUSTAINABLE INNOVATION

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Abstract

Innovation has shifted from being about one-off phenomena to being a continuous effort requiring creative engagement and alert responsiveness from organizational actors. As more companies face the need to build a system-wide and sustainable capacity for innovation, creating a "culture of innovation" is becoming a priority. Despite this, the concept of an "innovation culture" remains under-theorized in the literature. We offer a conceptual and practical framework for building an innovation culture in an organization. Specifically, we show how a cultural infrastructure that orients actors in the practices of creativity and improvisation combines with individual meaning-making processes to simultaneously generate innovation and an innovation culture across an organization.

Keywords: innovation, organizational culture, creativity, improvisation.

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Innovation is a means of value creation that is no longer conceived as being about single inventions but is rather a system-wide approach to new ways of doing things. Organizations are increasingly operating in "open systems" that involve a constant inflow of information (Kast and Rosenzweig, 1972), and their employees are increasingly facing "open problems" where they are asked to find, invent, or discover problems (Unsworth, 2001). The ongoing need to respond creatively on many fronts is requiring organizations to develop a broad-based capability for innovation. As more organizations seek to do this by building a "culture of innovation," there is a need for the concept of "innovation culture" to become better theorized.

While culture is regularly invoked as a necessary ingredient for the success of innovation initiatives (Hurley and Hult 1998; Brentani and Kleinschmidt, 2004; Unsworth et al., 2005), the literature on organizational creativity and innovation does not offer a clear concept of an innovation culture. By now, culture has been successfully separated from other social forces (Kaufman, 2004) and, to echo Hofstede (1984), we aim to be specific about the elements of which culture is composed. We propose that an innovation culture can be conceptualized in cultural terms; those of values and behavior. We combine a values-based and a practice-based perspective and suggest that an organization can build an innovation culture by encouraging the ongoing practice of creativity and improvisation by all organizational members, whose individual meaning-making processes form the counterpart to the organization's effort. We connect the proactivity and retroactivity in creativity and improvisation to proactive and retroactive processes in Hatch's (1993) cultural dynamics model to illustrate these processes that generate innovation and an innovation culture.

This paper is organized as follows. First, we outline the systemic nature of the innovation process and the case for wide employee involvement. Next, we define organizational culture concepts relevant to innovation. We draw from creativity research and from organizational improvisation research practices that are key to building an innovation culture. We connect the dynamic in creativity and improvisation to dynamic cultural processes in Hatch's model. We conclude with a discussion of the cultural function of leadership.

A Whole-Company Approach

Innovation is a social activity of developing useful new ideas, whose iterative, forward movement involves successions of people (DeFillipi et al., 2007; West and Farr, 1990). Innovation has become more systemic, in the sense of involving more people and more points

of contact, as work has become more complex. As customers demand integrated systems solutions that require 'silo-breaking' among departments, and innovations require organization-wide change that cannot be undertaken in an independent business unit or are even more system-based, such as smart grid technology, organizational members are being required to be more collaborative and have more contact with customers. Employees who "once acted mainly according to rules and decisions handed down to them" now draw "on a set of tools available everywhere at once" (Kanter, 2008, p. 44), and contribute imagination as managers increasingly cease to become the only source of ideas (Amabile and Khaire, 2008).

In order to innovate systemically, an organization has to develop a collective willingness to do things differently. Support must exist at all levels of the organization, as innovation suffers in the absence of an internal culture accepting "local" knowledge and involvement (Brentani and Kleinschmidt, 2004). Meanwhile, organization-level support for innovation can fail to manifest itself in local support for creativity (Unsworth et al., 2005; Shalley et al., 2000). Organizations must therefore be alert to situations of disconnect regarding the culture's support for innovation. Actively developing internal innovation enables an organization to draw on extant resources, reduces its reliance on hiring "creative types" or on ideas coming from outside, makes it better able to profit from innovation even when it is brought in from outside (Cohen and Levinthal, 1990), and leaves it less vulnerable to the departure of individual leaders. The locus of innovation must be found in the culture of an organization to help it sustain innovation over time.

Defining an Innovation Culture

Culture's ambiguity as a concept renders it a frequent stand-in for other corporate issues, thereby getting in the way of innovation and calls for its being defined precisely. We define culture as the values and behaviors that one acquires as a member of a social group (Tylor, 1871; Geertz, 1973). "Cultural systems define the goals of action, the expectations about other actors, and even what it means to be an 'actor'" such as whether the relevant actors are individuals or groups (Steinmetz, 1999, p. 28). A corporate culture guides an organization's perception of what is possible (Brentani and Kleinschmidt, 2004), and has been found to be a more deterministic factor for innovation than national culture (Tellis et al., 2009; Schein, 1992). Culture constrains strategy by limiting what management thinks about and perceives in the first place (Schein, 1992), it can take away control bestowed by corporate structure (Feldman, 1989), and it prompts people, even leaders, to seek to be innovative only if doing so is culturally appropriate (Kanter, 1988). This influence is not owing to culture having inherent value from which social action follows (Kaufman, 2004). Rather, corporate culture is a dynamic construct, where people search for and find meaning in the culture, which predisposes them to take or not to take certain actions (Golden, 1992).

An organization builds an innovation culture by signaling expectations and indicating practices, thereby giving members a cultural framework within which individual meaning-making takes place. We propose a cultural framework for innovation based on the values and behaviors that animate the innovation-generating practices of creativity and improvisation. While some researchers exclude behavior from their definition of culture, including only cognition (Golden, 1992; Schein, 1992; Hatch, 1993), we suggest that abstracting from work a "mind of the culture" limits the analysis (Brown and Duguid, 1991), as cultural forms find articulation through behavior (Geertz, 1973) and practice is constitutive of meaning (Bourdieu,

1977). Denison (1996, p. 637) suggests that the evolutionary processes in innovation are difficult to understand unless there is a core concept of the coevolution of the individual and the environment as suggested by the social constructionist perspective, although he also excludes practice from his definition of culture. Ringberg and Reihlen (2008, p. 916) caution against an overreliance on the practice-based aspect of the social constructionist approach, whereby knowledge is constituted and transferred through practices and activities. "Practice now constitutes the black box within which knowledge is embedded, stored, and transferred" and "at its logical end point practice has an ontological life of its own that enables researchers to propose that practice, in some tacit fashion, may resolve organizational conflicts," they say (2008, p. 917), and argue that practice without the presence of relevant mental models is meaningless. Swidler (1986), meanwhile, criticizes a values-based approach to culture, noting a large body of literature on the weak relationship between attitudes and behavior. "People profess ideals they do not follow," she says, and talks of a "loose coupling" between culture and action (1986, p. 280). Siehl and Martin (1990, p. 241) are critical of the notion that articulating the "right" set of cultural values will do things such as create excellence and clarify the behaviors expected of employees, and ultimately improve the financial performance of the organization. We see a place for both values and action in culture in a framework that is different from these approaches.

Schein (1992) proposed that the analysis of culture works best if one considers culture as manifesting itself at the level of behavior and espoused values, but that the essence of culture lies in the set of underlying assumptions that a group shares. Our approach is to focus on values and behavior which can affect or change "deep assumptions" to make innovation culture become second nature to an organization. Our definition of an innovation culture is an organizational culture whose members assume that they are expected to come up with innovative solutions and where they act upon those assumptions. Without action, an organization cannot consider itself to have a 'living, breathing' innovation culture.

In a remaining conceptual clarification, our approach to building an innovation culture does not encompass the "climate" construct. Denison (1996) describes the lengthy "paradigm wars" among organizational scholars concerning the definitions of "culture" and "climate" and concludes that the two traditions should be integrated, especially when one encounters practicing managers. While we agree that it is crucial to understand the concepts and vocabulary being used both on the part of researchers and survey respondents (Cameron and Quinn, 1999), we depart from Denison in regarding climate and culture as distinct, as would be attempts to act upon them. Climate is an affective contextual influence that refers to how social dynamics in the work environment make an individual feel (Nystrom, 1990), and involves issues such as warmth and trust (Michela and Burke, 2000), while culture is a contextual influence that refers to what the norms of the work environment indicate an individual should think and do, and provides cognitive and behavioral resources (Orlikowski, 2002). While challenges in interpersonal relations, such as emotional and power conflicts, present obstacles to innovation, this paper deals exclusively with cultural concepts.

Having clarified concepts, we now turn to the main practices of innovation.

Creativity and Improvisation

Our approach to building an innovation culture calls for the organization's setting into motion the activities that simultaneously generate innovation and an innovation culture. We identify two creative processes as the most relevant to building an innovation culture, which we discuss as "creativity" and "improvisation." Creativity and improvisation are future-oriented activities that generate innovation through envisioning and experimenting. The distinction we draw between them is that by creativity we mean primarily a self-generated search for new ideas, whereas improvisation involves being responsive to ideas that arise from the environment. We propose that an organization promote these activities as ongoing processes engaged in by all organizational members. Employees' closeness to their tasks gives them unique knowledge to draw upon for self-generated creativity, while the closer employees are to customers the more they are called upon to improvise, and quickly. Innovation is primarily generated by these practices, and as innovation has become more systemic so has the need for these practices to permeate the organization. Below we discuss how an organization can develop a cultural system that orients employees to each of these activities.

Creativity

Creativity, or the search for ideas that are novel and useful (Amabile, 1988), is a competency for innovation whose consideration in the innovation literature is largely confined to a first stage – an ideation stage – of innovation (Amabile, 1988; Kanter, 1988). Creativity research has largely focused on the individual (Sternberg and Lubart, 1999), and, although more consideration of contextual factors (Woodman et al., 1993; Kurtzberg and Amabile, 2001) has appeared with time, relatively little has been done to address organizational creativity in terms of culture rather than "climate." The need for more systemic creativity calls for its being conceptualized as an ongoing activity and integrating it further into the entire innovation process. Rather than focusing on creating a climate in an initial stage that is concerned with identifying and removing blocks to individual creativity (Amabile, 1988), creating an innovation culture places more concern on introducing expectations of ongoing creative practices and on the symbolic system's accessibility (Csikszentmihalyi, 1999). In this conception, instead of individuals being the sole carriers of creativity, culture serves as a carrier for creativity too.

Integrating creativity further with the innovation process can be accomplished by building in more business opportunity considerations into ideation. This is not in the sense of market realities determining what kind of creative products are produced at all (Kaufman, 2004), but in the sense of giving weight to analytic (evaluative) and practical (contextual) intellectual abilities as well as the synthetic ability in creative thinking (Sternberg and Lubart, 1999) and of aligning creativity with organizational goals. Lubart (2001, p. 302) notes that deferred judgment is held to be one of the hallmarks of the creative process, because early evaluation can kill new ideas that need time to develop and be elaborated. We suggest that the problems of evaluation of ideas and segmentation of the process can outweigh the concerns of constraining creativity, and that more effort can be put into identifying ways to build scope and focus into ongoing creative processes. Examples of signaling devices that can help orient employees toward what is expected of them in the creative process and which have systemic qualities include introducing more widely the principle of "requisite variety" (Van de Ven, 1986), promoting the "proactive" type of creativity (Unsworth, 2001), and introducing creative requirement (Unsworth et al., 2005).

The principle of requisite variety, which calls for a similar degree of complexity that exists in the environment to be built into the organizational unit, is discussed by Van de Ven (1986) in the context of innovation. Van de Ven (1986, p. 600) argues that "environmental scanning" should not be assigned to only one or a few boundary-spanners in an innovation unit, making it dependent on their selective filtering, but should be made a responsibility of all unit members. This principle is becoming only more relevant as organizations endeavor to respond to increased complexity and 'silo-spanning' in their environments. Building this principle into ideation would expand the creative scope of organizational members as well as attune their solution-seeking to the demands of the firm and of the environment. Extending the principle organization-wide makes it into a building block of an innovation culture.

The organization can also orient members toward particular types of creativity that are relevant to its goals. Unsworth (2001) offers a typology of creativity that combines motivation and problem type, distinguishing among *responsive creativity* (required solutions to specified problems); *expected creativity* (required solutions to discovered problems); *contributory creativity* (self-determined and based upon a clearly formulated problem); and *proactive creativity* (volunteered solutions to discovered problems). Responsive creativity is the most studied whereas proactive creativity is relatively understudied, Unsworth finds. She discusses how expected and proactive creativity -compared with responsive and contributory creativity- might involve more scanning of the environment to find a problem and define that problem in such a way that it can be solved (2001, p. 294). We suggest that, as employees are increasingly required to do creative problem identification, proactive creativity deserves more study of its practice as well as more encouragement by organizations.

Another relatively underused and understudied tool for encouraging creativity is the introduction of "creative requirement," or the perception that one is expected to generate work-related ideas and that performance or output should be creative (Unsworth et al., 2005, p. 542). Unsworth et al. (2005, p. 541) note that research on creativity in the workplace has generally focused on the role of work factors, such as empowerment or support for innovation and in encouraging employees to generate new ideas, and may have overlooked the explanation that creativity is a response to the creative requirement inherent in the work. When employees are required to be creative, they make use of the supporting work factors, but when they are not required, supportive work factors play little role in whether or not they engage in creativity (Unsworth et al., 2005). Farr (1990) suggests that individuals may not introduce change into their work roles because they simply do not view this as expected behavior for their role within the organization. Introducing creative requirement could lead to a longer-lasting development of people's creative potential (Nickerson, 1999, p. 408) and build "creative self-efficacy;" the belief that one has the ability to produce creative outcomes (Tierney and Farme, 2002), both of which would support organizational members' engagement in ongoing creative processes.

Improvisation

Improvisation is a creative process that builds on prior experience and uses resources at hand to capture opportunities that arise from the environment (Cunha et al., 2002), and it is increasingly important for innovation as organizations work closer to customers, respond to real-time information flows, and engage in constraint-based or reverse innovation. Building an innovation culture involves encouraging employees to develop improvisation skills such as reacting in real-time, engaging with the environment, ability-stretching, and building on the abilities of others, and to practice them in an ongoing manner. An organization-wide

improvisational competency develops as improvisations become organizational innovations that are endorsed as standard practice (Miner et al., 2001, p. 326).

Improvisation differs from creativity and innovation in its temporal convergence of design and execution; while creativity and innovation can be accomplished by planning, improvisation has an "on-line" quality (Miner et al., 2001, p. 309). Brown and Eisenhardt (1997, p. 16) suggest that a "metaphor shift from product development as 'disciplined problem solving'... to 'improvisation,'... in which projects are adapted to changing circumstances even as they are being developed... better captures the flexibility and dynamism of rapid, continuous innovation that occurs in many high-velocity industries." Orlikowski (2002, p. 188) proposes that a *situated change* perspective of organizational transformation as an "ongoing improvisation enacted by organizational actors trying to make sense of and act coherently in the world" is more appropriate than the notions of *planned change* (planned and managed separately from the ongoing process of organizing), *technological imperative* (denying a significant role for agency), and *punctuated equilibrium* (change as episodic and radical).

Improvisation's on-line quality is important in view of the rise in real-time information flow, which requires organizations to be able to respond quickly to gain competitive advantage. The availability of real-time information facilitates improvisation in turn, as it can replace the coordinating role of a plan and provide teams with immediate feedback (Vera and Crossan, 2005, p. 208). Attentiveness to the environment is found in the concept of "presence" in improvising, which applied to a firm means attentiveness and alertness to what is happening in the *now* of the firm, inside and outside it, which real-time information abets (Vera and Crossan 2005, their emphasis). Attentiveness to the environment is also found in improvisation in the use of materials at hand, or *bricolage* (Weick, 1993), which is characteristic of the "constraint-based" innovation that is important globally. While bricolage typically involves material objects, organizational improvisation involves responding to information and to other people in the environment, such as team members or customers. As new ideas are introduced, the improviser makes connections between old and new material, engaging in retrospective sense-making that makes spontaneous action appear purposeful, coherent, and inevitable (Barrett, 2002, p. 152). Attentiveness to the environment and to real-time information combine in developing "intuition," or latent knowledge that can be tapped into and can be built by experimenting and acting in unfamiliar situations in order to learn quickly about, and shift with, uncertain environments (Eisenhardt and Tabrizi, 1995, p. 91). Mintzberg and Waters (1985) sees organizational intuition manifesting in instances when a consensus strategy forms so fast in response to the right idea coming along that it seems "literally spontaneous" (p. 267).

The abilities to respond in real-time and be attentive to the environment are developed by acquiring improvisation competencies. According to Miner et al. (2001, p. 327), these competencies "appear not to reside in specific individuals but rather flow from broader organizational routines, cultures, and collective capabilities." Improvisation skills relevant for organizational innovation include the techniques of *rotational leadership,* which develops transactive memory (knowledge possessed by team members, coupled with an awareness of who knows what), and of *yes-anding,* where actors accept the offer made to them and build on it (Vera and Crossan, 2005, p. 207), as well as the building of *empathic competence*, where people continually take one another's ideas into context as constraints and facilitations in guiding their choices (Barrett, 2002, p. 148). Improvisation develops the skill of reframing, or the ability to shift thinking, by countering the tendency to rely on left-brain, analytical thinking when "put on the spot" and instead breaking traditional mindsets by relying more on right-brain or creative thinking (Crossan, 1997). Collective improvisation leads to a "community

of practice" and deeper learning compared with receiving abstract and acontextual knowledge, while the absence of a communal foundation of learning can result in useful local innovations not being disseminated, learning from mistakes being limited, and good routines which varied from the officially sanctioned ones being kept unofficial (Barrett, 2002, p. 153). Finally, improvisation offers a model of leadership where leaders, rather than directing in the traditional sense, help members reflect on their performance (Crossan, 1997). Leaders encourage team members to push their own boundaries by using techniques such as *provocative competence*, where people attempt to outwit their learned habits by being in unfamiliar situations that demand novel responses (Barrett, 2002, p. 141), or by envisioning "alternative ways of being in the world" (Weick, 2002, p. 174). Improvisation thereby encourages complexity and diversity, which enhance an organization's ability to respond creatively to the environment.

Having outlined the organization's place in creating a framework for innovation by orienting members toward the practices of creativity and improvisation, we turn to the individual cultural processes involved in these practices. We conceptualize these by extending Hatch's (1993) cultural dynamics framework to innovation.

Individual Meaning-Making Processes

Hatch's (1993) cultural dynamics model offers a useful illustration of individual meaning-making processes animating a culture[1] that complements the organization-level framework we have outlined so far. Hatch (1993) expanded Schein's (1992) model of organizational culture – comprising assumptions, values and artifacts – by identifying the dynamic links among those elements. These are the processes of *manifestation* (the articulation of assumptions into values); *realization* (action that transforms values into artifacts); *symbolization* (the creation of second-order meaning); and *interpretation* (constant revising of existing meaning). Each process has a forward (proactive) and backward (retroactive) mode of operation, but Hatch says one can view them "as two wheels of interconnected processes, one moving forward and the other backward with reference to the standard concept of time" (p. 686) (Figure 1). We see analogous forward and backward movements in the practices of creativity and improvisation (Figure 2). In creativity, ideas arise proactively from the values and expectations of organizational members, while in improvisation, ideas arise from a responsiveness to resources available at hand, customer demands and suggestions, and market exigencies. The two movements also resemble the interaction of institutional and competitive processes in producing convergence in structure, as discussed by Hinings et al. (2004). The example they give of such convergence is when market feedback (a signal from the technical environment) fosters the legitimacy and diffusion of a new form (a change in the institutional environment). We see in the convergence of the two wheels a place where an idea meets a need, creating value and usefulness; that is, innovation.

[1] As space limitations prevent a lengthy discussion of Hatch's model here, we refer interested readers to Hatch (1993).

Figure 1

Hatch's (1993) Cultura Dynamics Model

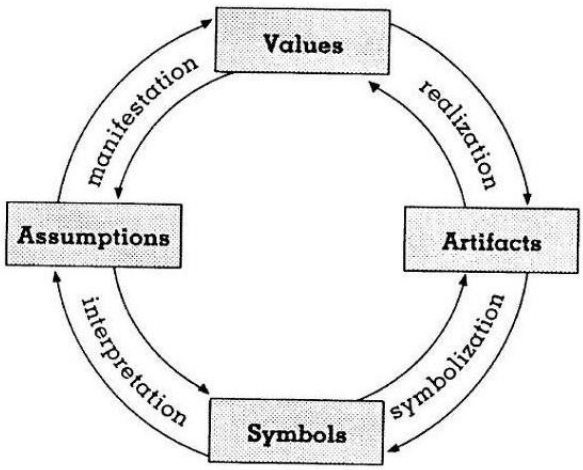
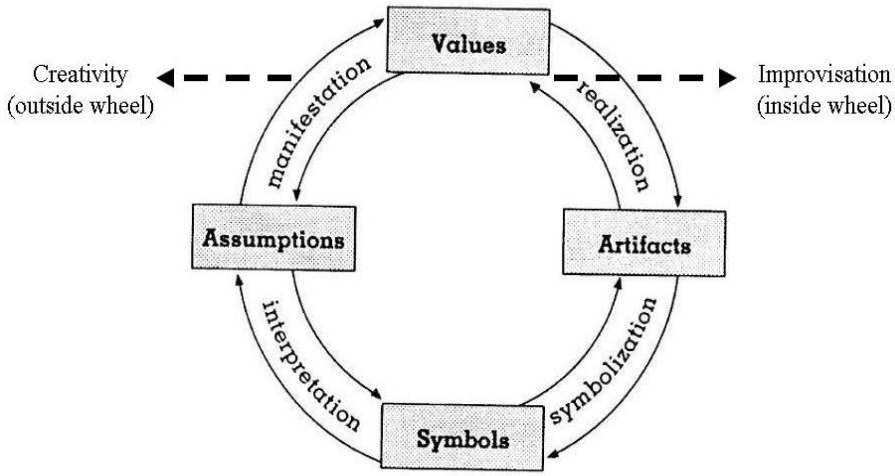


Figure 2

Practices Constituting an Innovation Culture



Hatch conceptualizes the forward-turning wheel in terms of its "creative potential" (1993, p. 686), meaning that it is the movement by which people's assumptions and values are created and recreated through continuous meaning-making. "Proactive manifestation" is the process by which assumptions (what organizational members assume to be true) provide expectations that influence people's perceptions, thoughts and feelings, which, in response to confirming or disconfirming experiences, become values (Hatch, 1993, p. 662). Values, defined as the tendency to prefer certain states of affairs over others (Hofstede, 1984) or a sense of what ought to be as distinct from what is (Schein, 1992), also produce expectations. Hatch broadens the scope of how assumptions can change from Schein's "one-way" values-to-assumptions

conception (Hatch, 1993, p. 679), which is largely that if a manager convinces the group to act on her belief and if the solution works, the manager's belief is cognitively transformed into a shared value or belief and, ultimately, into a shared assumption (Schein, 1992, p. 19). Hatch includes ongoing processes of interpretation on the part of employees as opportunities for a change in assumptions, as well as renewed awareness of artifacts, which presents opportunities for retroactive adjustment of values that can affirm or challenge assumptions (1993, p. 679). Hatch's extension of Schein's model to include organizational members' ongoing interpretive processes as sources of change in values and assumptions is fundamental to a better understanding of the workings of an organizational culture.

Building a "Creative Culture"

In building a conceptual framework for an innovation culture we depart from and build on Hatch's model in two ways. First, Hatch's conception of creativity in organizational culture appears limited to the creation inherent in the cycle of meaning-making itself. Stating that values are manifestations of cultural assumptions, she questions where values that are not culturally based come from, and locates new value creation outside the cultural system rather than inside it, with artifacts rather than values as likely access points (Hatch, 1993, p. 664). This reflects a perspective on culture as the known and the familiar, where culture may be rethreaded and redone but change is not internally generated. We allow more scope for internally generated creativity and, secondly, we include behavior as an access point to new values (Hatch does not include behavior in her conception of culture). We thereby expand a static conception of culture to a more generative one. This is the source of the "creative culture" moniker in the title of our paper.

We see the practices of creativity and improvisation as sources of new values. In our framework, people draw on their own values as a platform for creativity on which they act. Their actions, meanwhile, offer the material for new values. Values may be based in aspirations (Hatch, 1993, p. 663) and have both intensity and direction (Hofstede, 1980, p. 18). Values are connected to corresponding behavior, which involves choice and differential effort allocation (regarding desired values, those that are actually held) and approval or disapproval (regarding desirable values, those that are prescribed) (Hofstede, 1980 p. 20). In an innovation culture, the organization bestows the desirable norm while employees generate desired values based on their proximity to their tasks; new values are formed, which bring with them intensity and direction. By bringing into the culture the practices of creativity, which is oriented toward making the "ought" happen, the organization initiates the proactive, forward movement of the culture cycle. Rather than only acting on old assumptions, individuals can stretch the concept of "ought;" their knowledge and their values unite to have both intensity and direction. The organization uses internal information to look forward. Creativity aligns with and extends the proactive movement in Hatch's cultural dynamics model.

Hofstede (1980) notes that excluding behavior by holding that value change has to precede behavior change neglects the contribution of the *situation* to actual behavior and disallows that an effective way of changing mental programs of individuals is changing behavior first (1980, p. 23, his emphasis). We propose that improvisation is behavior arising from a "situation" that leads to new values. A product of actors' decisions and learning rather than an outcome of a passive environmental selection process (Lam, 2004, p. 145), improvisation is a proactive responsiveness, including elements of both proactivity and retroactivity. Because improvisation

builds upon elements or constraints brought by the environment, rather than being internally generated, it maps to the retroactive movement in Hatch's model. In the backward-turning wheel of Hatch's model, things such as renewed awareness of artifacts present opportunities for retroactive adjustment of values that can affirm or challenge assumptions (Hatch, 1993, p. 679). In this instance, the organization uses external information to look forward.

Discussion

Much of the literature on organizational innovation has a managerial orientation and emphasizes leadership as crucial for creating a corporate culture and fostering innovation (Schein, 1992; Van de Ven, 1986; Amabile, 1988). Hatch's work balances this in offering a "bottom-up" analysis of strategic initiation efforts to complement the "top-down" view (1993, p. 682). We propose that the relationship of employees and managers in innovation can profitably be seen as one of action and articulation. Geertz (1973, p. 228) explains that without action there can be no ideological formulation, but without ideology there is only scattered action. The function of leadership in an innovation culture, we suggest, is that of articulation and "theorization" (Hinings et al., 2004) of employees' ideas. As we mentioned at the start of this paper, managers are increasingly not the source of ideas, but they have a function within the cultural system. This is not a structural function of being idea connectors or connecting local efforts to top strategy but is the cultural counterpart to that, as the practices involved are based on values and behavior rather than originating from the structure of an organization. We would remind readers that "structure" is not seen as a problem for innovation but rather building a "culture" of innovation.

Hatch (2000) calls attention to the concept of the "ground of change," where continuously active cultural processes springing from individuals or the environment and circulating in meaning-making systems accumulate changes that can ready a group for a major shift. "What we think of as change is really a symbolic construction, a collective move to regard ourselves differently and declare that a transformation has occurred (e.g., via sensemaking techniques such as historicizing or storytelling)," she says, adding that the reason a charismatic leader can have a big impact is because the ground for change is prepared well in advance of his appearance (2000, pp. 259-260). Douglas (1986, p. 93) attributed Max Weber's own success as due to synthesizing what was already the thinking of his generation and explaining others' histories in terms of their own familiar institutions.

Van de Ven's (1986, p. 593) notion of a "focus on ideas" that provides the vehicle for otherwise disconnected individuals and stakeholders to come together and contribute their unique frames of reference to the innovation process can be illustrated by Geertz's (1973) description of how Churchill, in a speech, "formulated accurately the mood of his countrymen and, formulating it, mobilized it, by making it a public possession, a social fact, rather than a set of disconnected, unrealized private emotions" (1973, p. 232). In other words, formalization is needed because common activity without an objectively available sign system is not transmitted as well (Berger and Luckmann, 1967, p. 68) and as "institutions do not emerge smoothly from a gathering momentum of converging interests and an unspecified mixture of coercion and convention" but require a "settling into some recognizable shape" (Douglas, 1986). Hinings et al. (2004) discuss articulation and formalization under the concept of "theorization," which connects localized ideas and practices, provides a general story of how they are relevant to wider audiences, and justifies abandoning old practices in favor of new ones (2004, p. 309). We propose that

combining creative practices on the part of organizational members with leadership's cultural function of formalization for broader application creates a cultural system that is capable of reproducing itself. Ongoing "ground of change" processes ready the organization for shifts, while organizational intuition, developed by improvisation, speeds the shifts and thereby produces the consensus that suddenly emerges in support of an innovative idea.

Conclusion

In this paper we have sought to explain why developing an organization-wide innovation culture is significant for organizations seeking to foster sustainable innovation, to concretize the concept of such a culture, and to suggest how an organization can go about building an innovation culture. Rather than viewing culture as something that arises indirectly from other structures and processes, or seeing innovation as a side effect of a values-based approach to business, we zeroed in on what the terms "innovation" and "culture" mean together, with values and behaviors as the base. We build on Hatch's (1993) cultural dynamics model in our approach, namely her explication of the sense-making processes of organizational actors and the democratization of meaning-making in organizations. Combining an organization-level cultural framework with Hatch's individual cultural processes framework enabled us to illustrate the makings of an innovation culture on the organizational and individual levels. We believe that we have made a contribution by discussing culture in its own terms, and by sharpening the concept of an innovation culture.

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