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# The Need to Develop a Corporate Culture of Innovation in a Globalization Context

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Additional information is available at the end of the chapter

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## Abstract

In recent years, the globalization of markets combined with the Industry 4.0 revolution has brought increasing competition among enterprises. Nowadays, organizational success is measured by leadership in the market share, revenue growth, level of competitiveness supported by customer satisfaction, and innovation capacity. Therefore, companies need to develop new products and/or services faster and better than their competitors to stay “alive.” In order to respond quickly to market needs, enterprises should operate more efficiently reducing and/or eliminating activities that make up the actual processes that do not add value but also they need to develop a “healthy” cultural environment within the organization that allows the implementation of new ways of work. In this context, the innovation capacity assumes a decisive importance in the level of competitiveness of an organization, and the entrepreneur plays an important role in launching new business. Based on this perspective, the innovation processes within an organization are obtained through entrepreneurial initiatives that have their origin in the existence of an organizational culture that promotes an entrepreneurial behavior.

**Keywords:** culture, innovation, innovation culture, entrepreneurial culture

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## 1. Introduction

In general, there is now increasing competition in markets on a global scale. In order to be competitive, organizations must innovate to respond quickly to market needs. Currently, when the topic of innovation is addressed, there are several pertinent questions that many SME managers ask, such as: Why are not all organizations entrepreneurial? Why are not all

entrepreneurship initiatives successful? Why the success formulas do not apply equally in all organizations? What does it mean by culture of innovation?

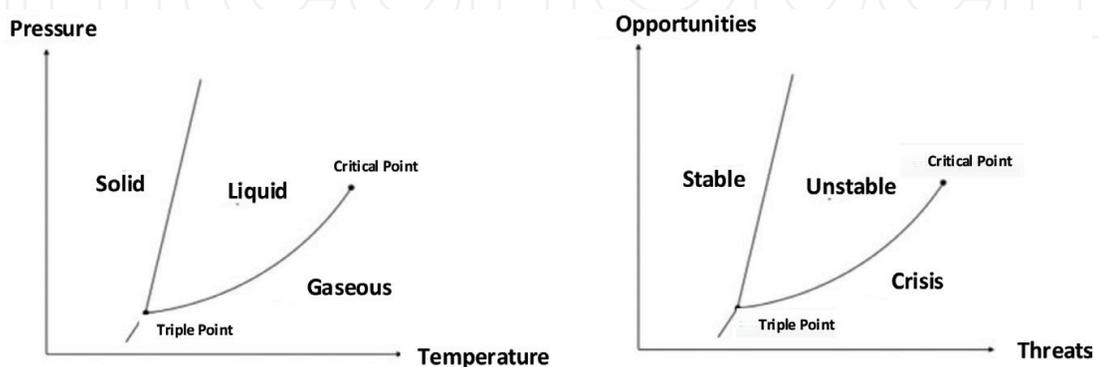
The term “innovation” means the development of anything new from its initial idea to becoming viable in the marketplace.

However, in a global market and according to some authors [1, 2], it is possible to identify three distinct types of economic environment in relation to the level of competitiveness between organizations: markets “blue ocean,” “red ocean,” and “purple ocean.” Using a metaphor from thermodynamics field, an analogy might be established between the phase diagram (showing the conditions necessary for the existence of the various states: solid, liquid, and gaseous as a function of the pressure and temperature conditions) and the possible admissible levels of entrepreneurial culture associated with each market to not jeopardize the survival of an organization depending on the value of the opportunities and threats, as illustrated in **Figure 1**.

The markets called “blue ocean,” stable environment, correspond to the solid phase where the number of competitors is reduced and, in some situations, could be null. In this favorable environment, which is characterized by the ease of accessing many opportunities in contrast to the reduced number of threats, the development of an innovation culture is not a concern of top management which leads to the proliferation of a conservative culture that acts as a barrier to the promotion of innovation activities.

As opposed to the “blue ocean” market, we have the markets called “red ocean,” context of crisis, which corresponds to the “gaseous” state where the level of competition is extremely high. In this adverse context, the opportunities are scarce and the threats abound. In this context, the role of the entrepreneur in launching new businesses from inside the company is crucial. This phenomenon is called “corporate entrepreneurship” and differs from “entrepreneurship.” “Entrepreneurship” refers to new businesses created from the root or developed outside (or separate) from an existing business.

As an intermediate state, between the “blue ocean” market and the “red ocean” market, there are markets “purple ocean,” unstable context, that corresponds to the liquid state. This market is characterized by the fact that coexists with two distinct situations: business opportunities where competition is virtually nonexistent or null and business opportunities where competition is fierce.



**Figure 1.** Diagram of phases versus diagram of market states.

Although in thermodynamics, there are very well-defined equations and rules that allow to explain the conditions necessary for a given element to exist “to survive” in the solid state, in the gaseous state or in the liquid state, it has been difficult to evaluate the real relevance of organizational culture in innovation processes.

This work aims at contributing to better understand the culture role to explain the production and exchange of knowledge in terms of capacity for creating new ideas, products/services, and processes.

This work is organized as follows. Section 2 provides the background needed to understand the culture role in promoting innovation processes. Section 3 discusses the development of a culture to support corporate entrepreneurship. Section 4 provides some concluding remarks.

## **2. Promoting innovation through the culture**

Globalization requires companies to create new products and businesses faster and better than their competitors. This calls for, on the one hand, highly efficient operating processes (although in themselves they do not ensure the competitiveness of companies) and, on the other hand, an organizational culture that allows the implementation of new operational methods.

Innovators (acting at product level) and entrepreneurs (acting at the level of the business) should have an organizational structure that favors innovation even without waiting for the verification of the appropriate culture. The innovation process itself is one of the best ways to perfect the company’s innovation culture. The “organizational structure” consists of the modus operandi of the company based on operational configurations influenced by the organizational climate. The “operational configurations” translate cross-functional teams consisting of several knowledge specialists according to the specificity of the tasks. By “organizational climate,” we mean working conditions that foster personal autonomy and responsibility by influencing individual motivation.

In the next steps, we first examine the culture of the company, then identify the characteristics of the innovation culture, and finally see how the culture of support for corporate entrepreneurship is developed.

### **2.1. What is the company culture?**

Each organization has its own culture. “Organizational culture” is similar to the personality of individuals, that is, it is an intangible, always-present fundamental characteristic that provides a meaning, a direction, and a basis for individual action. “Culture” lies in shared values, beliefs, and expectations, and in the norms seized as a part of the work in the company over time.

As much as the personality influences the behavior of the individual, the shared culture exerts a predominance in the pattern of activities, opinions, and action within the company. Company culture influences how employees and managers surface problems, serve consumers, deal with suppliers, respond to competitors, and conduct current and future activities [3].

In other words, culture is the basic assumption of what the organization is and how its members should proceed and define themselves in relation to their external environment. In a word, culture is the reality of organization. That is, it shapes everything that goes on internally, it represents unwritten (i.e., informal) norms that bind all elements in almost everything they do, and it is reflected in organizational philosophy, rules, climate, and symbols.

Schein and Schein [4] suggests that organizational culture is what a group learns over a period of time while solving their survival problems—that is, it is the pattern of pretensions discovered, developed, or established by a certain group while learning to face their problems of external adaptation and internal integration at the level of basic artifacts, values, and assumptions.

“Artifacts” are visible organizational structures and processes, include written and spoken language, physical space, operational plans, and attitudes of individuals, and can be divided into (i) physical artifacts (company logos), (ii) procedures (company rituals), and (iii) organizational histories and myths.

“Values” are the social principles and patterns possessed within culture that are of real importance, rooted in unwritten rules that allow members of the organization to know what is expected of them, and define what interests the stakeholders in a corporate culture. Organizational culture reverberates the values of individuals whose use enables them to make decisions and develop solutions to solve problems and functional issues.

“Basic assumptions” are accepted as true beliefs and habits of perception, thoughts, and feelings that are rarely made explicit. When the solution to a problem works over and over again, it becomes accepted as true, that is, assumptions begin to be learned responses that guide behavior and determine how members of the organization feel, think, and act.

These three elements are continually interacting, focusing on what artifacts and values reveal about basic assumptions. Thus, we are talking about a dynamic model in which all processes occur through continuous reproduction and production of culture under stable formal conditions or organizational change.

In other words, company culture can be described in two “levels”: (i) “higher level,” which is outwardly observable and contains phenomena such as artifacts, patterns of behavior, language, formal rules, technical knowledge, use and production of physical products and objects, and (ii) “lower level,” which is hidden (deeper), since it is located in the minds of people, integrates the mental structures—such as ideas, beliefs, values, attitudes and assumptions—and modes of understanding the environment, and contains internal processes by which the operation is determined.

These two levels of culture are easily distinguishable, but it is almost impossible to separate them. They are two parts of the same entity, being the hidden level of culture usually inferred by observing the behavior of organizational members (especially, top management). To make the two cultural levels consistent, collaborators instinctively modify their behavior and thinking.

Hofstede et al. [5] consider culture as the software of the mind, that is, the operating system that enables individuals to share and understand the experience. “Experience” consists of a set of shared norms and attitudes possessed by the members of an organization. That is,

culture is the means by which people communicate, develop, and perpetuate their attitudes toward life and work in order to interpret their experience and guide their actions.

It should be noted that the essence of culture is not what is superficially or clearly visible on the surface, the most important are the shared views through which people understand and interpret the events they face. In the figurative sense, the understanding of the culture resembles the peeling of an onion by layers.

The metaphor of onion, like that of the iceberg, illustrates the “culture structure” from the “explicit” (visible outside of artifacts and products) to the “implicit” (invisible, inner part of the constituents of culture). In the “outer layer,” explicit culture is the observable reality of language, food, buildings, monuments, markets, fashion, and art. The “intermediate layers” contain rules, values, and attitudes invisible directly.

Culture consists essentially of basic assumptions about a fundamental question: what leads different groups of people, consciously or subconsciously, to choose distinct, right, or wrong definitions? Culture emerges in organizations because of the need, on the one hand, to address internal and external aspects of survival and, on the other hand, to obtain good results from the influence and options of their clients, suppliers, regulators, and other entities in their context of action [6].

To successfully address the external environment, companies must develop cultural solutions in order to (i) adopt a sense of purpose (i.e., a mission) and (ii) define both the objectives procedures for evaluating and reviewing the course of. As regards the adaptation of their internal environment, companies have to take into account factors such as the following: (i) delineate a long-term, shared vision; (ii) have a flexible organizational structure; (iii) adopt human resource management policies; and (iv) institute continuous improvement practices.

In short, we can speak of organizational culture as a dynamic mix of efforts that innovative companies enclose in support of new product or business development.

## 2.2. Culture of innovation

Culture can contain a perspective of continuous innovation, ranging from “incremental innovation” (doing better) to “radical innovation” (doing differently). This constitutes a basis for the development of “archetypes,” which are introduced to facilitate the descriptive representation of the characteristics of incremental and radical innovations. Archetypes are of two types:

- i. *Incremental application of innovation* tends to maintain or improve in small incremental steps existing products or services, setting an attitude of “do better,” which is typical of a company in the mature stage.
- ii. *Radical application of innovation* aims to explore and expand the strategic borders, setting an attitude of “do different,” which is typical of an entrepreneurial company or “new company” (start-up).

Greenwood and Hinings [7] report that organizations tend to operate with structures and systems that “bring” the two types of archetypes. The passage between archetypes (i.e.,

organizational change) is less common than the stability of the archetype (i.e., organizational inertia), since organizations have specific institutionalized functions.

To some extent, this indicates that the transition from innovation culture type I to type II can be streamlined by managers' specific interventions at the level of artifacts and values (which are interrelated). However, change in culture must be undertaken by attempting to change the basic values and assumptions present in the organization. The values lead to the behaviour and this behavior will solve the problem that prompts him. Soon, values will be gradually transformed into basic assumptions about the reality of things. As assumptions are increasingly accepted as true, knowledge will disappear. Thus, a change in organizational culture is created.

As we see, archetypes provide a holistic perspective on the culture of innovation. As a consequence, the change from type I to type II must be conceived as a holistic process, that is, that it serves the various operational areas where the most significant characteristics of the innovation culture predominate.

In general, the chief executive officer (CEO) of an innovative company defines a long-term vision and develops a mission that is consistent, challenging, and realistic with respect to each other. To attract the voluntary commitment of employees for innovation projects it should be used convincing examples and persuasion in the performance of their duties. To this extent, the freedom to test new things is widely recognized as a prerequisite for innovation since it refers to the personal decision about "what to do" or "how to accomplish a task." The most important type of freedom is the autonomy of individuals, that is, freedom in the conduct of one's own tasks in the pursuit of the mission or the attainment of the firm's goals. Therefore, such openness to individual initiative is a key element in supporting successful innovation. The organizational receptivity to the new ideas and the proactivity of the employees generate new applications of knowledge and new ways to do things as a result of the good to take risks.

Nybakk and Jenssen [8] emphasize trust and openness as essential in modeling the climate for innovation where risk is related to the freedom to explore the unknown (e.g., ideas and experiences). However, in an "incremental environment," the degree of freedom can be reduced and replaced by functional systems and procedures. This means that routines and usual business systems can become inhibitors of the development of radical innovation [9].

The need to innovate and discover new commercial applications in the future requires the refining of the creative capacity of individuals in training as an integral part of the company culture. Actually, the risk attitude influences the way team members deal with uncertain situations. For example, risk-averse groups prevent radical innovation. Indeed, experimental attempts at radical innovation produce more failures than successes. Hence, it is not surprising that managers feel more comfortable with access to innovative technologies through acquisition operations or choose to be "fast followers" when new consumer-centric operational concepts emerge.

Employees of an innovative company recognize that each company and each person is part of a long chain of suppliers and consumers. In other words, each company is a customer of its suppliers and a supplier of its customers. Companies must understand consumers'

expectations and needs and, as such, employ systematic processes that bring together market information and help anticipate future consumption trends. In fact, managers use this information to evaluate and improve the production processes presented in the market, for example, by designing products that target customer preferences.

For Marquis [10], one of the lessons to be drawn from successful innovative firms lies in the fact that the main source of innovation is their human resources. The training and experience of the right people are the main source of innovation information. This implies that in an innovative organization it is expected to have an active involvement of all employees in the effort to continuously improve the quality of services and goods produced. Continuously improving quality will maximize customer satisfaction and minimize total operating costs. In this step, we can say that “total quality management” works internally as a horizontal application through functions and departments with the voluntary commitment of all employees and externally as a downstream of suppliers and “consumers” value chains, respectively. Individuals are encouraged to intervene beyond their “comfort zone,” that is, to engage in work groups with learning and development tasks beyond organizational boundaries that increase the personal knowledge that can be used in innovation processes — “do better” as well as “doing differently”.

The attenuation of the hierarchical structure in the company ensures its adaptability and operational flexibility, since it bases its activities in multidisciplinary teams with knowledge transversal to the various organizational sectors. Rather than responding to the requests of their immediate superior (typical of a vertical relationship), team members focus on satisfying the needs of the following people in the process of operation (typical of a horizontal relationship). The working groups or organizational units are dynamic in composition and activity and enjoy coordinated network autonomy in order to group the actions taken as a whole to achieve the company’s objectives. The Director General’s support and commitment to innovation projects is a critical factor in his success.

In other words, the role of innovation in the company’s long-term objectives must be stated and strengthened at all functional levels. The motivation of the individuals, combined with the knowledge obtained from the learning, helps to instill an innovative spirit of work. Collaboration between people with different skills can lead to the creation of innovative solutions and products. Therefore, the success of the companies stems from the dedication and extraction of talent from individuals and their combination in teamwork. The direct intervention of the leaders ensures the verification of conditions conducive to the flowering of a sense of trust that generates enthusiasm for the common realization throughout the organization.

Hauser [11] points out that the ‘enabling’ culture of internal debate and prevention of emotional conflicts favors the early stages of innovation. This causes employees to express their appreciation and support of each other at work and not waste time, protecting their own ideas or feeling threatened by others. This provides an internal trust environment to which creative thinking is associated, which in turn depends on certain personality traits related to independence, self-discipline, tolerance of ambiguity, perseverance in the face of frustration, and lack of concern for social approval. With the project team having confidence, its elements will be more receptive to accepting an external perspective without causing a confrontation *not invented here*, that is, they have a distance from the invention of others.

Successful innovation requires the ability to gather ideas and competencies from a large number of sources. If the company is closed within its own internal reality, it will be unable to discover and exploit opportunities outside its existing business or beyond its current operational or technical capabilities. On this basis, the exposure of teams or firms to external technological knowledge is a valuable component in the innovation process [12]. On the other hand, innovative organizations adopt a style of participatory management with “empowerment.” Empowerment means empowering employees. This represents a high commitment in decision-making and increased accountability in organizational results. Empowerment aims, on the one hand, to extract the creative energy of all the individuals in the company and, on the other hand, to assign them management responsibilities accompanied by resources in order to assert their leadership within the spheres of competence envisaged. In a word, the ultimate goal of empowerment is self-management, that is, workers are expected to have a responsible initiative based on monitoring their own work and accessing the support of specialized knowledge managers as mentors.

Ultimately, highly qualified human resources are the main source of competitive advantage for organizations through the implementation of action plans where they can play multiple roles and introduce continuous improvements in product quality and service to the consumer. Innovators tend to be dissatisfied and sometimes ignore or violate organizational rules when this is indispensable.

As we have seen, centralization and formalization must be reduced to provide continuous learning and organizational change. In other words, everything, at all organizational levels, at all times, must be improved. As information sharing throughout the organization is critical, timely, consistent, and accurate movement expedites the organizational response to rapidly changing according to the consumer desires. In this way, anyone who contributes with an idea to a new product or service can count with an internal feedback in a way that it is appropriated and incorporated into the production process. All ideas must receive clear attention to awaken creative discussion. This is initiated at the lower hierarchical level and terminated by efficient decision-making by managers, being important in this process the possession of useful information available in the operational circuit. Such a process places more emphasis on relationships in horizontal rather than vertical functional systems.

In short, we can say that the “culture of innovation” consists of a set of operational factors (e.g., organizational leadership, structure, and climate) that influence the organization’s continuous learning and entrepreneurial process. In this perspective, we can understand entrepreneurship as a subsequent phenomenon of innovation. For example, the creation of a new product and its commercialization in the market is an entrepreneurial practice triggered by an innovation process.

In this alignment, the following question arises: who needs a culture of innovation?

Drucker [13] noted that entrepreneurship operates through the ‘instrument’ of innovation. But to encourage corporate entrepreneurship, it is necessary to identify the conditions required for it to occur in organizations. More specifically, several authors point out that the innovative and entrepreneurial behaviors of individuals and firms depend on cultural factors [14, 15].

### 3. Culture to support corporate entrepreneurship

By “culture of support for corporate entrepreneurship” we mean a set of operational standards, shared by individuals, which can be shaped, altered, or preserved through individual interaction under the accumulated influence of three types of culture. *Professional culture* and *national culture* represent more values (invisible, implicit) relative to the individual, while the *culture of the company* concerns rules and practices (visible, explicit) more related to its functioning.

Thus, it seems to be a logical step to conceptualize the culture of support for corporate entrepreneurship as a series of procedures based on professional, national, and company cultures that indicate a pattern of action. The culture of support for corporate entrepreneurship refers to a set of norms, values, attitudes, and perceptions shared by a group of individuals (e.g., the R&D department and new entrepreneurship teams). Next, we will analyze each of the components of the culture of support to corporate entrepreneurship.

The “national culture” is composed of five dimensions:

- i. *Distance from the power, low versus high*: how individuals perceive the power in society.
- ii. *Uncertainty, low versus high*: what people do to counter the ambiguity and doubt about the future.
- iii. *Individualism versus collectivism*: preference for individual action rather than group action.
- iv. *Masculinity versus femininity*: gender roles distinction.
- v. *Orientation, long-term versus short-term*: orientation of time in life and work [16].

The culture of the profession originates in the characteristics of the people who practice it and in the skills used in its practice. Professional cultures are specially formed by “work styles” performed by individuals in the execution of their routines. Sirmon and Lane [17] consider that there is a professional culture when a group of people, in a similar profession, functionally shares a series of norms, values, and beliefs. In these terms, we can say that “professional culture” develops through the socialization to which individuals are subjected during their education, training and professional exercise. It should be noted that professional culture does not only interact with the national culture, but also with the culture of the company in a certain work context, influencing the personal experiences and interpretations of organizational practices.

Company culture (i.e., organizational culture) is anything holistic, historically determined, socially constructed, and difficult to change, that is, it is something the organization has, but it can also be understood as what the organization is. Basically, we can define “company culture” as the personality evidenced by the company as a result of operating rules and assumptions, values, and behaviors of its employees. In short, company culture translates the way its employees think, talk, and work.

Underlying the culture of innovation, it is important to add that individuals develop their innovation activities in an institutional context conditioned by organizational, professional, and national cultures. Still, Shane [18] emphasizes national culture as a decisive element in

organizations' output of innovation and performance. It should not be forgotten that the professionals admitted to the organization carry with them a repertoire of cultural knowledge obtained in society and in the previous professional exercise.

Even in companies with a strong culture, the differences in national culture are reflected, for example, in how problems are solved in the same company in different countries. Different national cultures have varied models of organizational structuring and employee motivation. It should be emphasized that company culture is both the determining factor and the result of structures, processes, and practices in support of innovation. Hofstede and colleagues [19] consider that the perceptions apprehended in the sharing of routines imply a less individual rooting and, therefore, a greater ease of change of the organizational culture in comparison with the professional and national cultures.

As we have seen, the culture of support for corporate entrepreneurship is formed through the interaction of national, professional and organizational cultures, since people are born in a context of national culture, acquire a certain professional culture, and are exposed to the culture of the organization where they work.

However, there is a set of factors that constitute the organizational reality on which the culture of support for corporate entrepreneurship is based, which are discussed in the following sections.

### **3.1. "Flat" power structure (hierarchical)**

In cultures with a "high power distance," conception and decision-making emerge from the reality for which they are intended. The emphasis of functioning is on the values of "equality," that is, one chooses democratic leadership, cooperative strategies and consensus efforts. In contrast, in cultures with a "tiny power distance," operational solutions are imposed without physical proximity between the means of their design and application. It is accepted that power is not equally distributed, decision-making is centralized in authoritarian leadership, and labor relations are guided by obedience to hierarchical superiors.

However, innovation depends heavily on the sharing of information and open debate between people without regard to hierarchies. Along the same lines, McDermott [20] emphasizes that it is essential to develop communities of organizational knowledge without formalizing them, that is, organizations have to create conditions conducive to personal interaction and communication as an operational mode. The culture of support for corporate entrepreneurship is built on policies and practices that maximize people's ability to (i) contact each other, (ii) communicate openly (without rivalry between departments), (iii) share ideas and information, (iv) learn from each other, and (v) establish mutual support and trust mechanisms.

Innovation requires a broad base of support in the organization, that is, it must be a cross-departmental process in order to involve its members in a common goal with which they identify. Otherwise, innovation efforts fail manifestly when they are bureaucratic. That is, the definition of the objectives and the preparation of the operations are only limited to top management with subsequent transmission (from top to bottom) for execution. In other words, innovation must be based on a multidisciplinary process based on the discussion,

amendment, and deliberation of sectoral measures based on feedback deployed to all the company's management levels.

Leaders (CEOs, top managers) can play a driving role in shaping an innovative atmosphere by walking steadily through the organization's aisles to hear and ask questions in order to stay informed, find the unexpected, and encourage employees to pursue your new ideas. Consequently, the decision-making structure must be decentralized, that is, decision-making capacity must be based on (informal, occasional) networks of contacts at the places where it is to take effect. These operational dynamics will mobilize individuals, allow direct access to resources, unlock problem solving, evidence emerging entrepreneurial behavior, and spark an imitation effect among others.

This means that authority (i.e., decision-making) must be shared across the organization, rather than in hierarchical positions, thereby aiming to foster a real sense of delegation of responsibilities to employees as an incentive for innovation culture. More specifically, the perception that people have the support of top management is central in establishing a climate of confidence conducive to innovation, given the possibility to take risks without fear of penalty for any failure of the experiments carried out. This helps to signal the confidence of individuals, accelerates their active participation in finding viable competitive solutions or alternatives in the market, and stimulates their interest in achieving results.

In short, the culture of support for corporate entrepreneurship lies in (i) small distance to power supported by horizontal hierarchies, (ii) decentralized power and values of equality in order to facilitate communication, and (iii) individual interaction in the various levels of organization. Despite this, the organizational hierarchy will be inevitable in large companies, although there is still a need for decision makers to be close to the field that is the subject of their resolutions.

### **3.2. Controlled uncertainty**

Innovation has an implicit uncertainty. The way in which uncertainty is addressed (i.e., its rejection or acceptance) has implications for the nature of the innovations undertaken—high risk versus low risk, radical versus incremental. Uncertainty can disrupt people by placing ambiguity and doubts in the future. Therefore, individuals who reject uncertainty in principle have anxiety of safety and prefer planned activities to reduce risk accordingly. On the contrary, in the accepting culture of uncertainty, the employees are more flexible, the rules are dispensable, and the decision-making is pragmatic and situational (i.e., emerges from the circumstances).

For Bingham [21], the survival of any organization depends on the culture that promotes risk investment in new technologies and products for unexplored applications or unfamiliar markets. Therefore, the process of developing new ideas is based on capturing and pursuing recent consumption trends in the global marketplace.

The willingness of individuals to accept risk and face uncertainty is a key aspect of the culture of supporting innovation. In addition, sponsorship of top management for research and development (R&D) projects and the commitment of intermediate management in order to reduce perceived risk are vital for the materialization of large-scale innovation.

Related to risk is failure. Not all new ideas lead to successful innovation, only a small part produces sustainable profits. Similarly, the identification of opportunities for innovation requires an iterative follow-up of the market, whose operation entails experimental failures.

However, in the culture of support for corporate entrepreneurship, failures are considered as lessons of learning and not as occurrences subject to punishment. Acceptance of failure is fundamental as a promoter of individual entrepreneurial behavior in the organization. Therefore, the culture of continuous learning places the emphasis on what is learned when the ideas tested have an unsatisfactory result. On this basis, the company's operational focus should focus on reducing rules, structured activities, and routines in order to establish greater informality, which is essential for R&D teams to act without waiting for superior hierarchical approval [22].

Basically, the culture of innovation support accepts the conflict (i.e., divergent thinking) and competition as the stimulus debate, as they are a means of sharing opposing views, in order to create various creative perspectives in the organization.

### **3.3. Individual initiative**

The culture of support for corporate entrepreneurship is based on practices that foster personal autonomy and responsibility in the concretization of ideas.

The individualism instilled in people encourages them to think, be creative, take initiatives, and reveal responsibility, which are critical characteristics for innovation. However, individual freedom can also encourage employees to focus on their personal ambition to the detriment of the organization. Consequently, such contextual conditions give rise to a highly competitive climate that causes individuals some reserve in the transmission of their ideas, rather than sharing them in the various work groups or departments of the company. Wagner and Moch [23] suggest that individualist culture (too much) may be inappropriate for organizations despite the role played by "champions" or entrepreneurs in the innovation process, either by discovering business opportunities or by determining operations for their implementation.

Innovation is thus an interconnected process that involves several sequential stages of generation, evaluation, development, and implementation of ideas. In fact, the exchange of information and the combination of ideas seems to be decisive for the success of innovation. This means that the culture of support for corporate entrepreneurship basically requires psychological awareness, group spirit, a sense of belonging, a commitment to contribute, and strong cohesion among all the participants in the work groups or in the organization. Therefore, it is necessary for employees to commit themselves to the challenges of the company that go beyond their own interests [24], because in the innovation processes, the tasks are mainly collaborative and organized around groups of individuals with diversified specialized knowledge.

In this alignment, it is important to emphasize that leaders should stimulate and capture individual talent in order to have employees identified with the organizational philosophy and mobilized to achieve collective goals.

### 3.4. Gender supremacy

Hofstede [16] refers to the distinction of gender roles in culture. In the “male culture,” the emphasis is on success and personal achievement, that is, people live to work, are goal-oriented, show ambition, and need to be distinguished. In contrast, in “feminine culture,” the quality of life, harmony, and good professional atmosphere are central, that is, people work to live and value relational interdependence and education.

Individual creativity and recognition of business opportunities are encouraged through a culture of support corporate entrepreneurship, which promotes a relaxed organizational climate, with good interpersonal relationships and open communication (i.e., without reservation) among participants in projects of idea development.

Since innovation stems from a cooperative effort among individuals, the level of conflict must be low. That is, personal tension and differences of prestige or power should be avoided, while the setting of objectives and the guidelines for their implementation must be clear to all protagonists.

In short, innovation consists of a process that begins with the identification of new business, goes through individual creativity (i.e., R&D and design) and subsequent implementation of ideas (i.e., transition to production), and ends with the placing of new products or services on the market aimed at consumer needs and preferences.

### 3.5. Long-term guidance

Long-term oriented cultures have a mentality for future, which is open to the new and persistent at work. In contrast, crops focused on the short-term are based on more stable environments allied to the tradition and the current experience.

Basically, innovation focuses on change and the future. Therefore, the culture of support corporate entrepreneurship values the longer-time horizons [25], especially for innovations that take longer to develop, to be absorbed in the market, and to produce profits.

The innovation starts with the glimpse of business opportunities on the part of the company before its competitors. Hence, all employees should be led to seek and test business alternatives, given the present reality. In other words, the company, in developing a culture of support for corporate entrepreneurship, instills in people a proactive spirit focused on the creation and use of market opportunities.

The capture of evolutionary trends in markets results from (i) minds receptive to new information and (ii) thinking outside the mainstream. To some extent, people must be willing either to accept many truths or to change to take advantage of technological and contextual changes in the market. It is important for individuals to be flexible and agile in adapting to current rapid change, such as their perseverance to endure frustration and overcome the technical and commercial obstacles that often confront a new idea [26].

As we have seen previously, the culture of support for corporate entrepreneurship consists of an individual spirit open to the new, to the unknown, to the long-term orientation that accepts change and maintains persistence in iterative and prolonged work processes.

### 3.6. Open organization

In an “open organization,” its members respond to changes in the external environment and establish relationships with the community and other organizations through operational modalities such as cooperation, networking, and interorganizational research.

In fact, companies need to overcome the natural tendency to focus on their internal environment and open themselves to the market (i.e., their external environment) [27]. It should be noted that the origin of innovation lies in the ability of individuals to discover new innovative businesses [28] that do not necessarily have to be found within the boundaries of the organization. To this end, managers must continually monitor and respond to changes in the environment (i.e., at the level of consumers, suppliers, business partners, and competitors) and ensure participation in the capital of innovative companies. Put another way, “market orientation” — understood as a sense of organizational action directed at the consumer through the value that is provided to it — is a key requirement of successful innovation. Therefore, market orientation is an antecedent component of innovation and, consequently, distinguishes the company’s ability to innovate, that is, to successfully introduce new products or services in the market.

Market monitoring translates direct contact with consumers, which favors research, targeted production, and marketing activities. In addition to considering the sources of innovative ideas, the organization should also consider how innovation is funded, created and led to the market. In this step, the consolidation of the organizational innovation process derives both from internal R&D budgets and from external financial sources such as venture capital, angel investors, business angels, and state entities that promote R&D.

In this way, innovation gains value outside organizational boundaries. This means that the external orientation followed by the companies is (i) agglutinative of new knowledge (e.g., technical contributions from suppliers and customers to be incorporated in the development of new products) and (ii) technological updating human resources, which are the “keys” of innovation.

In conclusion, the culture of support for corporate entrepreneurship lies in the coexistence of internal and external factors that stimulate innovation throughout the company’s value chain. Sharing the value chain of the organization with its suppliers, distributors, and customers configures an operational permeability of its boundaries called, in the terminology of Chesbrough, “open innovation” [27].

## 4. Conclusions

Utterback [29] states that the successful companies are usually efficient to respond to evolutionary changes in their markets.

The breakdown of technological, geographic, and political barriers has made competition at the local level in a global market. This new reality constantly questions the survival of companies by inducing the acquisition and creation of new organizational skills. In this context, it is important to develop a culture of innovation, which induces the flowering of innovation within the organization. That is, the formation of the culture of innovation is after the existence of innovation within the enterprise.

Innovation is continuous and consistent if the organizational culture encourages and supports it. Innovation results from knowledge of consumer needs, market trends, competitors' offerings, distributor relationships, technology changes, and, on the other hand, the combination of personal autonomy and responsibility. Innovation can be said to flourish in a culture conducive to free movement of information and to encourage individuals to participate in partnerships within and outside the organization (i.e., suppliers and distributors) to multiply innovative business ideas.

In order to become innovative, the company needs a cultural perspective in the internal (vision, mission, values) and external (community) aspects, in order to avoid competitive conditions that it does not control (economy, regulators, competitors, technology) but decisive for its success in the market. Thus, innovation activities are based on processes of interaction between individuals and the organization's surroundings across its national, professional, and cultural boundaries.

The limitations of this study are as follows. Firstly, the impact of corporate culture of innovation on internal entrepreneurship processes in several business activities such as product development, operational process, marketing, and so on is not discussed in detail.

Secondly, the development of a holistic model to gain a deep understanding of the innovation culture dissemination will not only help to comprehend the area but also contribute to companies to respond quickly to market needs. Thus, the scope of the future research can be started from the limitations mentioned above.

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