



## **CORPORATE CULTURE: A KEY TO STIMULATE INNOVATION**

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### **ABSTRACT**

The continual and increasingly accelerated changes in the market - boosted by structural processes such as globalization, the opening of markets and the growing customers' demand- constantly raises the competitive requirements that companies must face. Likewise, the uncertainties, risks and threats that this context poses urge firms to seek new strategies in order to survive and succeed. In this search, innovation emerges as a key tool, capable of boosting and maintaining levels of competitiveness. The main hypothesis of this work is that the development of an appropriate business culture is a valid alternative to stimulate innovative performance within companies. One of the fundamental conclusions of this study is that those companies which have not yet found a way to develop innovation have a disadvantage compared to others in the world. That is why it is necessary to develop entrepreneurial cultures that favor the creation and commercial exploitation of novel ideas capable of generating sustainable competitive advantages.



As a result, leaders must take the responsibility of setting new behaviors and managerial practices. The study is exploratory-descriptive, with a qualitative methodology. It was based on the bibliographical revision of specialists on the subject.

**Keywords:** Innovation; Creativity; Competitive advantage; Corporate culture; Leadership

## 1. INTRODUCTION

The present work finds its main motivations in the enormous challenges and opportunities that the innovation poses as a source of companies' competitive advantage, taking into account the following factors:

- The permanent link between innovation and business, from the practical application to the commercial exploitation of ideas.
- The importance of corporate culture as a determinant of innovation within companies.
- The creative capacity that -to a greater or lesser extent- is present in every person, as well as the managers' interest in exploiting it.
- The growing customer's demand for new goods and services.
- The permanent search for corporate efficiency.

The scope of this research included the study of corporate innovation's importance and the corporate culture as its determinant.

According to Solleiro and Castañón (2002), the worldwide productive and socioeconomic transformations -that occur as a result of the competitive intensification- have generated the need for new methodological approaches to understand and boost competitiveness.

They point out that the traditional model -based on comparative advantages, in which countries and their economic units allocate their resources to the production of those goods and services in which they have some kind of advantage- has lost support, giving way to one based on competitive advantages, dynamically created through business strategies and actions, public policies and inter-institutional relationships that seek to optimize value creation.

In this way and in order to gain consumers' trust, the context forces companies to differentiate from their competitors by offering products and services that provide novel and imaginative answers to their demands. Within this environment, Damanpour and Gopalakrishnan (2001) affirm that innovation is positioned as the key to developing sustainable competitive advantages, thanks to the flexibility and adaptability to changes that it offers to companies.

As a result, numerous investigations have focused on the study and understanding of innovation, as well as on factors influencing the innovative capacity of enterprises. Scorsa and Valls (2003) suggest that the importance of innovation in maintaining and improving competitiveness has aroused such interest in the field of economy and business management that has allowed to access to an own space within the academic environment.

On the other hand and analyzing the factors influencing the corporate innovation capacity, different authors have generalized the idea that organizational culture is a key determinant, being able to favor or limit it (CAMERON; QUINN 1999; DAMANPOUR, 1991; NARANJO et al., 2012; NARANJO; CALDERÓN, 2015).

In this way, the present research seeks to contribute to the identification of cultural characteristics that favor corporate innovation, with the intention of listing a series of useful practices in order to develop business culture that generate competitive advantages through innovation.

The following questions have allowed deepening in the subject of the present study:

What factors influence business innovation?

How does business culture affect the innovation development?

How is it possible to develop a business culture favorable to innovation?

What role do leaders play in culture development?

The final objective of this work is to deepen in the understanding of business culture as a determinant of innovation.

The hypothesis suggests that the development of an innovative business culture is the best alternative to stimulate the innovation development.

The study is exploratory-descriptive, with qualitative methodology. In addition, it is holistic because it contemplates a wide configuration in which the studied object is located.

As a bibliographical research, data collection has involved the study and analysis of information obtained through relevant secondary sources, mainly international authors and publications. Through the information analysis, it has been tried to deepen in the knowledge of the cultural characteristics that favor the corporate innovative performance.

This research ranged from June 2016 to August 2017 in Buenos Aires, Argentina.

## **2. INNOVATION, CREATIVITY AND CORPORATE CULTURE**

Understanding the innovation capacity to generate competitive advantages can point out the relevance of the subject under study. Though, in this section it is intended to present a series of concepts that will help to deepen on the meaning of innovation, its different versions and its relationship with corporate culture.

### **2.1. Innovation meaning**

In its Green Book on Innovation, the European Commission (1995) refers to innovation as the production, assimilation and exploitation of a novelty in an economically and socially successful way which -at the same time- gives unpublished solutions to problems and answer to the needs of people and society.

From a closer perspective to the business environment, the Oslo Manual (2005) considers that innovation is referred to a product improvement (good or service), or to processes, workplace organization or methods within a company, and/or the external relations. In this way, it distinguishes the following four types of innovation:

- *Product innovation*: It covers the introduction of a new or significantly improved good or service in terms of its characteristics or possibilities of use.
- *Process innovation*: refers to the introduction of a new or better method of production or distribution. It includes improvements in techniques, equipment or software, and aims to reduce costs, improve quality or produce/distribute products.

- *Commercial innovation*: It includes the application of a novel marketing method, considerably improving the design or presentation of a product, its positioning, promotion or price to better satisfy customers' needs, in order to achieve new markets' opening or reposition a product in the market.
- *Organizational innovation*: Refers to the incorporation of a new method applied to business practices, the provision of work or the development of external relations to reduce administrative or supply costs, improve job satisfaction and productivity, or access to non-tradable assets, such as non-codified external knowledge.

## **2.2. The importance of innovation**

Porter (1989) suggests that successful companies need to achieve a certain level of competitiveness, developing some kind of advantage over their competitors.

According to Laudon and Laudon (2000), this advantage is valued by consumers when -purchasing a good or requesting a service- they obtain better quality, lower costs, can easily access it or find some other superior attribute which they had obtained from a good or service offered by another company. VALDÉS (2004) adds that innovation allows differentiating a company, modifying customer perception to its benefit.

In addition, Cornejo (2009) remarks that the constant changes that occur in the global market -where the life cycle of products and technologies becomes increasingly short- also generate the need to quickly innovate to be able to adapt to them and subsist.

Thus, as suggested by Goleman et al. (2009), current competition has favored consumers in their power relationship with companies, forcing them to be attentive to their preferences. Thus, they say, their competitive advantage depends on their ability to provide an imaginative response at the points where they meet their customers.

In this sense, according to Damanpour and Gopalakrshnan (2001), innovation emerges as the key to developing sustainable competitive advantages, giving companies flexibility and adaptability to change, and allowing them to better exploit the opportunities offered by the market.

### **2.3. Innovation and creativity**

As Gisbert (2005) points out, at least in the business world, creative and innovative processes are often confused in a single process of difficult disassociation. However, the author warns that while creativity refers to the production of a new idea, innovation implies its practical application and commercial exploitation.

However, in addition to referring to the difference between the two, what is important -according to Kotler and Trías De Bes (2011) - connects with understanding their link. In that sense, they insist that often managers believe that their problem is connected with the lack of employees with creative capacity, and what they really need are people who have the skills to manage innovation, with capacities and talents more in relation to the business management, able to realize and launch the people's ideas to the market. For this reason, they affirm that innovation requires creative people, and a clear set of objectives, strategies, resources, risk and responsibilities.

They also indicate that innovating does not necessarily imply the creation of a dazzling new product or service, and that gradual innovation is necessary or more necessary than the radical one, since it is the one that allows contributing to a business culture capable of producing and putting on the market a continuous innovations' stream.

### **2.4. Innovation determinants: the culture importance**

Corporate culture is a key determinant of innovation. In this sense, Morcillo (2008) states that:

- The first studies on innovation considered that the companies with greater resources were those who had better innovating possibilities. For this reason, both, public policies and most of the business strategies tried to correct the deficits in innovation through subsidies and increases in R&D budgets.
- A second line of opinion emerges that highlights the capacity of culture as a variable capable of creating the climate and appropriate spaces for adopting new ideas and technologies, and for conceiving and developing innovations.

- As a result, understands that -although companies have the possibility of learning to innovate by investing important resources in R&D and incorporating advances developed by other companies- it will be difficult to achieve -in this way- the performance of those ones that are innovative in nature and have a culture designed to promote creativity on an individual, group or organizational level.

In the same sense, Yoguel and Boscherini (2001) affirm that companies, and especially SMEs, depend -to a great extent- on their corporate culture in order to generate innovations based on the skills and knowledge of their staff. Additionally, Naranjo et al. (2012) warn that business culture, as well as may favor the development of innovation, is also capable of hindering it, depending on the values and behaviors that are predominant.

Thus, considering the uncertain nature of the innovative process - difficult to plan, organize and guide through formal rules and procedures, Jaskyte and Kisieliene (2006) consider that the best way to foster it is by forging an innovative organizational culture.

In the same sense, Rao and Weintraub (2012) understand that, in general, companies have focused on resources, processes and measurement of success, neglecting other important determinants of innovative capacity such as values, behaviors and work climate. While they consider these factors to be more intangible and difficult to manage, they argue that they also have great power to build an innovation culture capable of delivering sustained competitive advantage, as many research and experience have shown.

The following table highlights the main concepts of this section:

**Table 1: Innovation and its determinants**

<ul style="list-style-type: none"> <li>• Innovation is the introduction of a new or significantly improved product (good or service), a process and/or, and a new marketing/organizational method, in the internal company practices, the organization of the work place or external relations. EUROSTAT / OECD (2005).</li> <li>• Tangible resources are necessary for innovation development, although they do not constitute a competitive advantage by themselves.</li> <li>• The innovative people potential represents a source of competitive advantages and it is difficult to imitate.</li> <li>• Innovation exploitation depends on the organizational culture and other important determinants like values, behaviors and work climate.</li> </ul>
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### **3. THE INNOVATIVE BUSINESS CULTURE**

Having raised the concept and importance of innovation, and culture as one of its fundamental determinants, this section aims to describe the elements that characterize an innovative business culture.

#### **3.1. Corporate culture**

Chiavenato (2009) understands that the organizational culture comes from norms, attitudes, values and expectations and is connected to habits and beliefs shared by all members of the organization.

Also, Cameron and Quinn (1999) relates culture with values, basic assumptions, expectations, collective memories and definitions present in an organization, reflecting a dominant ideology among the people who integrate the organization, while giving them a sense of identity, providing them with guidelines and improving the stability of the social system. As a consequence, Hofstede and Bond (1988) argue that the organizational culture carries out two basic functions: to provide identity and to influence the behavior of company members.

#### **3.2. Innovative business culture characteristics**

Morcillo (2008) remarks that the conceptualization of an innovative corporate culture began to take shape in the 1980s, based on the contributions of authors such as Quinn and Mcgrath (1985), Kanter (1983) and (1986), who studied the innovation obstacles in management models and ways of boosting creativity. At the same time, he states that authors such as (1997) and (1998) began to emphasize the value of culture and work environment as stimulants of communication and internal information flows, and with the environment, fundamental for an adequate creative performance.

Gisbert (2005), based on the analysis of ideas and studies by different authors and companies (ADAIR, 1992; AMABILE, 1998; ANDREWS, 1996; EKVALL, 1991; EKVALL 1996; EKVALL; RYHAMMAR, 1998; RYHAMMAR 1999; KANTER, 1983; KONDO 1997; MATTHES 1993; RATH; STRONG, 1994), lists a number of environmental factors that are present in organizations that permanently stimulate creativity, fostering personal initiative and an entrepreneurial and innovative spirit. In this way, the author points out that in this type of companies:



- Objectives, operations and tasks are assumed as challenges.
- People feel free to take initiatives, seek information and interact with others without the need to adhere to strict formal communication standards.
- Employees have freedom to perform within areas that arouse their interest, which in turn allows the company to fully exploit their talents and abilities.
- There is an important recognition and appreciation for personal development effort and realization of new projects, supported by a reward system that stimulates the search of challenges and risks.
- People listen, are encouraged to take initiatives and often find support for their new ideas.
- There is a high level of confidence which facilitates the exposure of ideas and opinions, and reduces the fear of reprisals in front of failure.
- Uncertainty is tolerated and staff is prepared to take risks and seize the opportunities that emerge.
- There is a communication system that facilitates information flow and encourages people to help each other in the resolution of specific problems.
- Power centers are often created with some budgetary flexibility to support new proposals.
- In addition to material support, the time allocated to creative activity is very important.
- There is a relaxed and humorous atmosphere that increases the level of satisfaction of people with their work and facilitates the flow of creativity.

On the other hand, (2010), cited in and (2015), also enumerates a series of characteristics that different authors consider habitual in companies with an innovative organizational culture, as follows:

Table 2: Characteristics of cultures that favor innovation

Características	Autores
<b>Creativity, autonomy, entrepreneurship.</b>	Wallach (1983), Shrivastava y Souder (1987), Claver et al. (1998), Schneider et al. (1994), (Canalejo, 1995), Martins y Terblanche (2003), McLean (2005), Jamrog et al. (2006)
<b>Freedom, autonomy</b>	Shrivastava y Souder (1987), Ahmed (1998), Arad et al. (1997), Martins y Terblanche (2003), McLean (2005), Jamrog et al. (2006)
<b>Risk taking</b>	Wallach (1983), Claver et al. (1998), Martins y Terblanche (2003), McLean (2005), Jamrog et al. (2006)
<b>Team building</b>	Canalejo (1995), Arad et al. (1997), Martins y Terblanche (2003), McLean (2005), Jamrog et al. (2006)
<b>Resources sufficiency</b>	Ahmed (1998), McLean (2005), Jamrog et al. (2006)
<b>Strategic customer focus</b>	Canalejo (1995), Martins y Terblanche (2003), McLean (2005), Jamrog et al. (2006)
<b>Decision taking</b>	Martins y Terblanche (2003), McLean (2005)
<b>Workers participation</b>	Claver et al. (1998), McLean (2005)
<b>Continuous learning</b>	Canalejo (Canalejo, 1995) Martins y Terblanche (2003)
<b>Flexibility</b>	Arad et al. (1997), Martins y Terblanche (2003)

Finally, (2011) understands that innovation culture is a way of thinking and doing, which is based in values and attitudes that help ideas to arise, and changes to happen in order to improve efficiency, breaking –if necessary- with the past and traditions.

### 3.3. The development of an innovative business culture

According to (2001), there is no complete agreement among the authors on whether it is possible to change -intentionally and in a relatively short period of time- the culture of a company. In this sense, he suggests that authors like (1993) understand that cultures are -generally- resistant to change and especially to those that do not emerge from the group.

However, it also recognizes that cultures change, sometimes by themselves and -in others- from deliberate interventions. As an example, he cites the case of leaders such as Martin Luther King and Mahatma Gandhi who have demonstrated how certain thoughtful efforts are capable of changing a culture. For this reason, he considers that - because such changes are possible in a whole society, it is logical to think that they can also be carried out in smaller areas, such as an organization.

In this way, he insists that a process of change must be carried out. It should imply the establishment of new goals and the promotion of a new set of beliefs and ideals among those who integrate the organization. Also, that the leader plays a fundamental role since it is the one who constantly transmits the cultural values of the organization through the daily performance of its functions.

Likewise, Robbins and Judge (2009) suggest that senior managers are those who, through their words and actions, establish norms -regarding, for example, the risks likely to be accepted, the level of freedom granted to subordinates, dress codes, actions that will be rewarded, among others- that are spread throughout the organization. In this sense, processes like personnel selection, performance evaluation, rewards, training and development preserve the culture and give the members a series of similar experiences.

On the other hand, Naranjo et al. (2012) consider that the main assets of many companies are the imagination and ideas of their people, and that those leaders who manage to understand it are able to transform such creative capacities into much higher competitive advantages.

For this reason, Domingo (2013) affirms that company top management plays a fundamental role in the development of its innovation capacity, allowing the initiatives' development and managing them according to objectives, metrics and a group of people who have a different profile from those used in businesses that are already mature, creating -at the same time- a culture that allows to execute successfully.

In the same direction, Vilá (2010) considers that, rather than a technical or design problem, the development of innovation is, primarily, a management challenge in which the application of specific and inclusive progressive management systems -at every level and making up the business structure- is a more effective way than the attempt to change people's thinking. In this way, SCHEIN (1985) indicates that the creation, conduction and, if necessary, the destruction of culture represent one of the most decisive functions that a leader must carry out.

### **3.4. Executives' practices in highly innovative companies**

Vilá (2010) highlights a series of effective practices that, in the exercise of their leadership, executives with great innovative capacity usually adopt. Although it warns that -in each company- its practical application is not direct and in order to develop an innovative culture he understands that learning serves to shed some light on how it is possible to make coherent and predictable the top executives actions. In more detail, he says that:

- These leaders are driven by the desire to pursue a challenge, an ideal or a dream that makes sense to those who should make it possible. Thus, the managers of these companies seek to generate an impact on the organization by establishing challenges that attract everybody's attention and that, in many cases, are a more effective driver for innovation than extrinsic motivators, such as remuneration. In this regard, he mentions leaders such as Steve Jobs, co-founder of Apple Inc. along with Stephen Wozniak, who –in the words of the latter- was always interested in doing things that changed the world. In addition, he raises the case of Akio Morita and Masaru Ibuka – founders of Sony- who established strong enough challenges for their product development engineers to launch products like Trinitron TV and the Walkman, among others.
- Executives have a clear will to explore new ways of acting, even in the absence of pressing problems, accepting unconventional thoughts and solutions. As an example, he mentions the case of James Dyson –founder of Dyson Ltd., a British technology company- who progressively moved away from day-to-day business management to devote his time to creating the perfect innovation environment, passing most of it among the staff, encouraging people to be creative and to explore the difficult path, and not the obvious.
- This predisposition to explore must be necessarily accompanied by the acceptance of a certain degree of uncertainty and –as a consequence- of tolerance towards well-intentioned errors. In addition, argues that highly innovative companies consider that relevant information, good ideas and initiatives do not necessarily come from within the company and that, in fact, openness to the outside may be even part of their formal procedures, encouraging –at the same time- an active observation capable of identifying business opportunities.
- Progress towards ambition and challenging purpose must be made from a flexible posture, having managers a considerable mental opening, and seeking proactively and humble different alternatives for development.

- When employees observe that top management wants to provide healthy feedback it is easier to appreciate it as something valuable. In this regard, he mentions the case of Pixar Animation, where the managers treat their collaborators as equals, the members receive -from the whole group- good and bad comments about their work, and are encouraged to participate and give their opinion on the work of others.
- Like any transformation of the established order, innovation requires confronting unforeseen events and in front of them manager's reaction is a way to show employees about their values and preferences, which has a huge influence on the culture of the company. In this way and in innovative companies, senior executives are persistent and show their support for an initiative, even in the face of dismal initial results.
- Innovation requires persistence, highlighting Ikea's motto: "Never Say Never", summing up a positive self-will, perseverance and determination to achieve goals without giving up. However, he warns that this persistence is not free of limits and principles, giving balance and making it viable.
- Managers of these types of companies not only have a great confidence in themselves, but also they express clear signs of confidence towards the entrepreneurial work of their employees.
- Managers usually are willing to leave their area of comfort to make innovation possible, even when the changes affect them on a personal level, affecting their own quality of life. As an example, when Sony decided to be present and know in person the particularities of the market of more advanced consumer electronics, Akio Morita moved -with his family- to live in New York, demonstrating his personal commitment with the objectives of the company.

### **3.5. 3M, an example of innovative culture**

According to 3M (2016) they are a global innovation company whose objective over time has been to improve life for millions of people around the world, achieving - among other things- an easier night management, safer buildings and lighter electronic devices, with less energy consumption and impact on the environment.

In addition and according to the consulting firm I+C (2016), although several very successful products from 3M have arisen from special situations, they have not been by chance. For example, one of its most successful products was born from an employee's idea; he had difficulty maintaining the pointers he placed in the chants of his church choir. Upon discovering glue that didn't function well and was about to be discarded by the company, he invented the post-it that firstly was utilized by the secretaries until –finally- it was released to the market.

Something similar happened with the masking tape, when an employee observed the difficulties that the workers of a workshop went through trying to paint the cars in half.

Additionally, the emery cloth (or sandpaper) arose a few years earlier when 3M exploded mineral deposits and a person tried to remove the metals' rust using stones attached to a paper.

I+C argues that these and other inventions, although they seem to have emerged by chance, actually have a much deeper foundation, which allows employees to bring their ideas to the company. In this sense, 3M constantly encourages research, considering it a key factor for business development. Among its policies are:

- *15% of the time:* Long before Google gave its engineers one day a week to develop their own ideas, 3M allowed its researchers to do the same for 15% of their time.
- *The annual Genesis Grant award:* The Company's scientists can benefit from a \$ 100,000 prize, in order to follow up projects for which the "conventional people" of the company would not bet anything.
- *Who has the idea can lead the project:* In 3M it is assumed that whoever has the idea is the one who will put more emphasis on its defense, looking for all the options for the invention to be successful. In that sense, it is not a matter of passing the idea to a Research Dept. and not being able to participate in its development; it is quite the opposite. And even if the idea was not successful, it implies a greater commitment from the people to continue generating them.

- *Pull branches and then prune:* Opening to ideas has been a classic for 3M. Although many of them get in the way as a result of this process, many innovative ideas will also have success.
- *The 25% billing rule:* In each 3M business unit, at least 25% of billing must come from products developed in the last 4 years. In this way, the company seeks to maintain a considerable rhythm of innovation, although it is possible that -in some of its business units- the current speed of innovation is even higher.

Finally, it is worth noting that -in 2012- 3M invoiced about 30 billion dollars worldwide, operating in more than 70 countries and providing employment to 87,000 employees and 8,200 researchers (3M, 2016).

The following Table summarizes fundamental concepts related to the innovative culture mentioned in this section:

**Table 3: The innovative culture**

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|---|
| <ul style="list-style-type: none"> <li>• <u>Innovative culture:</u> Is based in values, convictions and attitudes generating improvements/new ideas and changes to improve company performance, also breaking with traditions (Morcillo, 2007).</li> <li>• <u>Characteristics of an innovative culture:</u> Freedom, autonomy, support, trust, tolerance to uncertainty, resources availability, relaxed environment, creativity, risk taking, team building, participation and learning, among others.</li> <li>• <u>Management role and practices:</u> Are the most effective way to generate an innovative business culture.</li> <li>• <u>Good management practices in innovative companies:</u> Encourage employees to explore new ideas, establish challenges, persevere, trust employees, tolerate failure, and take risks and personal commitment, among others.</li> </ul> |
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## 4. CONCLUSIONS

### 4.1. Generalities

The business culture analysis has been taken as an element capable of fostering innovation and a key factor for companies that desire to develop advantages which allow them to cope with actual market competition.

The objective of this study -focused on deepening in the understanding of entrepreneurial culture as a determinant factor of company innovation, in order to propose a series of concepts that constitute an alternative to improve innovative performance - has been verified. In order to achieve this objective it was performed a study of innovation, business culture and the managerial role.



Likewise, the hypothesis of this study has been corroborated. It suggested that the development of an innovative business culture is the best alternative to stimulate the innovative potential of companies.

As a corollary of the work performed, the main findings are presented below, clarifying that they are not susceptible of being generalized, since a qualitative methodology has been performed. However, it is proposed that this study can be used as an input for decision making.

#### **4.2. Specific conclusions**

The constant changes that occur in markets, with global impacts, put consumers in a privileged position in their power relationship with companies, forcing them to remain attentive to their needs and preferences in order to obtain and maintain their trust .

In companies, this creates the need to develop competitive advantages by offering products and services of better quality, lower cost, better availability or with some other attribute superior to those offered by other companies.

In this context, innovation is shown as a tool capable of developing the qualities that allows standing out from competition and obtaining preference from consumers.

While finding a way to be more innovative may not be a simple task, achieving this objective would mean an advance with enormous implications in terms of productivity, performance and employment generation, which would contribute -at the same time- to the development of the economy and society, in general.

For such purposes, an alternative may consist in incorporating resources, technology and intangibles developed by other companies. However, if companies decide to opt for this path, they would hardly be able to stand out and achieve the results obtained by innovative companies, where a proper corporate culture supports their innovative performance.

In this sense, managers should understand that -while an adequate supply of tangible resources is necessary- the uncertain nature that characterizes innovation makes to forge an innovative culture the best way to develop it. In this context, values, behaviors that promote ideas and changes that break with tradition and allow

a better utilization of the expertise and knowledge of those who integrate the company are key elements that should be taken into consideration.

However, attempting to directly modify people's values and beliefs is an extremely complex task, so leaders should focus on promoting -through their own behavior and the way they carry out their functions- a set of beliefs and ideals that enhance the innovative activity. Specifically, managers could:

- Promote values of openness to change, flexibility and orientation towards the environment.
- Promote a conception of problems as challenges to overcome.
- Mitigate critical reactions to new ideas.
- Cede to its creators a certain percentage of the profits or savings that the implementation of an innovative idea has generated during certain time.
- Challenge employees to constantly improve product and processes.
- Promote the exchange of knowledge, including that obtained from mistakes and failures.
- Internally disseminate the positive contributions of employees.
- Tolerate failure when it arises and take it as a search for new opportunities and experimentation.
- Foster a mistake conception as learning opportunities.
- Encourage employee training.
- Organize and systematize internal training workshops that allow taking advantage of the knowledge and skills of those who have more seniority and experience, while recognizing and valuing them.
- Give awards to the most outstanding ideas and projects.

As a summary, innovation represents an important tool capable of generating sustainable competitive advantage, allowing customer value creation through products, services and technologies. In this sense, business culture is capable of creating the necessary conditions to exploit the creativity of people and translate it into innovations.

For this reason, if the objective were to subsist and prosper, the development of an innovative organizational culture should be a priority objective for companies, and especially for those who lead them.

There is no point in trying to improve in time firms' performance if it is not supported by creative ideas which are transformed into innovative products/services/technologies that dazzle in the markets where they act. Innovation becomes a vital objective for companies and the organizational culture its vehicle.

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