

Dynamics of Managerial Innovation

Christophe Favoreu, David Carassus

▶ **To cite this version:**

Christophe Favoreu, David Carassus. Dynamics of Managerial Innovation. Farazmand, Ali. Global Encyclopedia of Public Administration, Public Policy, and Governance, Springer; Springer International Publishing, pp.1-5, 2019, 978-3-319-20927-2 978-3-319-20929-6 978-3-319-20928-9. 10.1007/978-3-319-31816-5_3689-1 . hal-02188124

HAL Id: hal-02188124

https://univ-pau.hal.science/hal-02188124

Submitted on 29 Oct 2019

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Metadata of the chapter that will be visualized online

Chapter Title	Dynamics of Managerial Innovation	
Copyright Year	2019	
Copyright Holder	Springer Nature Switzerland AG	
Corresponding Author	Family Name	**Favoreu**
	Particle	
	Given Name	**Christophe**
	Suffix	
	Organization/University	Université de Toulouse – Toulouse Business School
	City	Toulouse
	Country	France
	Email	c.favoreu@tbs-education.fr
Author	Family Name	**Carassus**
	Particle	
	Given Name	**David**
	Suffix	
	Organization/University	Université de Pau et des Pays de l'Adour, IAE Pau-Bayonne, CREG
	City	Pau
	Country	France
	Email	david.carassus@univ-pau.fr

AU1

D

Dynamics of Managerial Innovation

Christophe Favoreu[1] and David Carassus[2]
[1]Université de Toulouse – Toulouse Business School, Toulouse, France
[2]Université de Pau et des Pays de l'Adour, IAE Pau-Bayonne, CREG, Pau, France

Synonyms

Change; Improvement; Management innovation; Organizational change; Organizational innovation

Definition

Managerial innovation may be defined as the adoption of management, organizational and operational methods, and modes that are new to an organization and that aim to improve organizational performance.

Introduction

In the context of today's increasingly complex and constrained financial and budgetary environment, innovation is the primary means for improving the effectiveness and efficiency of public policies and, more generally, of the quality of public services. Following Rogers (2003), Lancer Julnes (2008), and Damanpour and Schneider (2008), innovation can be defined as the generation and adoption by an organization of new ideas and behaviors. Among the different types of innovation, public organizations in their vast majority resort to organizational and managerial innovations bearing on management techniques and modes of internal functioning and organization. If academic research today considers managerial innovation as a specific form of innovation with its own identity, the number of studies devoted to it are few compared to the volume of research on other types of innovation. Managerial innovation is addressed through its different forms and characteristics as well as its determinants.

Definition and Characteristics of Managerial Innovation

Managerial innovation may be defined as the adoption of management, organizational and operational methods, and modes that are new to an organization and that aim to improve organizational performance. According to the interpretive approach, standards of newness are not absolute (they are not measured against identical referential frameworks) but instead are relative to a particular organization and its usual practices.

This text is a synthesis of an article published in Public Organization Review by the authors.

© Springer Nature Switzerland AG 2019
A. Farazmand (ed.), *Global Encyclopedia of Public Administration, Public Policy, and Governance*, https://doi.org/10.1007/978-3-319-31816-5_3689-1

Uncorrected Proof

Dynamics of Managerial Innovation, Table 1 Typology of managerial innovations according to their nature and impact

		Nature of the managerial innovation	
		Oriented toward structure/mode of organization	Oriented toward process and managerial tools
Extent of change	Includes all parts of the organization	**Comprehensive structural innovation**	**Comprehensive process innovation**
	Limited to specific parts of the organization	**Local structural innovation**	**Local process innovation**

Managerial innovation covers a wide range of objects that can nevertheless be grouped into two generic categories: innovations to do with organization and structure, and innovations to do with managerial techniques and processes. Managerial innovations can also be differentiated according to their intensity, defined as the impact of the innovation on the organization, on its dominant organizational paradigms, and its competencies. According to their intensity, they lead in varying degrees to a transformation of the organization, of its resource management, and internal activities. By this criterion, one can distinguish comprehensive managerial innovations, which have a strong organizational impact, from incremental ones, which have relatively limited organizational impact. These two descriptive dimensions allow to distinguish the four forms of managerial innovation (See Table 1).

Managerial innovation as a practice and as an object of research faces a paradoxical situation in the public sector. Indeed, even though it represents an increasing share of public innovation, and despite its positive influence on organizational performance, it has long been considered secondary and remains relatively neglected by academic research). The great majority of research studies have concerned technological innovation related to processes or products, and most models, theories, and hypotheses have been developed on the basis of empirical studies focused on this one type of innovation. In both the public and private sectors, managerial innovations have usually been studied through the lens of technological innovation. However, to assume that theories and models derived from the study of technological innovation can be transposed to managerial innovation is problematic, all the more so in that numerous research studies have pointed out major differences between these two forms of innovation. Indeed, the tacit knowledge characteristic of managerial innovations, their lower transferability due to their identification with individuals, their systemic character (the ramifications of their influence on other organizational elements), and their impact on the organization's social system are all factors that make their diffusion and implementation much more complex than is the case for technological innovations. This is a key distinguishing characteristic of managerial innovations. Indeed, in contrast to technological innovations, where transformations mainly concern the technical system of the organization, managerial innovations go hand-in-hand with changes in internal operating methods and social interactions. By modifying hierarchical relations and decision-making procedures, they inevitably affect actors' zones of power and influence as well as internal balances and social arrangements. Moreover, by throwing into question not only the practices but also the values and representations associated with organizational routines, managerial innovations are liable to upset an organization's system of social norms and rules. This risk of conflict with the internal social system is all the greater in the public sector in that most managerial innovations are derived from the private sector or the principles of New Public Management; as such, they upset the public sector's traditional bureaucratic and hierarchical mode of management and the organizational behaviors and routines (stability, rules-based conformity, etc.) associated with it. Managerial innovations with a mainly private

Uncorrected Proof

focus induce a transformation of the administrative organization's behaviors and values and of its modes of internal interaction (Bouckaert and Halligan 2008).

Determinants of Managerial Innovation

Studying the determinants of managerial innovation implies analyzing the factors that influence it during the different phases of its development. Indeed, innovation is generally conceptualized as a multiphase process composed of four main stages: awareness, adoption, implementation, and institutionalization/routinization (Damanpour and Schneider 2006). Innovation can also be understood as a multidimensional phenomenon whose dynamics are influenced by a diversity of factors both internal and external to the organization. Research on antecedents to innovation generally considers three groups of factors: environmental and contextual; organizational; and intrinsic innovation characteristics). In the public sector, most studies have focused on the organizational or environmental determinants. Some studies, for example, have highlighted the positive influence on local governments' innovation decisions of environmental factors such as economic growth, population growth, the tax base, and the size of the community in which the organization is located. These studies draw on contingency theory, which considers innovation to be an adaptation of an organization's structures to changes in the environment. Innovation is thus seen as a response to change in terms of opportunities and constraints on development. Within the category of environmental factors, numerous studies, drawing on new institutional theory have focused on characterizing the influence of institutional pressures and the political context on innovation choices. Mimetic behavior and the quest for legitimacy are said to largely explain the dynamics of innovation in the public sector. A second group of studies focuses on the influence of a variety of organizational characteristics, including size, the nature of the structure (organic or mechanistic), communication, resources, intraorganizational relations, and integration. In this category of determinants, the role and characteristics of managers and political and administrative leaders has been studied in considerable depth, bringing to light the particular influence of each type of actor on the dynamics of innovation in public organizations. A third group of studies, growing in number as researchers become more active in this area, has focused on analyzing the influence of the perceived characteristics of innovation on its process of adoption and diffusion in the public sector. For example, some researches have highlighted the influence on the dynamics of innovation of factors such as the cost of innovation, its complexity, and its impact or relative advantage. The most recent research on the dynamics and processes of innovation address the theme of collaborative innovation and the role of actors and inter- and intraorganizational networks, as well as that of the link between public innovation and governance. Dubouloz and Mattelin Pierrard (2017) confirm the importance of internal factors in the dynamic of innovation and more specifically, the influence of the characteristics and attributes of managerial innovations. Even though these studies, then, individually or collectively, have addressed the main determinants of public innovation, they all suffer from a common weakness, namely, that each type of innovation is studied in isolation and any potential relation between one type and another is ignored (Damanpour and Aravind 2012). Thus, despite their theoretical and empirical contributions to the study of the determinants of public managerial innovation, they pay no attention to the mechanisms whereby innovations may influence each other (Damanpour 2014). Recent research, however, has brought to light the existence of potential relationships and interdependencies between different innovations in the same organization (whether these innovations are the same or different in type) (Battisti and Stoneman 2010). Nevertheless, empirical data and studies on the complementarity of innovations remain rare (Damanpour 2014). This integrative approach or evolutionary perspective (Torugsa and Arundel 2015) is advocated by, among others, Roberts and Amit (2003) and Damanpour (2014). It argues that innovations are neither mutually exclusive

Uncorrected Proof

nor neutral relative to each other but, on the contrary, are linked by relations of mutual influence and therefore interdependent. The adoption of one type of innovation can facilitate or influence the adoption of other types of innovations (Torugsa and Arundel 2015). Even though these studies do not specifically address public managerial innovations, they nevertheless enable us to postulate two types of links between innovations.

Dynamics of Managerial Innovation

A principle of reciprocal evolution or joint optimization between the social system (influenced by managerial innovation) and the technical system (determined by product innovation) can be put forward; with the evolution of one triggering a transformation of the other. Indeed, to be both efficient and effective, the development of new products and processes requires organizational change. The literature, on this point, is unanimous: managerial innovations are triggered by the technological innovations that precede them. Indeed, the former can be said to be at the service of the latter, facilitating their enactment and helping to realize their full potential (Damanpour 2014). This dependent relationship (considered by Damanpour to be reciprocal between technological innovations and managerial ones), which suggests a time dimension between the different types of innovation, has given rise to two main categories of temporal model: on one hand, the sequential model (Damanpour et al. 2009) and, on the other hand, the co-evolution model (Roberts and Amit 2003) also known as the synchronous innovation model. If the first model supposes a sequential character and causal relations between the different innovations, it does not put forward any hierarchy or order of subordination between them. Thus, according to Damanpour (2014), technological innovations could as readily be determinants as consequences of organizational innovations. The analysis of innovations at 85 public libraries (from which the sequential model is derived) has shown that changes in the social structure of the organization, changes that resulted from managerial innovations, can subsequently lead to technical and technological innovations. The second category of model (the co-evolution or synchronous innovation model) is, for its part, an expression of the quasi-simultaneous adoption of different types of innovation that are complementary. This complementarity concerns the implementation of innovations as much as it does their performance outcomes. This second type of model is derived from the analysis of technological innovations of the product type in the manufacturing sector. However, some studies show a combined use of technological and administrative innovations. The hypothesis of an indirect link between innovations is based on the notion of innovation capability and, more generally, on the concepts of organizational and dynamic capabilities. From this perspective, innovation promotes, over time, the development of greater innovation capability, defined as the aptitude to develop new ideas, products, and processes (Luo et al. 2005). It contributes to the establishment of new representations and behaviors (creativity, for example, or risk-taking) as well as interactions and learning that promote still greater innovation. Studies show that certain categories of public innovation, based on managerial autonomy, accountability, and results-based evaluation, foster the development of an innovation culture, a culture that in its turn goes on to promote better performance and new innovations. By producing new organizational knowledge and by modifying internal behaviors and representations, innovation positively influences the organization's innovation capability.

Conclusion

Further research should focus on the characterization and analysis of the innovation learning process, identifying its individual and collective components. Organizational determinants such as the structuring of organizational memory (accumulation of innovative experiences), the weight of internal communication, human factors such as leadership style, and environmental factors such as institutional and mimetic isomorphism in reference to New Institutionalism can

Uncorrected Proof

enrich the nature of the determinants. Managerial innovation represents both a promising research domain and a vector for improving and modernizing public action.

Cross-References

- ▶ Innovation and the Public Workplace
- ▶ Innovation and Tradition in Public Administrative Reform
- ▶ Innovations in Administrative Reforms
- ▶ Leaders and Innovations in Public Organizations
- ▶ Organizational Innovation

References

Battisti G, Stoneman P (2010) How innovative are UK firms? Evidence from the fourth UK Community innovation survey on synergies between technological and organizational innovations. Br J Manag 21(1): 187–206

Bouckaert G, Halligan H (2008) Managing performance-international comparisons. Routledge, London

Damanpour F (2014) Footnotes to research on management innovation. Organ Stud 35(9):1265–1285

Damanpour F, Aravind D (2012) Managerial innovation: conceptions, processes, and antecedents. Manag Organ Rev 8(2):423–454

Damanpour F, Schneider M (2006) Phases of the adoption of innovation in organizations: effects of environment, organization and top managers. Br J Manag 17: 215–236

Damanpour F, Schneider M (2008) Characteristics of innovation and innovation adoption in public organizations: assessing the role of managers. J Public Adm Res Theory 19(3):495–522

Damanpour F, Walker RM, Avellaneda CN (2009) Combinative effects of innovation types and organizational performance: a longitudinal study of service organizations. J Manag Stud 46(4):650–675

Dubouloz S, Mattelin Pierrard C (2017) Mieux comprendre le phénomène d'adoption d'une innovation managériale grâce aux caractéristiques et représentation sociale des dirigeants. Le cas de l'entreprise libérée Conférence AIMS 2017 – Lyon du 7 au 9 juin

Lancer De Julnes P (2008) Performance-based management systems- effective implementation and maintenance. Public administration and public policy. CRC Press, Boca Raton

Luo L, Kannan PK, Besharati B, Azarm S (2005) Design of robust new products under variability: marketing meets design. J Prod Innov Manag 22(2):177–192

Roberts PW, Amit R (2003) The dynamics of innovative activity and competitive advantage: the case of Australian retail banking, 1981 to 1995. Organ Sci 14(2):107–122

Rogers EM (2003) Diffusion of innovations, 5th edn. Free Press, New York

Torugsa N, Arundel A (2015) The nature and incidence of workgroup innovation in the Australian public sector: evidence from the 2011 state of the service survey. Aust J Public Adm 75(2):202–221

Uncorrected Proof

Author Queries

Global Encyclopedia of Public Administration, Public Policy, and Governance
Chapter No.: 3689-1

Query Refs.	Details Required	Author's response
AU1	Please be aware that your name and affiliation and if applicable those of you co-author(s) will be published as presented in this proof. If you want to make any changes, please correct the details now. Note that corrections after publication will no longer be possible.	
AU2	Please provide opening parenthesis in the sentence starting “Indeed, even though...”.	
AU3	Please provide opening parenthesis in the sentence starting “Research on...”.	

Note:
If you are using material from other works please make sure that you have obtained the necessary permission from the copyright holders and that references to the original publications are included.

Uncorrected Proof