

# THE INNOVATION EXPERIENCE

Towards an  
organisational  
learning perspective  
of innovation

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# I am interested in...

- Exploring how SMEs maintain their competitiveness in turbulent environments and how to they respond to the dynamically changing business landscape through learning and innovation.
- The subject of innovation in organisations is researched by numerous scholars roughly from 3 research streams:
  - Best-Practice Approach
  - Contingency Theory
  - Sense-Making Approach

## The problem is...

- Except the sense-making stream very few studies have managed to capture the gist of organizational life.
- The studies that are generally done in Anglosphere are thin to explain the innovative behaviour of a middle-income country trying to cope with high velocity competitive environments.

## For this reason...

- I adopted a phenomenological approach grounded in the everyday lives of the organisation accounting for softer influences on innovative behaviour. Because:
  - Innovation is a result of the intentions, interpretations, experiences and theories of managers that are actually triggering or preventing innovation to happen through their plans shaped by their hopes and frustrations.
  - These theories of managers have a significant influence on the selection and exploitation of the knowledge sources available to the organisation bounding the form and content of the learning experience.

# Research Questions

1. How mature SMEs perceive the competitive environment surrounding themselves and how they respond to the changes in the business landscape?
2. How they respond to these challenges in terms of organisational processes?
3. What is the role of learning and innovation in shaping these responses and which type and system of learning is more prevalent in successful innovators?
4. How do ideas get generated in such a volatile environment where short-term tactical business decisions are likely to supersede more long-term strategic moves ?

# Theoretical Assumptions

- **Innovation:** Introduction of new products, adoption of new processes or enhancement of new services by an organisation; new meaning “new to the organisation”.
- **Learning:** Knowledge and learning are constructions of the outside world.

# Research Method

- **Research Subjects:** Medium-sized Owner-managed companies
- Cross-sectoral **Case Study**
- 2 companies from 3 sectors are selected that are **matched pairs**.
- **Data Collection:** Semi-structured interviews with the people from different hierarchical levels of the organisations

# Findings – *A screen of 6 interdependent issues*

## 1. Organisational Learning Systems

**Definition:** Informal or formal systems providing a frame for organisational activities and practices to acquire, communicate and interpret organisationally relevant knowledge.

**Bipartition:** Participative vs. One-man



# Findings – *A screen of 6 interdependent issues*

## 2. Organisational Learning Mechanisms

**Definition:** Institutionalised structural and procedural arrangements that allow organisations to systematically collect, analyse, store, disseminate and use relevant information.

**Bipartition:** Standard information processing and performance monitoring mechanisms vs. More reflective learning mechanisms

# Findings – *A screen of 6 interdependent issues*

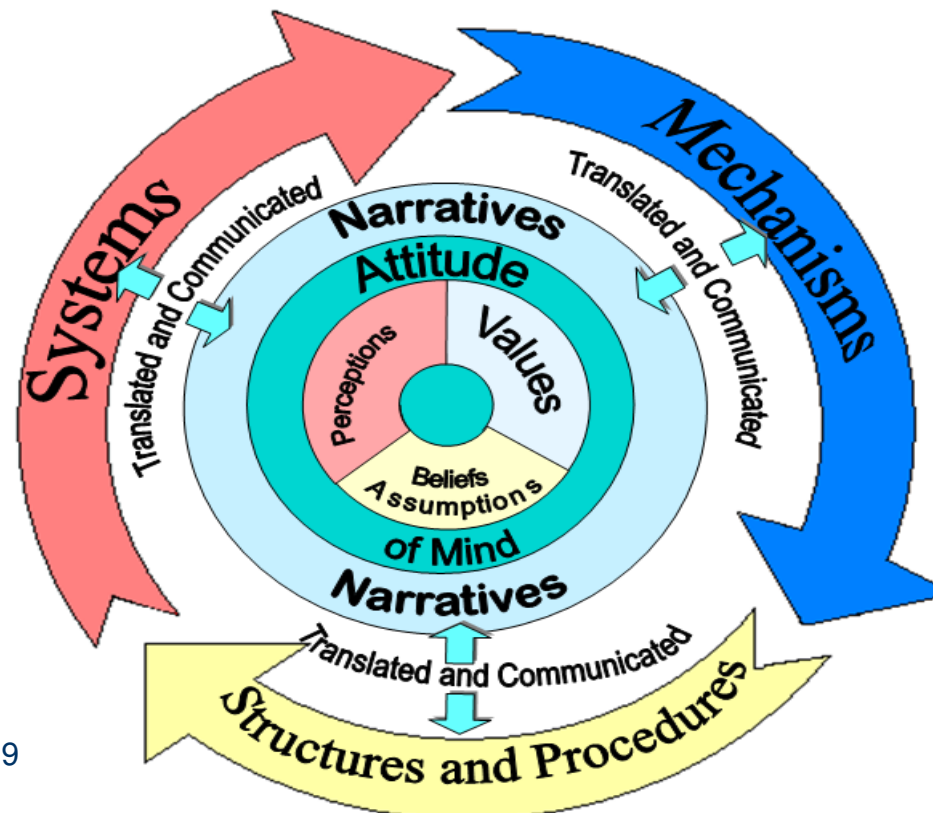
## 3. Organisational Learning Modes

**Definition:** The organisational learning outcomes dependent on the organisational learning, system, mechanism and the networks through which the knowledge is processed.

**Bipartition:** Generative Learning vs. Proactive Learning

# Findings – *A screen of 6 interdependent issues*

## 4. Narratives of Innovation



## **Findings – *A screen of 6 interdependent issues***

### **5. Role of Individual Change Agents (or Innovation Champions)**

- Existence of internal innovation champions who retain most of the intellectual part of the learning process.
- The leading agents that enable absorption of new managerial practices who are important in breaking out of existing path dependencies and aid organisational renewal.

## **Findings** – *A screen of 6 interdependent issues*

### **6. Level of Institutionalisation and Succession Planning**

- The companies that are ahead in the process of institutionalisation (non-family members' or experts' participation in organisational decisions and actions) are more innovative.

# Your Ideas?

- Which suggestions do you have about how should I proceed with my research?
- How can this research be extended to utilise the models suggested by innovation literature?
- Any further questions?