



Identity, collaboration and radical innovation: The role of dual organisation identification



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ABSTRACT

This paper explores the nature of the relationship between identity and the radical innovation process in the case of the Solid State Pharmaceutical Cluster (SSPC). Antecedents and consequences of identification with the SSPC and the transitioning of identity from an organisational orientation to a dual organisation identity are discussed. We demonstrate that organisational identity can represent a substantial barrier to collaborating for radical innovation, and explicate how identity shifts can smooth the transition from competitor to collaborator. This study illustrates that opportunities were created through leveraging affinity to provide an environment conducive to radical innovation where members could interact, explore and collaborate.

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1. Introduction

A radical innovation (RI) requires substantially different technology and marketing skills compared with existing offerings within an industry (Chandy & Tellis, 1998). As is evident in this concept, the term 'radical innovation' typically relates to new products, although it also applies to new services and new processes. A key construct in facilitating efficient and effective innovation processes is that of innovation networks (Powell, Koput, & Smith-Doerr, 1996). Localised networks have sprung up around the world—e.g. Silicon Valley, Ireland, and Taiwan—and can include R&D organisations, universities, and research laboratories (Lee, Lee, & Pennings, 2001). Such localised networks are regarded as an important antecedent to radical innovation (Gordon & McCann, 2000), and have been encouraged and supported by governments in many countries. Central to the development of regional networks is the belief that geographical proximity and cultural sensitivity result in more effective knowledge transfer than that experienced between multi-national companies (MNCs) and their overseas subsidiaries (Birkinshaw & Hood, 1998). This may be particularly the case for collaborations involving established firms with clearly developed identities and affiliations. However, not all inter-organisational collaborations result in innovation (Faems, Van Looy, & Debackere, 2005), with many failing to generate any collective action at all (Lawrence, Hardy,

& Phillips, 2002). Thus, the question that drives our research is why do some multi-organisation collaborations work well whilst many fail?

Radical innovations are generally juxtaposed with incremental innovations, which are modifications to existing products (Chandy & Tellis, 1998). This juxtaposition of terms suggests that 'innovativeness' varies from minimal change to dramatic change. Furthermore, innovativeness is multi-dimensional: newness can be examined from the perspective of the customer and from the perspective of the firm in terms of technology and/or the market (McNally, Cavusgil, & Calantone, 2010). Newness is one of the many planned and unplanned, permanent and transient, attributes and features that shape stakeholder perceptions of the organisation (Gioia, Schultz, & Corley, 2000; Markwick & Fill, 1997), thereby forming the basis of its identity. Identity is "the articulation of what the organisation is, what it does and how it does it, and is linked to the way an organisation goes about its business and the strategies it adopts" (Markwick & Fill, 1997: 397). An articulate and authentic identity increases organisational visibility whilst providing competitive advantage and helping to communicate corporate strategy (Van Riel & Balmer, 1997). Thus, identity is critical in organisational sustainability (Gioia et al., 2000).

We examine a multi-organisation collaboration in the Irish pharmaceutical industry that is regarded as highly successful based both on members' views and funding achieved. Our research finds that members of the individual organisations transitioned from identification solely with their organisation to dual organisation identification, where members of the inter-organisational collaboration simultaneously developed a sense of identification with two different organisational entities (Vora & Kostova, 2007). Within the Irish Pharmaceutical industry, these two separate identities (own organisation and

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SSPC) work in a symbiotic manner, supporting and improving each other through two-way, symmetrical, and simultaneous feedback that allows the collaboration to operate effectively. As such, we demonstrate how identification with one's parent organisation can represent a substantial barrier to collaboration within regional networks. However, collaboration is legitimised and embedded within on-going RI activities where members exhibit dual organisational identification.

This paper is structured as follows. First, we explore literature on radical innovation, identity, organisational identification and dual organisational identification. Next, we characterise the Irish pharmaceutical industry as the context in which a successful collaboration across multiple firms and universities took place, and explain the research method employed in this study. The findings are discussed in terms of the barriers to collaboration, the transitioning of identity from a single organisational orientation to a dual organisational identity, and the consequences of this for the studied collaboration. Finally, we extrapolate insights from these findings and provide directions for further research into understanding the dynamics of identity and collaboration in the context of radical innovation as well as highlighting recommendations for managers and policy makers on supporting regional networks.

2. Radical innovation

Antecedents of, and processes supporting, incremental innovation have been well documented and receive considerable empirical support, whilst the antecedents and processes related to radical innovation (RI) are not well documented (McDermott & O'Connor, 2002). This may be due to the higher degree of informality, intense communication and cooperation amongst actors, a lack of decision-making rules, and the emphasis on creativity and risk-taking required for radical innovation relative to incremental innovation (Gatignon, Tushman, Smith, & Anderson, 2002; Song & Swink, 2002). In terms of the process, radical innovation develops through phases of exploration, design and applications, and dissemination (Lundgren, 1995; Möller, 2010; Anderson and Tushman, 1990), and produces fundamental changes in the activities of an organisation and large departures from existing practices (Ettlie & Subramaniam, 2004). Because few firms have the necessary resources for RI internally, collaboration between firms has been viewed as an important driver of innovation (Chesbrough, 2003; Story, O'Malley, & Hart, 2011), so much so, that it is promoted and encouraged by governments worldwide (Etzkowitz & Leydesdorff, 2000; Mowery & Rosenberg, 1993).

Adding to previous conceptualisations of RI, we argue that some collaborative efforts should themselves be considered a radical innovation because they represent a radical departure from how firms historically interact with each other. In this paper, we consider the case of the Solid State Pharmaceutical Cluster (SSPC) in Ireland to highlight (i) the barriers to collaboration as perceived by its original members, (ii) the identity change which facilitated success, and (iii) the consequences of collaboration including significant changes to these firms' business models. Moreover, whilst the collaboration is itself a radical innovation, importantly, it has paved the way for more material innovations in product and process.

3. Identity

"To understand identification, one must first understand identity" (Ashforth, Harrison, & Corley, 2008, p. 327). Identity has been examined from the perspectives of social identity theory and identity theory. Social identity theory, developed by Tajfel (1978), separates social identities from personal identities. Whereas personal identities are individuals' idiosyncratic bundle of attributes, such as traits, abilities, and interests, social identities relate to group memberships, are shared by group members, and distinguish 'ingroup' members from 'outgroup' members (Tajfel, 1978). Identity theory relates to the meanings

individuals associate with roles, such as occupations, careers, and relational networks (Stryker & Burke, 2000). Roles are embedded in valued relational networks; the likelihood of roles being 'enacted' (i.e. activated and performed) increases with the value the individual places on the relationships (Burke & Reitzes, 1991). Within organisations the core of identity consists of cognitions related to group membership (Tajfel, 1978), which include values, goals, beliefs, stereotypic traits, and knowledge, skills, and abilities (Ashforth et al., 2008). We argue that whilst the core aspects of identity are always exhibited, the broader content operates more independently and individuals vary in the extent to which they embody organisational identities.

4. Organisational identification

Organisational identification occurs when an individual's beliefs about his or her organisation are recognised or adopted as their own. Ashforth and Mael (1989) suggest that identification relates to aggregates of people, where aggregation occurs at various levels of groupings, including organisations, business units, departments, work groups or teams (Ashforth et al., 2008). 'Lower-order' identities, or smaller and more proximal groupings such as those an individual works with most frequently and intensely, generally evoke stronger identifications. Organisational identities generate strong identification when the organisational identity is of very high status, it is under perpetual threat, it is unique, the identity is strongly and widely held across subunits, if decision-making is highly centralised, and when individuals are owners, senior executives, or boundary spanners (Ashforth et al., 2008).

Organisational identification is an iterative, developmental process involving interaction between individuals and organisations (Ashforth et al., 2008; Pratt, 1998). From the perspective of individuals, the identification process involves enactment, sensemaking, and identity narrative construction (Ashforth et al., 2008). Enactment occurs when individuals 'try on' an identity (i.e. individuals attempt to behave as they expect someone with that identity to behave). The next step of sensemaking involves observing responses to their behaviour and interpreting the meaning of such responses. In the final step, they update their personal story of who they are and who they are likely to become.

Within organisations, individual identification is supported and managed through a process involving sensebreaking and sensegiving (Ashforth et al., 2008). Sensebreaking 'involves a fundamental questioning of who one is when one's sense of self is challenged ... [creating] a meaning void that must be filled' (Pratt, 2000, p. 464). Thus, sensebreaking accentuates knowledge gaps to motivate further identity exploration, creating tension and resulting in a search for meaning. This tension and search for meaning enhances the opportunity for sensegiving, which refers to attempts to guide the 'meaning construction of others towards a preferred redefinition of organisation reality' (Gioia & Chittipeddi, 1991, p. 42).

Pratt (1998) suggests that there are two alternative processes of identification: emulation and affinity. The iterative, back-and-forth process explained above captures the 'identification through emulation' process (Ashforth et al., 2008), where identification occurs when individuals incorporate organisation beliefs and values into their own identities (Pratt, 1998). In identification through affinity, "like meets like" (Pratt, 1998, p. 174); here, individuals use their own identity to assess if an organisation has values and beliefs similar to their own.

5. Dual organisational identification

Dual organisational identification (DOI) is an individual's sense of identification with two organisational entities (Vora & Kostova, 2007). Multiple identities can be salient simultaneously when identities overlap, are relevant to a specific context, are cognitively linked to each other, and when individuals can tolerate such simultaneous

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