ISCTE Business School
Instituto Universitário de Lisboa

SUCCESSFUL ORGANIZATIONS

From the theoretical research to the business point of view

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I am aware of my weaknesses and that is my strength

Mahatma Gandhi

ABSTRACT

Globalization is no longer a *cliché*. In the economic, political and social spheres the world is changing fast enough to bring up new paradigms and new competition in business structures. To strive and succeed, organizations need to face change as a source of new opportunities and innovation seems to be the response. For this dissertation, either bibliographic or empirical findings have confirmed that whether choosing for innovation, companies should look inside and analyse if their environments are supportive to idea generation. The paradigm shifts from the traditional stability the generation of a DNA of change. Technological, procedural or organizational, innovation must be the approach to think out of the box, based on people's potential. Around simple concepts, the *status quo* is questioned and companies create their visions based on high standards of excellence, achievable through the introduction of novelty in their genetic code. Both managers and lower-line employees must give their best to explore as much benefits as possible from their innovative initiatives. A culture of innovation and creative efforts must be the basis of all decisions and behaviours fostered by companies. Learning organizations appear in this context as the engines to which motivation and creativity are the inputs to develop the right climate, structure and support to produce what clients might desire. As Janszen says in his 2000 book, "we now live in the age of innovation" and it has to be part of the process of reaching success.

Keywords: Change; adaptation; human potential; innovation; success.

JEL Classification: M, L, O.

RESUMO

A globalização deixou há muito de ser um *cliché*. Nas esferas económica, política e social o mundo está a mudar a um ritmo capaz de trazer novos paradigmas e nova competição às estruturas empresariais. Para rivalizar e vencer, as empresas precisam de encarar a mudança como uma fonte de novas oportunidades e a inovação parece ser a resposta. No âmbito desta dissertação, tanto as conclusões da pesquisa bibliográfica como do estudo empírico revelaram que, quando escolhendo o caminho da inovação, as empresas devem olhar internamente e avaliar se o seu ambiente é capaz de promover a geração de ideias. O paradigma altera-se da estabilidade tradicional ao ADN de mudança. Tanto tecnologicamente, processualmente, como organizacionalmente, a inovação deve ser a abordagem para que se pense *out of the box*, com base no potencial humano. Envolvendo conceitos simples, o *status quo* é questionado e as empresas desenvolvem as suas visões com base em altos padrões de excelência, possível de alcançar através da introdução de novidade no seu código genético. Tanto gestores de topo como colaboradores de baixa hierarquia devem dar o seu melhor na exploração de benefícios obtidos das suas iniciativas inovadoras. A cultura de inovação e o esforço criativo devem suportar todas as decisões e comportamentos promovidos pelas empresas. O conceito de *Learning Organization* aparece neste contexto como o motor para o qual motivação e criatividade são os *inputs* para desenvolver o ambiente, a estrutura e o suporte correcto para produzir o que os clientes poderão desejar. Como Janszen diz no seu livro de 2000, "vivemos na Era da inovação" e ela tem que fazer parte do processo para atingir o sucesso.

Conceitos-chave: Mudança; adaptação; potencial humano; inovação; sucesso.

JEL Classification: M, L, O.

Dedicated to

those who recognize that success is where one believes it is.

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1. INTRODUCTION

1.1. CONTEXTUALIZATION

Globalization is no longer a *cliché*. In the economic, political and social spheres the world is changing fast enough to bring up new paradigms and new competition in business structures.

It is possible to look back and understand that change is a constant that comes along with evolution. Thereby, in spite of being an old concept, change is given today different characteristics. As a faster and more complex phenomenon, it requires more organizational capabilities and competencies, where new values, priorities and rationales affecting business practices demand new approaches to management (Christensen, *et al.*, 2004).

As such, nowadays, companies are required to be more prepared to face external pressures in a world that is increasingly pulling down barriers. A global organization is though the one that is able to develop an architecture that supports and implements global ambition, global positioning and global business system (Lasserre, 2007).

As in the theory of the evolutionary development of species, by which the best species are those which best adapt rather than the strongest, organizations need to understand what change actually means. It is an ultimatum to their survival in the current agile business sphere (Moore, 2006).

In the knowledge era, where information is determinant to understand the present and foresee future trends, differentiation relies on the way organizations gather and treat the information available in the market. Along with the world evolution, where new and unexpected situations are defiant, individuals are charged of contributing with their intelligence, knowledge and creativity. Therefore, when organizations intend to maximize the benefits of their creative people, managers and employees must work together in developing a culture where novelty is welcomed and boosted (Phillips, 1993).

1.2. BACKGROUND AND MOTIVATIONS

Regardless the conscience translated in the previous subsection, in his book *The World is Flat*, Thomas Friedman argues that most organizations have not changed in accordance to the world evolution neither their methodologies nor thinking. According to him, the past is important because it provides experience; nevertheless the future is more demanding and things will always have to change. In Hage (1999) it is revealed a 15 years study (from 1973 to 1987) based on a universe of 97 companies. This study reported that about 40% of these companies where shut during this period, indicating that many American companies and their business models were unable to adjust to global competition.

When considering that different industries and activities demand different structures, processes and management approaches (Burns and Stalker, 1961; Woodward, 1965; cited by Tidd *et al.*, 2003), organizations need to be aware of their own strengths in order to optimize their potential. The way to succeed is not contained in an elixir bottle; neither is in a solvable formula. A good starting point would be to look for the key differences in each organization, rather than focusing on what might be similar among the competition (Collins and Porras, 2005).

Common sense emphasises the word success across the most diverse fields. Respecting to business, it becomes increasingly frequent the release of new books whose titles strongly focus on success achievement. *Success* is definitely a subjective word, and so, most of these books explore different perspectives.

The main purpose of the present dissertation is to understand what managers seek to achieve when looking forward to be successful. As such, the answer to these questions is of utmost importance: *What is success for organizations and what are the main elements driving them to achieve it?* In the context of a Business Administration Master, it seems appropriate to go further on the concepts that researchers consider relevant to the success of organizations. To better support the research findings, a series of interviews with well-known business people took place, cumulating in the development of coherent and consistent conclusions.

1.3. ASPIRATIONS AND OBJECTIVES

Peter Drucker, commonly recognized as an icon of management thinking, has left a huge legacy in the management field from his first publication in 1939 until the last in 2006. Considering management as an art, rather than a science, his beliefs make an interception between the management and the social spheres. Based on the same perspective, this dissertation brings together two different approaches to the business field.

The main idea of this dissertation is to approach the business reality with a distinctive perspective. The intention was to accomplish the literature review with a case study. *In loco*, it would be possible to gather a wide horizon of opinions from managers, partners, leaders and employees of the same organizational reality, while taking the chance to analyse their environment and keep track of the organizational routines and activities.

Due to a set of constraints, the realization of the case study was not possible. Therefore the final proposal, resulting in the present work, was built upon the opinion of several people selected to represent their companies. The selection criteria for these organizations are further developed in *3.2*.

1.4. DISSERTATION STRUCTURE

This dissertation is organized in five ch apters. The first chapter, this introduction, begins with a thematic contextualization, followed by the motivation for the development of this investigation. Chapter 2 is dedicated to the literature review, which takes a critical role to the conceptual bordering for the target subject. Throughout this chapter, different topics within the business sphere were developed. Chapter 3 describes the use of two different methodologies to support the empirical approach to the main question, referring also the criteria to present results. Chapter 4 reflects the information gathered along the empirical research. Finally, a conclusion is presented on chapter 5, together with some final thoughts on the present topic.

2. LITERATURE REVIEW

Theories, as versions of reality, become preliminary and relative.
Flick (2002: 44)

2.1. EXTERNAL ENVIRONMENT

2.1.1. A CONSTANT CALLED CHANGE

In today's world, industries are shifting their competitive structures from multinational to global in a progressive but fast passed process (Lasserre, 2007). Indeed, most industries do look very different from the 70's to the 00's, mostly due to quality improvement, implementation of new methods, adaptation to new technologies, response to regulatory change, the need of new business models and reaction to the competitive environment (Luecke, 2003). "The reality is that industries never stand still. They continuously evolve. Operations improve, markets expand, and players come and go" (Kim and Mauborgne, 2005; p. 6).

This phenomenon called "globalization" can be defined as the "worldwide movement toward economic, financial, trade and communications integration. [It] implies the opening of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world[1]".

Actually, according to Lasserre (2007), this is a new concept. Before 1970's the most commonly used terms were "multinational" or "transnational". Globalization, as the convergence of several political, technological, social and competitive factors, has become a need to all companies which intend to grow further and prosper.

Therefore, once this global integration induces interdependence of both the organizational structure and the management processes by which diverse activities disseminate across the world (Lasserre, 2007), it will be critical that companies accept the necessity and inevitability of change (Luecke, 2003).

Indeed, either globalization is the "push" to invention and innovation, towards the creation of economic value (Smith, 2005), or it is the "pull" from innovation (Clausen,

[1] http://www.businessdictionary.com/definition/globalization.html, accessed on 12/10/2011.

2009). Regardless of which, and despite the unfeasibility to predict time, space and characteristics, change seems to be the only continuous phenomenon that business can expect (Luecke, 2003).

In fact, even though change has always existed in history, today it has different characteristics, requiring more profound capabilities to adapt, and transcending any barriers. Although, the underestimated capacity that humans have to create and re-create realities which makes companies even more able to overcome both hurdles and competitors' advantage.

In brief, understanding change and preparing for change gains relevance when companies need to adapt to new realities. To take advantage from times of transition, organizations shall face change as an opportunity rather than as a threat (Luecke, 2003; p. 2).

2.1.2. CHANGE: A NEED OR AN OPPORTUNITY?

Supported by their study on organizational structure, Lawrence and Lorsch (1967) believe that the degree of environmental change affects the need that organizations have to differentiate and to become more internally integrated. Naturally, "the better the fit between organization and contingency, the higher the organizational performance" (Tidd and Hull, 2003; p. 4).

The idea that "to survive and prosper an organization needs to address the challenges of the environment it faces" (Johnson *et al.*, 2005; p. 121) seems to be increasingly accepted. Inexorably, both organizational flexibility and the capability to adapt quickly through processes and systems become key advantages within the business environment (West, 1997).

Therefore, accepting the need to change makes companies face the issue as an opportunity for reinventing themselves. Opportunities to create new things drive from change and evolution. In the external environment, change can be in technology, politics, society or demography (Shane, 2009). In the organizational context, it can be structural, procedural or cultural (Luecke, 2003). In both cases it might comprehend one of these fields, but the most impressive comes often from the mix of different changes impacting each other.

Concluding, since “the rate of obsolence seems only to grow faster” due the fast-changing external environment, companies will increasingly need frequent changes (Thompson and Choi, 2006; p. 4). In the same way, the ability of an organization to adapt quickly, by focusing attention on possible future market fluctuations, while fostering change through efficient processes, seems to be determinant to its success (Sousa and Monteiro, 2010).

2.1.3. THE KNOWLEDGE ERA

Nonaka (1991), cited by Liu (2004) bring up two concepts related to knowledge management within organizations: the “knowledge – creating company” and the “intelligent enterprise”. In this context, Nonaka has discovered that the key factor for the success of some organizations – such as Honda Motors and Cannon – was the way they used to manage knowledge. Both authors stress knowledge as the endowment to establish core advantage.

In Lasserre (2007; p. 274), knowledge is “the ability to understand and give a meaning to facts and information”. Therefore, by assimilating external knowledge and integrating it inside the organization, together with creativity, companies become capable to sustainably create new technology, products and management styles (Liu, 2004).

Organizations must focus on expanding the organizational knowledge either through learning from others or by creating new inside knowledge (McElroy, 2000). For Nonaka, cited by Lam (2004), organizational knowledge creation is no but a process of mobilizing individual tacit knowledge and fostering its interaction with the explicit knowledge. In consequence, there must exist a conductive context to create a shared dynamism which results in both a common cognition and a collective learning.

Under these circumstances, knowledge management should be considered as a systematic and integrated approach related to the organizational ability to create, transfer and apply individuals’ knowledge in the process of creating value (Srivastava and Gupta, 1991; and Lasserre, 2007).

Rather than just a set of data and information, organizational knowledge is the combination of know-how, experiences, emotions, values, ideas, intuition, attitude, believes and the ability to deal with complexity. (Srivastava and Gupta, 1991) Either explicit or tacit, it is this fluid mix of contextual information, expert insights and intuition that provides an environment for incorporating and applying a wide range of new experiences and information to all managerial activities (Lasserre, 2007).

As mentioned before, knowledge plays a key role in creative achievement (Mumford and Gustafson, cited by Woodman *et al.*, 1993), improving the capacity to act and support decision-making more effectively. In spite of being originated in individual minds, knowledge is often embedded in organizational routines, processes, practices, systems, software and norms (Srivastava and Gupta, 1991).

In sum, both individuals and organizations are learning entities (Lam, 2004). However, every learning activity takes place in a social context that will determine the quality of the learning outcomes. Hence, the best the organizational culture towards learning and knowledge management, the best the result from the process of translating individual into collective knowledge (Lam, 2004; Srivastava and Gupta, 1991; Un, 2000).

2.1.4. The Learning Capability

Senge (1994) clearly defends that the most successful organizations are those which deeply consider themselves as learning organizations. In fact, while considering knowledge as the basis for competition in the 21st century, an increasing number of studies have been focusing on this concept (Clark, 1995; Smith, 2005.; and Kennedy, 2007), identifying it as key to develop the organizational learning capability (Liu, 2004; p. 444).

The concept of learning organizations is directly related to the way organizations intend to commit with growth, development and creativity throughout their structure (West, 1997). Therefore, by following means to achieve strategic advantage these are organizations “where people continually expand their capability to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together” (Senge, 1994; p. 3).

Thompson and Choi (2006) believe that learning organizations become able to take advantage of background diversity and skills heterogeneity once they create systems where the development of new ideas and initiatives are supported through cooperation.

If using the metaphor of a safe, it is evident that if each person owns the information about one single character, no one will open it and the individual knowledge of a character is worthless; however, with alignment, cooperation and trust, the team gets the safe's key (Kay, 1993).

Consequently, learning organizations have the concern to stimulate employees to develop their skills and broaden experience, which leads to higher capacity to innovate. In this manner, it is by institutionalizing the process of change into their DNA, processes and systems, that learning organizations recognize and accept change, taking advantage from it (Wood, 2000).

Actually, innovation is also about change and how to learn from it. Since innovative organizations do need to continuously acquire knowledge to improve, and innovation "is essentially about learning and change", it seems that there is a positive relationship between learning organizations and innovation (Tidd *et al.*, 2001). While innovation is about creating new things through a learning process (Afuah, 1998), learning organizations intend the acquisition of knowledge and the practice of innovation to survive and thrive in the current fast changing environment.

In sum, to prepare the whole business activity to adapt quickly to new demands, it seems that companies need to greatly improve their know-how in order to achieve sustainable advantage (Senge, 2004). The ability to learn is though something corporate culture should instigate since knowledge is acquired and developed in consistency to mind standards and aiming purposes (Hildrum, 2001).

2.1.5. THE CHANGE-READY ORGANIZATION

Since change is part of organizational life and essential to organizations' progress, they must be consistently prepared to receive it. In a systemic way, the entire organization must work coherently and continuously towards the same objective. Leaders should be respected and effective and people should feel personally motivated to change and to cooperate; the structure should be non-hierarchical based on cooperation and entrepreneurial behaviours, where employees try new things and take risks. Consequently, in a decentralized model, individual units get more autonomy, and collaboration becomes transversal throughout the corporate structure (Luecke, 2003).

In such degree, paradigm shifts from traditional stability approaches to the generation of a DNA of change. The *status quo* becomes object of doubt and organizations create their vision based on high standards of excellence, achievable through the introduction of novelty in their genetic code.

2.1.6. Inference: A Strategic Approach to Change

The concept of adaptation[2] refers to the internal dynamic process of modifying paradigms, mindsets and consequent activities and behaviours, in order to better integrate transformed environments. In such meaning, companies "that don't change are bound to stagnate or fail" (Luecke, 2003; p. 1). The allocation of efforts to anticipate change and thus develop the capability to faster adapt seems to be an important initiative.

Therefore, the process of opportunity identification is itself a product of organizational learning over time (Patterson and Fenoglio, 1999), since this highly contributes to the gathering of valuable information and value addition to the business. By assuming this, most successful organizations assume themselves as being learning organizations due their capability to aggregate knowledge and diverse skills and experiences to create innovative results (Kay, 1993).

To complete the section, it follows to different strategic approaches from Luecke (2003) to change concerning different business missions. The first, *near-term economic improvement* intends the short-term increase of cash flow and share price to ascent shareholder value. The second, on which this dissertation is focused, is the *improvement in organizational capabilities*. The author believes that the most successful organizations are those with dynamic, learning-oriented cultures and highly capable employees. The proposition is thrived by the idea that by invigorating their cultures and capabilities though individual and organizational learning, organizations are better to achieve success.

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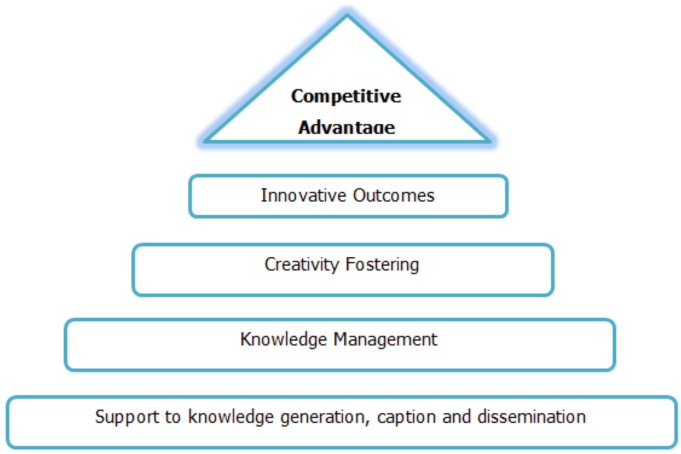
[2] http://www.businessdictionary.com/definition/adaptation.html; accessed on 07/10/2011.

Figure 1: Supportive Structure for Organizations living in the Knowledge Era



Source: adapted from Srivastava (1991)

2.2. The Demand for Innovation

In the Industrial era, when there was a slow rate of change and change could be more predictable than today, innovation could be desirable, but the competitive advantage used to lay on either quality improvement or operational efficiency. Nevertheless, innovation has become a need for organizations to survive and thrive in the current environment (Morris, 2007; Srivastava and Gupta, 1991; Coffman, 2007; Gama, 2008).

Whereas in the past recognized successful organizations were those able to get advantage from stability and predictability through standardization, rationalization and simplification, today, sustainable success is reached by those organizations which better adapt to change, novelty and to the unexpected (Morris, 2007).

Hence, in a context where the critical factors to business success are those variables which provide more differentiation, adding value to both companies and clients, the capability to innovate becomes one of the most relevant factors when determining companies' competitive advantage (Sapprasert, 2008).

The world evolution from the 1990's to todays has shown that the old standards are no more suitable to the current business sphere. In a globalized competitive field, there is the need of both a faster response capability and the adjustment of management thinking

(Liu, 2004). Through innovation, an organization is able to build in its daily activities the support to its future development.

The next subsections explore the concept of *innovation*, going through the different types of innovation: product/service, marketing, service and organizational; and then prospects its relationship with the concept of entrepreneurship and the entrepreneurial attitude.

2.2.1. THE CONCEPT OF INNOVATION

Innovation is a wide concept to which there are several meanings. Clausen (2009) assumes that it is a key driver behind the performance of economics and, in particular, of firms. Thus, as an important social and economic force (Drucker, 1985), innovation becomes also relevant in determining industrial dynamics.

Although, a part of being considered the introduction of something new to the business world, such as a product or an event (Trott, 2008); the combination of existing resources, such as knowledge (Clausen, 2009); the creation of something perceived as new, such as a process or simply other kind of novelty leading to value creation (Miil, 2005; Gama 2008 and Coffman, 2007), the most important is to understand that innovation is one of the “few durable sources of competitive advantage” (Morris, 2007; p. 2).

The assumption has becoming universally accepted and the creation of novelty has shifted from an option to an imperative (Smith, 2005). Therefore, in spite of being planned as an informal process or a concrete outcome (Miil, 2005), innovation should be an integral part of an organization’s strategy and activities, profiling the entire business complexity (Gama, 2008; Wong, 2001; Hamel, 2006; Kaplan, 2003; Milbergs and Vonortas, 2005).

Assuming this, innovation is, for the scope of this work, a process combining methodology, work practice, culture, behaviour and infrastructure, aggregating problems to develop solutions (Smith, 2005; and Gama, 2008). By refreshing the organization, innovation brings growth, stimulus, creativity and diversity (West, 1997).

2.2.2. Innovation as a Process

Innovation, as any other activity is an ensemble of stages that, in synchrony, create a process aiming at achieving specific goals (Patterson and Fenoglio, 1999). Rather than a singular action or movement, innovation might embrace the conception of new ideas, the invention of something new or the effectuation of novel operational models to conquest market space.

From the satellite perspective, it is possible to understand that beyond this inherent interaction (Tidd *et al.*, 2001), there is also a tension between internal and external movements in the process. This means that innovation can be either a response to a need or a context dependent opportunity or the result of an effort to bring something new to the market. Either the "push" or the "pull" strength, the success of innovation highly depends on the interaction between the two (Tidd *et al.*, 2001).

In sum, "the importance of understanding innovation as a process is that this understanding shapes the way in which we try and manage it" (Tidd *et al.*, 2001; p. 42).

2.2.3. Different Types of Innovation

Moore (2006) argues that the existence of diverse types of innovation increases the chance organizations have to successfully differentiate from competition, and consequently, widens the range of rewards coming back. There is innovation in marketing, in products conception, in processes and even at the organizational level. In general, innovation is about creating value by increasing efficiency and consequently bringing wealth to the business. Organizational innovation, in particular, embraces strategy, structure and systems; it refers to people, leadership, networks and culture; it is about the way things run within the organization and how it decided to be positioned to the outside.

To develop this subsection, the four types of innovations considered in the present work will be shortly presented, so the reader can find how innovation might have different impacts on organizational strategy and respective outcomes.

a) Product Innovation

If considering product innovation as the improvement of products within the market (Trott, 2008), or the creation of a new product to meet external needs (Afuah, 1998), it seems pertinent to bring the approach given by Patterson and Fenoglio (1999) to the concept. The authors consider this process as the creation and endorsement of information related to the process itself. While including both backgrounds and learning processes, it is this process which provides the tactical strength to address market opportunities with a clear and defined innovation project.

By creating a portfolio of information, product/service innovation makes companies take advantage from market dynamics and attract customers' preference, while gaining market share (Moore, 2006; Patterson and Fenoglio, 1999).

b) Marketing Innovation

Innovating in marketing has the main intuit of differentiating the interaction between the organizations and potential or the already customers (Christensen *et al.*, 2004). Within a wide portfolio of options, product conception, appearance to their position, promotion and pricing are some of the features that might be measure when evaluation the outcomes of marketing innovation. Hence, by reaching differentiation, innovation in marketing induces changes in the reciprocity felt between organizations' offers and customers' needs in a balance between perceptions and motivations to buy (Moore, 2006).

Therefore, either with or without meaningful changes in final products, marketing innovativeness is based on the implementation of new marketing methods. By this, rather than out-product competition, this type of innovation's target is outselling competitors, through a path of distinctiveness (Moore, 2006; Christensen *et al.*, 2004).

c) Process Innovation

"Processes are the patterns of interaction, coordination, communication, and decision making" (Christensen *et al.*, 2004; p.33) that employees exploit to transform inputs of resources into outputs of greater worth. Accordingly, process innovation is the introduction of new elements into an organization's operations. These elements can be inputs of materials, task specifications, equipment or new ways of introducing and assimilating information.

Rather than innovating on products/services, innovating on processes has great potential on setting organizations apart from competition. While new products are considered the cutting edge of innovation, innovation in processes is more about strategy and planning; the first goes to market orientation whilst the second have application within the organization itself (Tidd *et al.*, 2001).

Therefore, by creating sources of opportunity, process innovation, focused on differentiation, is supposed to intensify the organization's internal dynamics rather than trying to overcome competitors' product innovativeness, becoming in such a way a strength source of competitive advantage (Moore, 2006; Tidd *et al.*, 2001).

d) <u>Organizational Innovation</u>

The increasing role of organizational learning processes for creating and maintaining competition in a globalized world seems to require a special focus on how organizations self-regulate them. In organizational innovation "the unit for innovation is the organization itself (Sousa *et al.* 2008).

According to Collins and Porras (2005), any organization which only focuses on product/service innovation will sooner or later see its innovation become "obsolete". Hence, innovation must be brought into the organizations' DNA, according to their culture, their people, their activity and peculiar features.

It encompasses a high-risk strategy, demands for an organic structure and needs a complex division of labor. This last is the most relevant since it is related to organizational learning, problem-solving and creativity capacities (Hage, 1999). In this context, organizational innovation represents the potential of the corporate workforce to promote change in the benefit of the organization. (Sousa *et al.*, 2008).

Organizational innovation, in the concept of a new or significant change in the firm structure and management methods, denotes a customary and institutional innovation rather than a technical one. It must, then, be related to the nature of the corporation, its structure, and management processes and procedures; to its arrangements, rules and norms; to its beliefs and behaviours, and to the relationship with clients, markets and other networks (Sapprasert, 2008).

In brief, "success or failure depends on exactly how a company chooses to pursue innovation" (Lord *et al.*, 2005; p. 23). The good strategic performance of an organization brings the right alignment between its core competencies and the critical factors of the respective business success. The path to succeed is based on a perspectives shift. Instead of focusing on creating innovative products, organizations which aim at being innovative should focus on creating innovative environments and supportive structures. This way, products are more likely to be differentiated (Collins and Porras, 2005).

2.2.4. INNOVATION AND ENTREPRENEURSHIP

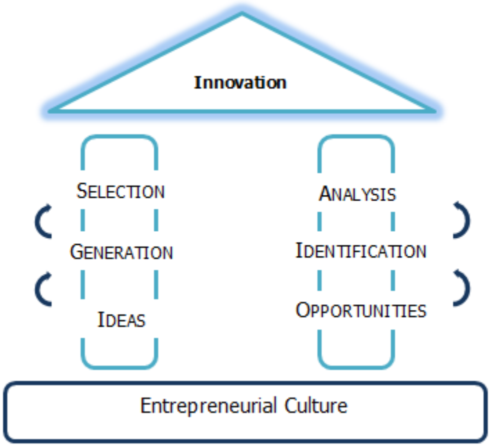
Entrepreneurship might be understood as the process of creating new things with distinct value. In this process, there should endure a positive relationship between the efforts, time and resources gathered for it, and the respective rewarding results both of monetary and personal satisfaction. The risk adjacent to the functioning is an important counterweight which can ponder positively for one side, or negatively for its opposite (Hisrich *et al.*; 2002).

The linkage between entrepreneurship and innovation is done by Drucker (1985) who assumes innovation as "the specific tool of entrepreneurs" (p. 19). Through the lens of innovation, entrepreneurs widen their ability to exploit change, approaching it as an opportunity for the creation of new value.

Exploring this perspective, Drucker argues that "there is no such thing as a resource until man finds a use for something in nature and thus endows economic value" (p. 30). This is just what innovators do. They enhance resources with a new capacity to create value, which does not need to be specifically "a thing"; the result of such contribution might also be in the sphere of an economic or social impact.

Based on his experience and studies, Drucker argues that "the entrepreneur always searches for change, responds to it, and exploits it as an opportunity" (p. 28). Entrepreneurial organizations seem thus to be deeply committed to the purposeful and systematic practice of innovation, while fostering the entrepreneurial behaviour throughout their structures (Jong and Wennekers, 2008). In this context, innovation becomes the core of the entrepreneurial strategy, by shifting from the customary ways of doing things to a new business approach.

Figure 2: The Entrepreneurial Behaviour



Source: Adapted from Miil (2005)

2.2.4.1. INDIVIDUAL AND CORPORATE ENTREPRENEURSHIP

The term “entrepreneurship” is usually used to translate the general capability of creating new combinations of existing resources; however, there are slight distinctions between individual or corporate entrepreneurship (Drucker, 1985).

Both approaches (individual and collective) refer to a proactive attitude towards exploitation and exploration, opportunity perception, planning and organization. However, there are some features diverging between the first scope and the second, commonly named as “intrapreneurship”.

Intrapreneurship refers “to employee initiatives in organizations to undertake something new, without being asked to do” (Jong and Wennekers, 2008; p. 4). Amo (2008) defends that while entrepreneurship is basically a top-down process (a strategy that managers can utilize to foster more initiative and/or improvement efforts from their workforce and organizations), intrapreneurship can be seen as a bottom-up process.

Jong and Wennekers establish a specific profile to individual entrepreneurs, while corporate entrepreneurs are mainly characterized by their general behaviour. Whereas the first group generally refers to investors, dealing with diverse aspects of establishing their own business, such as legal, fiscal and financial, with the aggregated risk of investment, corporate entrepreneurs do not have the prospect of having ample losses.

Either individual or corporate suggestions to entrepreneurship are essential to organizational competitive advantage. Partners who are motivated and intend to take risks and invest in new ideas are decisive to support innovation within the organization. Notwithstanding, managers need active people who mean to take charge and, with some degree of risk taking, have the desire of championing innovation.

As Mumford (2000) highlighted, ultimately, individuals are the source of ideas, and the generation of ideas includes behaviours directed at introducing concepts for the purpose of improvement. The concept of entrepreneur given by Bento (2011; p. 24) as the individual who is able "to identify opportunities either in time or space" and explore them in a way that innovatively generates value, goes against this needed profile in such organizations. Although, opportunity perception, idea generation and out of the box thinking are behaviours that need to be supported by a purposeful structure.

2.2.5. INFERENCE: A STRATEGIC APPROACH TO INNOVATION

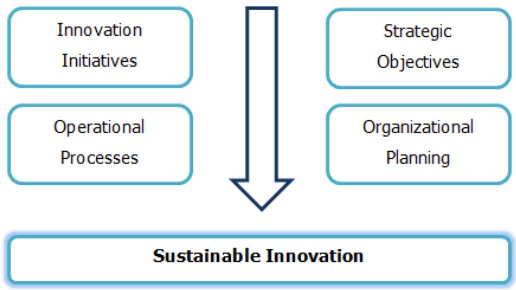
This second topic is expected to deliver the idea that "organizations are required to be innovative to the extent that their environment is unpredictable, unstable or threatening" (West, 1997; p. 74). In fact, innovation "is becoming a corporate-wide task" (Tidd *et al.*, 2001; p. 318). Embracing change is though the means by which organizations build a culture and associated structures and processes that make innovation "a daily way of life" (Coffman, 2007; p. 2).

Morris (2007) brings up the example of some successful companies – such as Apple, Cisco and Toyota – which have developed a cohesive innovative culture. They have made the creation of novelty a consistent output of the organization's culture, which seems to be the deep purpose of innovation.

The need to develop both intrapreneurship (bottom-up process) and entrepreneurship (top-down process) becomes an imminent need. Innovation requires a global and articulated understanding of organizational issues and environment demands. This awareness should bring together economic perspective, business management strategy and organizational behaviour (Trott, 2008).

Therefore, approaching innovation in a systemic way consists in a purposeful and organized exploration of change and the consequent analysis of those opportunities that might came from such change to both economic and social innovation (Drucker, 1985). Managers must though ensure the effectiveness of transversal systems to make people feel supported by the top management. They "must orient the organization to the logic behind the different choices and the importance of keeping them distinct from each other" (Moore, 2006; p. 59) in order to encourage idea generation and problem solving (Thompson and Choi, 2006).

Figure 3: Integrating Innovation into the Corporate Strategy



Source: Adapted from Drucker (1985), Jong and Wennekers (2008), Amo (2008), Morris (2007) and Tidd *et al.* (2001).

2.3. A Differentiated Organizational Design

An organization is a social structure which transforms resources into results through internal business processes. It might be considered as a living organism since it grows, gets more complex along with its development, increases the interrelationship among its units, and operates always as a system. Therefore, as an operative structure, its ultimatum goal is to survive in the external environment (Gama, 2008). Creating the parallel with the evolutionary development of species, introduced by Darwin, the organizations thriving within the competitive sphere are not the biggest, neither those with more capital; rather, they are the ones that best adapt through a sustainable and flexible strategy (Moore, 2006).

The improvement of competition depends on how organizations design their strategy in order to extract the best possible return from available resources, from the transformation processes and from the results themself (Gama, 2008).

2.3.1. Strategy in Organizations

From military origins, the concept of "strategy" as an art of war was transferred to the business context around the 1960's. Headed by an ambition and set by a specific positioning, strategy might refer, in a wide sense, to a plan of action implying several choices and certain investment (Lasserre, 2007).

In the business context, strategy is "the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations" (Johnson *et al.*, 2005; p. 9).

According to Wood (2000), strategy is a frame of mind. It is a "thinking and learning process concerned with long-term adaptation and the survival well-being of the organization" (p. 288). Focused on the corporate vision, the strategy of an organization is the result of management awareness about the company itself and the surrounding environment. Managers must be conscious of the corporation inner strengths and weaknesses and of the opportunities' both cost and risk, in order to best allocate efforts in anticipating future trends and adapting to new demands.

With that purpose, strategic management involves "understanding the strategic positioning of an organization, strategic choices for the future and turning strategy into action" (Johnson *et al.*, 2005; p. 16).

The entire organization must act in coherence around virtuous wheels, where the creation of value becomes increasingly effective. Focused on achieving the stakeholders' expectations, companies might be best succeed if developing strategy innovation initiatives to foster the capability to understand the future and evaluate the portfolio of opportunities that seem to brighten (Johnston and Bate, 2003).

According with Sítima and Ferreira (2010), Manuel Ferreira de Oliveira, CEO of Galp Energia, understands that the corporate strategy must be a clear, simple and coherent orientation; a mean of union and alignment through the entire organization, towards a common purpose. "This orientation lays in a strategy that sees the long-term period, crystallizes medium-term plans, and produces short-term results, based on a balanced management of both market and business portfolio (p. 107)". As a result, the organizational strategy outcomes must be manifested in the products introduced, the processes followed, the services offered, the acquisitions made and the sustainability achieved (Christensen *et al.*, 2004).

The achievement of the organization's long-term performance depends basically on the quality of the managerial decisions and consequent actions, which must take account of the organizational capabilities and constraints and the environment sphere the company is in (Sousa and Monteiro, 2010).

2.3.2. ORGANIZATIONAL CULTURE

According to Morris (2007; p. 3) "culture is an expression of a group of people". It expresses their values, beliefs and behaviours, and translates the history that shapes them. The culture of an organization is the logic behind the business activity (Lasserre, 2007). By guiding the daily routine of people, it defined the type of relationships established within the corporate networks (Johnson *et al.*, 2005). If well preserved, culture "gets transmitted from the present to the future with notable continuity (p. 3)".

As an informal structure, the corporate culture might create an implied and pervasive effect on the organization's formal structure. Thereby, the alignment and coherence of organizational culture is essential to an effective implementation and adaptation of innovative strategies (West, 1997; Peters and Waterman, 1982).

Considering its importance to the strategy effectiveness, organizational culture becomes also crucial to the development of a DNA of innovation inside companies. Hence, in order to build an innovative organization, there is the need to develop a suitable culture for the process of innovation development (Srivastava and Gupta, 1991).

As understood by Morris (2007), innovation culture is key to achieve success over the long term. Since people are the main actors in building a consistent culture over time, the corporate culture becomes the main element of recognition of any organization. Internally, the company is recognized by those who build the culture as a dynamic and friendly place; externally, recognition lies on the company's innovative profile.

Hence, for an effective implementation of strategic innovation and change, the corporate culture must induce continuous and incremental innovative initiatives, through support and encouragement over the long term (Tidd *et al.*, 2001), otherwise a new strategy with different expectations need to be planned (Clark J., 1995).

Further, people within the organization must be aware of how important an innovative and entrepreneurial spirit is relevant to the corporate mission. For so, the corporate culture should incite an entrepreneurial attitude because, as stated by Kao (1991; p. 203), "internal entrepreneurship and innovation ultimately depend on good people who attract more good people". In an innovation culture, the collaborative effort creates a strong relationship among the different stakeholders, considering that all are working in the same direction, towards the same goal (Gama, 2008). As so, an effective allocation of resources determines the way the company will take advantage from its internal dynamic.

Organizational culture is also considered a key element in determining an auspicious environment to creativity. Innovation is only possible when coming from the appropriate people living in the same right culture. The right culture is the one fostering the development of personal and team creativity skills, through systems and processes turned to innovation (Barlach, 2009).

Furthermore, as learning organizations with entrepreneurial cultures, innovative companies must prize the acquisition and creation of knowledge. Making part of their identity, incremental knowledge brings diversity and regard for the process of information gathering. Failure becomes tolerable and constructive criticism assumes the form of a learning tool used to strengthening the internal dynamics of these organizations (McElroy, 2000).

2.3.2.1. The Strength of Transformational Leadership

The concept of leadership is widely discussed and brings together different perspectives. Besides, there is a consensus when referring to the role of leaders to the organizational success. Utterback (1994; p. 230), for example, clearly states that "the importance of leadership should never be underestimated".

Kets de Vries and Florent-Treacy (1999) consider leaders as organizational architects, who understand the corporate structure as a whole and therefore induce and implement structural changes to ensure long-term sustainability. So that leadership might be seemed as a different approach to command. By setting high goals, leaders emphasize the linkage between the organization's strategy and its pursuit of innovation.

Since "leadership engagement is essential to innovation" (Morris, 2007; p. 14), leaders must understand the organization's position toward it (Andrew, 2006). Their perspectives and actions highly influence the way organizations will be structured, processes will flow and people will be involved. At this level, leaders tend to be entrepreneurial, risk-taking and able to communicate and share their vision about the corporate future (West, 1997).

In the era where knowledge is a strong weapon against competition and easily spread out inside a flexible organizational structure, leaders must ensure that the corporate vision is supported by cooperative efforts. Actually, according to Sousa *et al* (2008), the innovative leaders are those who develop the co-work creativity and the ability to innovate. The author means that the existence of creative people within organizations is worthless if there is no one who can provide orientation and develop strategies to foster motivation among them. Good leadership implies setting expectation, defining priorities, celebrating and rewarding success and teaching how to deal with failures (Morris, 2007).

People must believe in their capability along a growing process of successes and failures. Thus, leadership is the strongest engine of motivation which must foster confidence, encourage autonomy and induce risk-taking (Cameron, 2008).

Success at the organizational level depends on how people involved are managed. Motivation and aspiration are fostered by the development of trust and respect, translating a feeling of support. Implicitly, when recognizing that there is no absolute knowledge, leaders focus on creating polyvalent teams to complement individuals' limitations (Gumusluoglu and Ilsev, 2009).

In doing so, leaders become highly influent on employees' creativity (Mumford, 2000). They are responsible for unifying and involving individuals, promoting ideas and inducing argumentation through participation (Kets de Vries and Florent-Treacy, 1999).

In face of this role, leadership seems to increase the interaction between three elements in a circular process: motivation fostering, creativity development and innovative creation (Gumusluoglu and Ilsev, 2009).

Actually, the relevance of leadership in organizations is supported by the studies on transformational leadership. This concept was early introduced by Burns, in 1978, and further developed by Bass and Avolio, in 1995 (cited by Gumusluoglu and Ilsev, 2009). It is about aligning leaders and followers in the path of respect and recognition, towards the same objectives. The theory is based on the idea that leaders are able to "transform followers", influencing their perspectives towards personal and social values and self-concepts, moving them to a higher level of needs and expectations.

2.3.3. ORGANIZATIONAL STRUCTURE

The structure of an organization is understood by Mintzberg (1978) as the sum of its diverse units which, when well-coordinated, accomplish shared targets. It defines how roles, responsibilities and power are assigned (Lasserre, 2007; Afuah, 1998), creating the supportive tools and attitude needed in order to follow the strategy. According to Drucker (1985; p. 161), there are the structural "policies, practices, and measurements [that] make possible entrepreneurship and innovation"; according to this, "they remove, or reduce, possible impediments" to them. The organizational structure is also both a cause and an effect of managerial strategic choice in response to market opportunities (Lam, 2004).

Although, besides its high influence on the organizational capacity to engage in innovation, Trott (2008; p. 91) finds that "one of the problems when analysing organizational structures is recognizing that different groups within an organization behave differently and interact with different parts of the wider external environment". Therefore, innovative structures should support differences among the organization's human capital, in order to support and ensure the implementation of creativity through all activities and processes (Phillips, 1993).

The capability to innovate is based on the creation of a structure that allows people to be entrepreneurial. Individuals connected by an internal network generate their own ideas, conduct experiments, log the results, build support and help transition (Drucker, 1985; Coffman, 2007).

Burns and Stalker, cited by Hage (1999), conclude that whereas a stable demand led to a mechanical organization, a constant changing demand creates the need for an organic structure. In sequence, the hierarchy of an organization might become a paradox (Morris, 2007). Structures are needed to guarantee regularity and power hierarchy is essential for monitoring the business activities and networks. However, to embrace change, flexibility becomes a crucial aspect to the organization's effectiveness (Barlach, 2009). Lawrence and Lorsch, referred by Lam (2004; p. 6) recognize that mechanistic and organic structures can co-exist in different parts of the same organization, creating "ambidextrous organizations".

Concluding, an organization that intends to thrive in the future must support a hybrid approach, creating a transversal structure, with good relationship networks, rewards and incentives, delegation and empowerment, but also with some degree of authority (Coffman, 2007). It seems that a hybrid approach would combine "the advantage of mechanistic efficiencies and organic organizations of professional knowledge" (Tidd *et al.*, 2003; p. 5). The balance between top down and bottom-top directions creates a dynamic effort to transform viable ideas into successful outcomes (Coffman, 2007).

2.3.3.1. Flexibility and Adaptability

In his study on organizational structuring, Mintzberg (1979) suggests diverse configurations for those companies operating in distinctive environments. He defends that an effective structuring requires consistency between design parameters and contingency factors. Therefore, in the current environment where change becomes faster, flexibility becomes a crucial aspect to the organizational effectiveness. Obviously, in such context, adaptability enables organizations to outgrow stagnant situations during the process of problems solving (Barlach, 2009).

In sum, a rapid changing external environment demands flexible organizations in order to face current challenges coming from globalization (Pitcher, 1997).

2.3.3.2. Decentralization and Empowerment

Decentralized structures are determinant to the success of organizations (Drucker, 2002) since decentralization "creates a pattern of behaviour and a basis for the successful solution of majority of problems" (Heller, 2000; p. 2). West (1997; p. 37) adds that flexible companies must be characterized by having “flatter organizational structures, decentralized decision-making and low specialization of jobs”.

This type of structures seems to increase employees’ level of engagement with their activities, especially if these activities foster innovation. In essence, since “creative people tend to engage in tasks because of interest, personal challenge or a sense of involvement” (West, 1997; p. 17), managers should ground organic systems, with versatile structures. Here autonomy becomes determinant to define the type of relationship among the diverse units and respective leaders and innovative achievement does effectively increases (Mumford and Gustafson, 1998; cited by Gumusluoglu and Ilsev, 2009).

Hence it is through open minded processes and structures that companies get advantage from people’s best creative potential, fostering effective processes of idea generation. A deeper participation of employees in processes, activities and decision making, in a cycle where leaders stand aside with a wide perspective of the company’s operations, seems to facilitate the generation, evaluation and implementation of new ideas (West, 1997).

In the end, organizations need to proceed with an entire restructuration of their incompatible systems and work environments in order to make people feel more integrated. By taking part of the corporate community, employees become more interested in learning more and widening competencies. In turn, this behaviour is essential to foster creativity and is also quite effective in the development of a culture conductive to innovation (Phillips, 1993).

2.3.4. Internal Environment

The perception of change depends on how people tend to face new phenomena. In order to perceive it as a source of opportunities, two types of capabilities are required: one is recognition and discovering; the other – more creative – is the ability to create potential advantages (Jong and Wennekers, 2008). Despite the generation of ideas is an inherent capability of human being, only few conjunctures are prepared to identify and recognize this potential (Phillips, 1993). Not all environments are conductive to the recognition of this potential (Afuah, 2008).

However, the organizations work environment is determinant to the level of creativity conceived. It is basically a metaphor describing individuals' perception of their work conjuncture which, in turn, influences their motivation and performance (West, 1997). As such, fostering flexible environments, where things are questioned, tasks are differentiated and learning is a daily acquisition, should be on managers' top agenda (Ford, cited by West, 1997).

The organizational internal environment must provide coordination of people, based on flexible processes and structures, where teams are motivated to ensure idea generation. In short, the atmosphere in which innovation is developed has great business value (Patterson and Fenoglio, 1999) since talent is only as good as the environment it is in (Berkun, 2010).

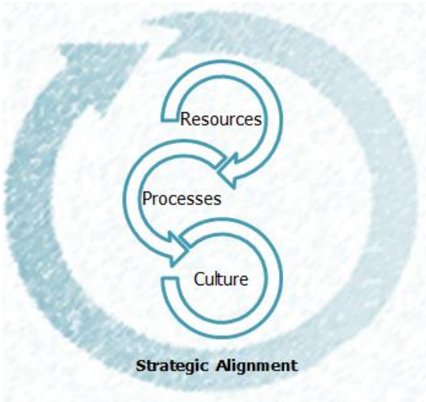
2.3.5. INFERENCE: A STRATEGIC APPROACH TO BUSINESS ALIGNMENT

The balance between well-structured systems and well-managed flexibility seems to be key to ensure alignment. It is this alignment that supports the achievement of competitive advantage on the market, once change assumes to be more effective when the whole conjuncture work towards the same goal (West, 1997; Tidd *et al.*, 2003).

The degree of alignment and effectiveness of individual effort in organizations – which is related to the vision clearness, activity integration, and organizational structure – is key for optimal performance (Afuah, 1998). Consequently the long-term success of organizations depends on how their elements are integrated, balanced and if they are coherent as a whole (Patterson and Fenoglio, 1999). This alignment must translate both coherence and reliability.

In sum, alignment is imperative in every aspect of business management. Rather than trying to change one single aspect of an organization's activity, it is more effective to change with coherence many aspects in order to create real change (Andrew, 2006; West, 1997). For success, the entire business, oriented by the right strategy, must be aligned. In agreement, also innovation must be seen and managed as an entire process (Andrew, 2006). Figure 4 gives an idea of the interdependent organizational variables that need to be alignment aiming at effective performance. Human resources are the assets enabling the creation and development of ideas; processes enable activities management along with the organizational strategy; and corporate culture is the support to both idea generation and activities management.

Figure 4: A Simple Scheme of Organizational Alignment



Source: Adapted from Gama (2008)

2.4. HUMAN CAPITAL: THE MAIN DRIVER TO ORGANIZATIONAL SUCCESS

Despite the high relevance that other variables have in the formula for organizational success, individuals are the key component to any organization. According to Trott (2008; p. 11), the corporative employees are those who "define problems, have ideas and perform creative linkages and associations that lead to innovation" . By performing different roles and profiling distinct skills and competences, while bringing diversity as the potential core of human capital. they are who decide and settle the activities being carried out by the organization.

In essence, companies which aim continuous achievement of new wealth would rather need to look towards intangibles assets, where people potential is found (Smith, 2005). Notably, Human Resources are then one of the most vital elements founding organizational innovation (Gama, 2008; Gumusluoglu and Ilsev, 2009).

2.4.1. A COLLABORATIVE EFFORT

If considering innovation in either its conceptual or perceptual profile, it becomes clear the need to bring together people with different competencies. "Successful innovators" – as stand by Drucker (1985; p. 102) – work both analytically and emotionally to satisfy opportunities and fit expectations, values and needs.

Furthermore, the right person allocated to the right place and able to use to right skills, to whom the leadership influence brings motivation, seems to bring more differentiated income to a successful outcome (Andrew, 2006).

In line with this, West in his research of 2003 (cited by Thompson and Choi, 2006) has found that teams with high level of challenging tasks, supportive leadership, in innovative and entrepreneurial environments, challenged by ambitions external requirements, seem to create more innovative outputs.

2.4.1.1. THE CORPORATE VISION

In business, it seems to be required the existence of a common image, supported by specific concepts, that leads people towards a goal. The creation of this mental image, called vision, must be created and developed by all the individuals within the organization and shall be perceived and accepted by all as well (Phillips, 1993). As according to Patterson and Fenoglio (1999), this vision should have a focal point on the end-line target. It is essential to identify his potential needs and expectations always according to the company's purpose, being best successful if oriented to the main intended goals.

Tichy and Devanna (1986; p. 126) consider that the creation of the corporate vision is much more than "rational business planning. It involves both right and left brains – both intuition and creativity". Inserted in a certain environment, managers need to define a corporate vision that relies on transcending potential hurdles, without compromising the planned strategy.

As supported by West (1997; p. 51), "for a need to be creative it [the company] must have vision to give focus and direction to creative energies". This vision must be of huge importance to managers (Senge, 2004; Phillips, 1993) since it provides the regular guide for decisions and priorities. If well-defined and consistently spread, the corporate vision is adopted by employees as their own vision, which makes it to become a strong tool to "reach excellence" and improve people "self-esteem". (Tichy and Devanna, 1986; p. 128). Such as considered by Senge (2004), the creative difference between reality and this common image is the way of seeing progress and understanding what are the engines of motivation.

It follows that it is the perception and recognition of this common sense of purpose that brings a shared understanding of current situations, supported by a shared acceptance of uncertainty. Change becomes a source of advantage that motivates employees to strive for the organizational targets (Phillips, 1993; West, 1997).

Concisely put, a clear and shared vision will positively influence individuals in pursuing business-related goals while ensuring alignment and cooperation. On the whole, when negotiated, shared and evolving, this ideal brings the feeling of a shared expectation on a valued future outcome. Corporate members commit to take part of this path if they believe that their work is relevant to the organizational aspiration (Phillips, 1993; Patterson and Fenoglio, 1999; West, 1997). In essence, when effective, the common efforts towards a shared plan make people give the best of their creative potential with energy and motivation (West, 1997).

2.4.1.2. The Three Roles in Innovative Organizational Environment

Morris (2007) argues about the importance of developing innovative cultures in organizations aiming at sustainable wealth. In this type of culture, people are fostered to look for insights to develop into ideas – *creative*; are supported by higher level managers in order to overcome hurdles – *Champions*; and have a clear idea of the corporate vision, through those who develop the organization's expectations and policies – *Leaders*. Culture is though considered a collaborative endeavour to which everyone gives their best as in an ecosystem.

a) Creative Geniuses

These are the people who came up with critical insights, who turn them into ideas and these ideas into innovation. They are part of the entire ecosystem, from the suppliers to customers, advisers or partners. They might be front line workers, senior or middle managers. With an entrepreneurial posture, geniuses are the ones who question the *status quo* by positioning themselves beyond the conventional viewpoint.

"There is creative genius in each of us, and it may take only the right mix context, curiosity, support and environment for it to come abundantly forth" (Morris, 2007; p. 9).

b) Innovative Champions

This championing attitude can be found both in individuals and in teams. They are the people who build the practical means for effective innovation, through promotion, encouragement, prod, support, and thrive. They are usually part of the middle management since they provide the bridge between strategic directions from senior managers and the day-to-day activity and focus of front line workers.

As "practical" people, "innovation champions implement the practical tools to foster innovation through effective interaction, helpful attitude, and practical means" (Morris, 2007; p. 13). This is supported by their contacts within wide networks, both inside and outside the organization.

c) Innovation Leaders

Typically senior managers, who need authority to make decisions about both strategies and operations, innovation leaders have the critical role of creating and developing supportive culture for such environments of novelty improvement.

By designing the organization and defining respective policies and principles, "an innovative leaders is someone who influences the core structure and the basic operations of an organization, all with clear focus on supporting innovation" (Morris, 2007; p. 14).

2.4.2. TEAMWORK AND DIVERSITY

Such as given in Lam (2004), being the interception of both horizontal and vertical flows of knowledge within the organization, groups serve as a bridge between the individual and organizational process of knowledge creation.

Sousa and Monteiro (2010) saw groups as micro-universes, constituted by different people, with different skills and abilities. Their strengths might be technical, creative or related to leadership competences; however the output brings always change and novelty. Indeed, "creativity is the bringing together of knowledge from different areas of experience to produce new and improved ideas" (West, 1997; p.1).

Each individual, as human being, is capable of finding and solving complex problems (Tidd *et al.*, 2001). Nevertheless, this propensity can be fostered in heterogeneous groups where people with different skills and perspectives seem to develop larger and more diverse sets of ideas resulting from the combination of different experiences and competencies (Tidd *et al.*, 2001; West, 1997).

This will play an important role in the structure of the organization. First of all, managers must ensure continuous acquisition of general skills and knowledge (Tidd *et al.*, 2001). The emphasis given to people with different academic and professional backgrounds, knowledge, skills, and abilities seems to encourage the transference of general knowledge throughout the structure and across different units (Thompson and Choi, 2006; West, 1997). Both authors clearly state that organizations with inner diversity are more innovative and more capable of securing competitive advantage than the others.

As a consequence the structure of the organization will determine whether its members feel integrated. In organic organizations (Burns and Stalker, 1961), where autonomy and responsibility are spread, cross-functional cooperation embodies the organizational shared vision. This common perspective helps organizational people to see the potential value of their knowledge and information mobilization, and makes them understand how and why different expertise areas are linked together when needed (Un, 2000; Tidd *et al.*, 2003).

As mentioned before, the evolution and adaptation of organizations to the fast-changing environment brings individuals to a second role level (West, 1997). In response to this challenge of complexity and change, organizations need to create and develop internal organized cooperation among its units.

Although “some groups have more potential than other groups” within organizations (Thompson and Choi, 2006; p. 166), this complementarity is needed to accomplish corporate goals. Innovation and novelty are increasingly about “teamwork and the creative combination of different disciplines and perspectives” (Tidd *et al.*, 2001; p. 313).

In the first place, teams are just like small entrepreneurial ventures that are brought to build something new in companies (Thompson and Choi, 2006). They have the “resilience, range of skills, abilities, and experience to ensure that creative ideas are put into innovative practice” (West, 1997; p. 51). In a vicious circle, technicians need both creatives to bring ideas and leaders to orient their work; leaders need the other to create and implement ideas; and creatives need technicians and leaders to see their ideas become real.

To conclude, this combination of specific skills and knowledge is what makes teams effective. Diversity within organizations is no more than added value to the activity performance since different capabilities are joined together to find common solutions.

2.4.3. The Impact of Motivation

The concept of motivation lies on the set of internal and external factors stimulating people to be interested and committed to something. As a result of the balanced relationship between conscious and unconscious factors, motivation is considered one of the most incisive forces driving human behaviour. As such, being determinant to both personal and professional performance levels. For this reason, it can determine the success or failure of an organization[3].

As mentioned by Thompson and Choi (2006; p. 71), "much research has focused on factors that enhance team motivation". Indeed, Patterson and Fenoglio (1999) argue that the most successful companies are those concerned with fostering motivation within its employees. Motivation makes people more creative, more proactive, and work with more enthusiasm, while promoting honesty and integrity, resulting in an improvement of work productivity. On the other hand, when people lack confidence in their own abilities, "challenges become threats and change is to be avoided and resisted rather than welcomed" (West, 1997; p. 11).

The fact is that the emotional aspect counts and it must be deeply considered in organizational management (Duck, 2001). Notwithstanding the final results, recognition and empowerment are the motivating elements that must balance the pressure of a constantly demanding environment. This intrinsic motivation will encourage them to go further (Trott, 2008; p. 98). It influences the creative work carried out in organizations where innovative environments are stimulated and novelty is welcomed (Gumusluoglu and Ilsev, 2009).

[3] http://www.businessdictionary.com/definition/motivation.html, acceded on 14/10/2011.

Neves (2002) brings art to mind, remembering that no painter, writer, or musician is capable of creating distinctive elements if considering their activity boring and useless, or even if lead by the financial outcomes. People like missions, challenges and have transversal interests. It is up to structures and management the support employees need to encourage them to create and strive.

2.4.4. THE NEED FOR CREATIVITY

Essentially an "outcome produced by an individual, group or organization" (West, 1997; p. 2), creativity is "the ability to rearrange familiar elements into different patterns" (Wood, 2000; p. 213), as a human being approach to its external reality (Barlach, 2009).

Etymological roots show that the concepts of creation and creativity are closely related. From the Greek *Greer* and the Latin *crescere,* both concepts mean *to do, to produce, to grow* and *to increase.* Besides, also associated to the roman goodness Ceres – "what grows from the inert ground" -, the concept of creation relates to imagination, discovery, invention, novelty, originality and innovation (Sousa and Monteiro, 2010). This source gives only the support for the understanding about why organizations are best successful if they assign high attention to the development of creative environments.

Creativity is intrinsic of human beings; it involves people in the constant discovery of new and improved ways of doing things (West, 1997). Abraham Maslow, classic scholar of motivation, has shown that the human condition of self-realization is subjacent to creativity and innovation; it brings novelty and productivity (cited by Barlach, 2009).

As far as the role of creativity in the corportate world is concerned, it seems to be "the creation of valuable, useful new product, service, idea, procedure or process" (Woodman *et al.*, 1993; p. 293). According to Gama (2008), the exploitation of opened opportunities consists in transitioning from creativity to innovation. Creativity then represents a crucial character of organizational change, since it is helps understanding evolution, improving business effectiveness and ensuring sustainability (Woodman *et al.*, 1993).

As a key factor to innovation, creative performance of employees provides the raw material needed for organizational innovation. Not only productive on coming up with creative solutions, these people are also usually proactive in developing adequate planning for the implementation of such ideas.

In relation to its domain, creativity appears to be sensitive to context (Srivastava and Gupta, 1991; Woodman *et al.*, 1993; Barlach, 2009). Therefore, a creative environment is the one providing the appropriate degree of freedom, along with a clear structure and set of rules supporting bounds to the system. As such, organizations should develop a creative culture making creativity and recognition as part of daily activities.

To conclude, it seems thatcreativity "acts like the foundation or de basis upon which organization is based" through the process of information gathering, creation of new knowledge to use new information, development of unique perspectives when facing new situations, and improvement of ideas for solutions (Srivastava and Gupta, 1991; p. 87).

2.4.5. Inference: A Strategic Approach to Human Capital

The idea of this topic is to show that organizational success "is about the people involved in the process" (Andrew, 1996; p. 18). Empowerment and autonomy to make decision are two elements essential to make people feel motivated to bring their ideas into processes (West, 1997). The closer resources and knowledge are to the level of decision-making, through employees' participation, the more efficient will be innovative processes and activities (Phillips, 1993).

Referring to innovative outcomes, it seems that being innovation a people process (Trott, 2008), in order "to sustain its success and renew its products, a firm must focus not on the products but on the people involved" (Utterback, 1994).

Besides, innovation is not only an opportunity for organizations to thrive, but also an opportunity for employees to discover new approaches to problems and situations, which seems to give them high standards of satisfaction (West, 1997). Thereby, in order to make team participation an effective system, organizations must develop a concrete strategy to make them feel supported.

To complete, most companies are becoming aware that encouraging creativity throughout their systems is fundamental (Phillips, 1993), since innovation depends on the generation of creative and novel ideas (Mumford, 2000). Through the generation of new ideas, creativity brings the capability to solve concrete problems and facilitates adaptation to change.

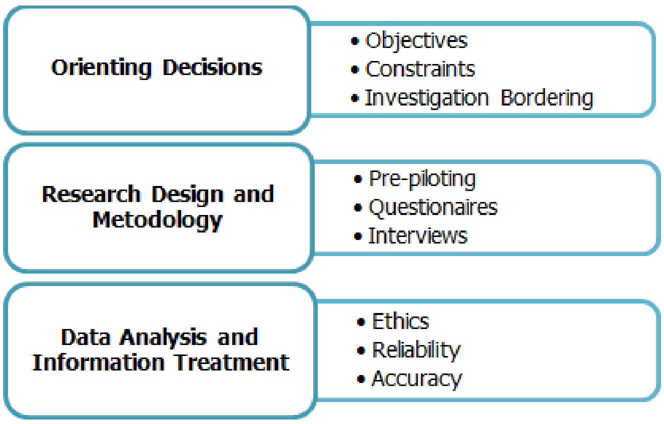
In sum, the main idea is that within organizational context, all the elements modelling the business should be leveraged to a level of collaboration and results-focusing able to face environmental challenges and to adapt the business models to innovative scenarios. However, to support this environment, organizations need people with both insight and foresight (Srivastava and Gupta, 1993).

3. METHODOLOGY

When developing an investigation based work, there are several variables to have into account in order to decide what methodology to follow and what instruments to use to support this choice. It was based on the articulation and complementarity of approaches that the present work was proposed, revealing the dynamism of viewpoints forwarded by the cooperating actors.

Considering that the organizational reality (a subjective concept) is only disclosed through the participation of its individuals, the conclusions of this research are presented as an outcome of each methodological approach. Figure 5 represents the flow of choices needed to bound the investigation, information gathering and treatment, and data translation.

Figure 5: A Schematic Representation of Methodology Orientations



3.1. RELEVANCE IN THE CONTEXT

The purpose of this research is to identify common features of successful organizations. The main topics being developed during this project can be handled in a different way by researchers and managers, depending on their area of interest, context and conditions. The studies on innovation, organizational structure, leadership and human resources are frequently object of discussion due to their complexity and relevance at the organizational level. The idea is to bring together viewpoints both from the theoretical side and from business people, while relating different concepts and fields through a multidisciplinary approach.

Notwithstanding the initial goal of this project, not everything that is planned at the beginning of a project is possible to accomplish, as supported by Cohen *et al.* (2001). Nonetheless, the originality of this dissertation lays on the attempt to understand opinions on the business sphere through field exploration. The pertinence of the study relies then on the interest that is increasingly being developed in several circles such as students, teachers, organizations and researchers.

3.2. ORIENTING DECISIONS

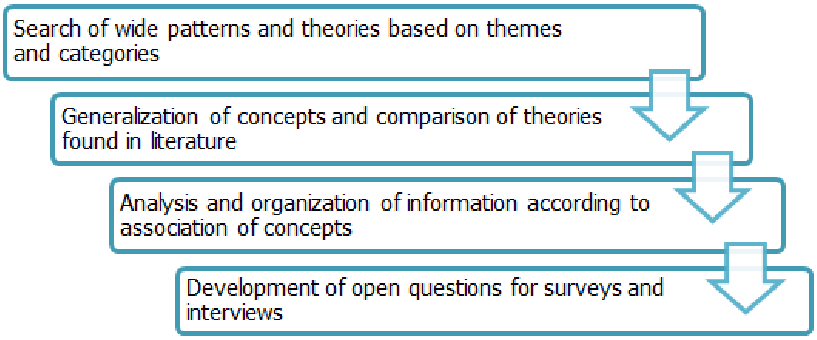
When conducting a research study, depending on its scope and complexity, "there are typically dozens of research-related issues that need to be addressed in the planning stage alone" (Marczyk *et al.*, 2005; p. 26).

In accordance, the present dissertation, as a first and continuous stage, has gone through a wide research process. Information concerning the business environment was gathered from diverse areas, while attempting to establish common points among them. It could have happened, however, that in this process the scope of future empirical exploration might have been limited (Creswell, 2007). Researchers from each field would consider their discipline as being the most essential to organizational success. Although the result was diverse, there was a clear trend towards innovation.

In sequence, the decision to go deeper in this particular field led to establishing contact with some organizations, through indirect contact, either via phone or e-mail. Using a common questionnaire, that was adapted to each company, the purpose was to perceive and validate the perspectives collected throughout the theoretical studies, and this way understand if they would be coherent with the opinions from individuals within the business sphere. The result was positive: it was possible to find, with prominence, some common perspectives with the ones found along the literature review.

This way, looking to better understand these trends, and aiming at exploring available opportunities, it followed the decision to enrich in the research elements, by establishing direct contact in the form of interviews. The result was clear and gave place to an integrated final conclusion. Figure 6 shows the process flow through which the information available was filtered and the domain of qualitative research was delimited.

Figure 6: The Logic Behind the Qualitative Research



Source: Adapted from Cohen (2001)

3.3. Research Design and Methods

The path described in *3.1* has led to a mixed methodological strategy. According to Creswell (2007), the use of a mixed methods technique drives the investigation under the assumption that gathering various kinds of data guarantees a better understanding of the topic in hands.

Though, supported by the social constructivism perspective, this research has pursued subjective meanings, where the most powerful argument was each individual's vision. From this angle, the investigation questioning became ample and broad, while seeking factual statements.

Respecting to the chosen methods and instruments, following the wide literature research, an open-question survey took place, where each individual anonymously provided feedback. To do so, and to test its efficiency, a dry run took place by sending a pilot questionnaire to the IBS School Teachers (Appendix A). This feedback allowed rewriting and adapting some of the questions.

The information gathered in this first part of the empirical research has shown to be better used and understood if analysed in quantitative terms. This means that besides the qualitative character of both questions and answers, the best way to translate inherent trends would be a quantitative analysis of that information.

It was decided that the information provided by the surveys would be presented in the form of pie charts. It was assembled according to common patterns among the answers. An example of the original questionnaire form is displayed in Appendix B.

Regardless the concrete outcome from the surveys, the process went forward to the realization of opinion interviews. One of the biggest concerns was the preservation of the interviewees and respective companies. Due to request, it was cordially decided to generalize the anonymous treatment for all the cases. In order to avoid any kind of misrepresentation of disclosure and to ensure the quality of transferability of information, the names of both the individuals and their entities were replace by vowel letters. As such, *RCX* stands for *Representative of Company X*. An example of the original template for the interviews is displayed in Appendix C.

The database used to define the samples either for the surveys or the interviews was the same. The sample of organizations for this analysis was based on those organizations represented in the ranking of the *Best Companies to Work* from 2006 to 2011, by the *Great Place to Work® Institute Portugal*. The choice for the source was simple: the outcome of a well-known consulting organization whose activity is to analyse, assess, and quantify other companies. By "listing employees and evaluating leaders from 1980" – as described in their official website[4] -, the Institute's ranking seemed to be a good starting point to select the sample of companies. The decision for a five years period was irrelevant, once derived from a practical matter.

This way, the total universe is about 77 organizations, considering that within 160 several were repeated along the years. Then, based on this sample, it was decided to divide it into two groups: 60% would be assigned to the surveys, and the other 40% would be directed to the interviews. The values were rounded to integer numbers, so we got a total of 46 companies (from 46,2) and 31 companies (from 30,8). In the first segment only 10 companies have replied to the surveys, but only 8 were readable due to technical issues (being used an online questionnaire tool, it is not possible to determine the reason why the 2 referred surveys did not contain any information when being sent back by the participants). Concerning the second segment, the process of achieving the

[4] http://www.greatplacetowork.pt/, often accessed during the research.

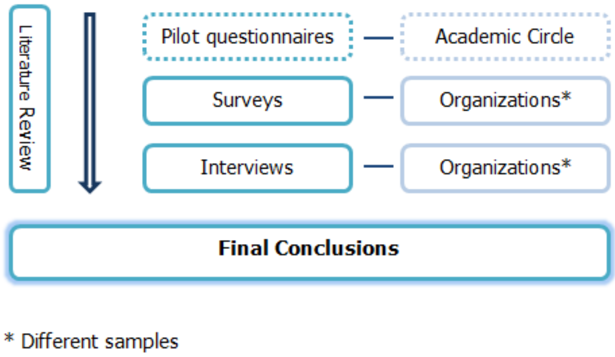
interviews was more controversial. From the total of 31 companies, 12 have answered to the request, either by e-mail or telephone; 5 have refused to collaborate – due to different reasons – and 7 have endorsed the invitation; in the end only five interviews took place, considering that the arrangements for the other two have been continuously delayed.

To the selection, a small MATLAB script was written which randomly selected the candidates for the two lists out of the total universe. The names of all the 77 companies were hardcoded in the program in the form of a cell array, so that each cell would contain a string with the name of the company. Since the companies' array contains 77 companies (in alphabetic order) its indexes go from 1 to 77. In sequence, to randomly select the first list of 31 companies, it was taken advantage of MATLAB's *Randperm* function, which permutes an array of random integer numbers. These integer numbers represent the indexes of the 77 organizations in the "companies" array. To conclude, the first 31 indexes of the randomly permuted array were selected and the corresponding companies' names were then presented to the user through the MATLAB's shell. For the second list[5] of 46 companies, the process has been repeated.

This qualitative part of the present work is though the most predominant, since, as stated by Flick (2002; p. 1, 6), "qualitative investigation is particularly important to the study of human relations, due the plurality of universes of life". One of these universes might be the business sphere where each activity, each decision, and each simple act involves people and the consequent relation among them. He understands that "qualitative investigation (…) takes the individual and social meaning about the subject, and evidences the diversity of perspectives concerning it". Figure 7 represents the integration of methods used during the process of research to achieve the final conclusions.

[5] Note that the order of the "first" and "second" list is not relevant, since the sum of both gives the total universe.

Figure 7: Methodology Used Through the Process of Research.



Concerning the methodology used in this part, key concepts were defined aiming at limiting the scope of the feedbacks received in order to enable future analysis and comparison with the remaining interview outcome. Also, attempting to ensure a consolidated balance between the interview flow and the guideline, each session was driven with a certain amount of flexibility, consequently the questions and their order were decided in real time. “If eventually a question was already answered, *en passant*, and so it can be abandoned, it is only possible to be decided *ad hoc*” (Flick, 2002, p.94).

Following the empirical research an effort to maintain constant impartiality was established, even though the model for the interviews was based on the theoretical findings. Concluding with Flick (2002; p. 5), the logic in which qualitative research finds its central criteria is the “substantiation of the results gathered from the empirical material”.

4. EMPIRICAL FINDINGS

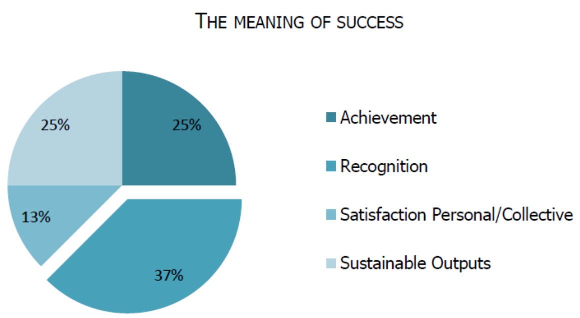
In theory, there is no difference between theory and practice. In practice there is.
Jan Van de Snepscheut

Adding to the theoretical research, empirical findings tend to be more realistic. For the purpose of this dissertation, both questionnaires and interviews, that took place in cooperation with business people, were intended to gather information in order to corroborate the theories presented in the first part of the work. Subsection *4.1.* Surveys'Analysis is brief and intends to analyse the statistical data gathered through the questionnaires. Subsection *4.2.* Interviews' Analysisis quite more extensive and explores the perspectives exposed by the organizations' representatives during the interviews.

4.1. SURVEYS'ANALYSIS[6]

a) The Meaning of Success

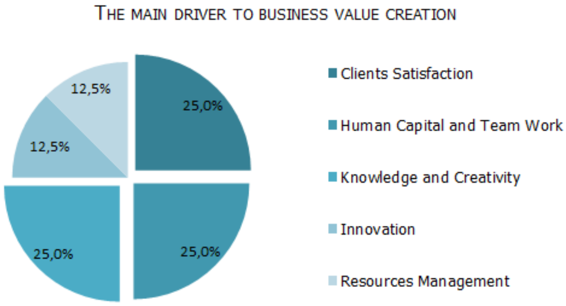
Success appears as a subjective concept. The data collected by the surveys shows that for most it refers to recognition, achievement and satisfaction, but may also mean sustainable outputs.



[6] Raw Information relative to this section is found in Appendix D.

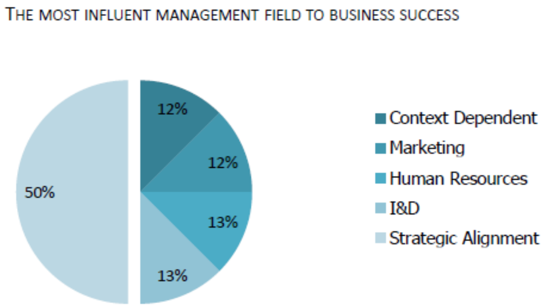
b) The Main Driver to Business Value Creation

Besides the statistical data presented in this graphic, according to the comments included in several responses, it is accurate to infer that customer satisfaction is the main driver to create value to a business. In other words, the capability to generate value to the customer is determinant to achieve a sustainable growth. To develop this aptitude, businesses must focus on their Human Potential in order to create the necessary conditions to work in collaboration, and this way, using and improving knowledge and creativity. Resource Management and Innovation were also mentioned, but with less relevance.



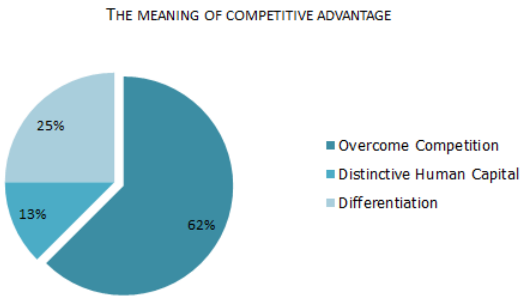
c) The Most Influent Management Field to Business Success

This topic led to a large set of opinions. As long as *business success* is context dependent, so the most influent management field to the sustainability of a company will be. It depends on industries, cores, potentials, markets and targets. Different answers were collected, but the most consensus one was strategic alignment. This perspective seems to be the most weighted and prudent to answer to question in hands.



d) The Meaning of Competitive Advantage

Competitive advantage seems to be an organization's capability to overcome competition. However, to get this advantage, organizations need to foster distinctiveness through their outstanding human capital.

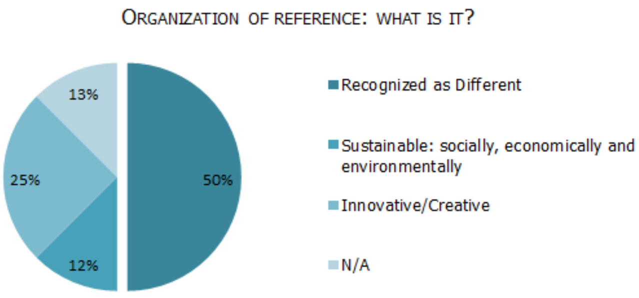


e) The Best Strength to Overcome Competition

To achieve the desired competitive advantage, organizations should ensure their capability to innovate. This must be conquered by understanding the importance of knowledge and creativity as an income to effective novelty. Networking and adaptation were also announced as means to thrive within competitive markets.

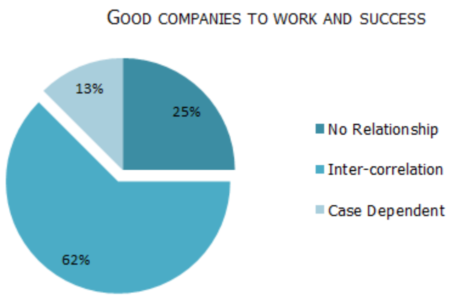
f) Organization of Reference: what is it?

Being an organization of reference is no more than being successful, subsequently it translates that an organization is first or second choice in the customers mind. Reference is thus recognition. Recognizing a differentiated profile based on innovative and creative outcomes allows organizations to achieve such level of success. The last variable named N/A represents the perspective by which none organization is today an icon of reference.



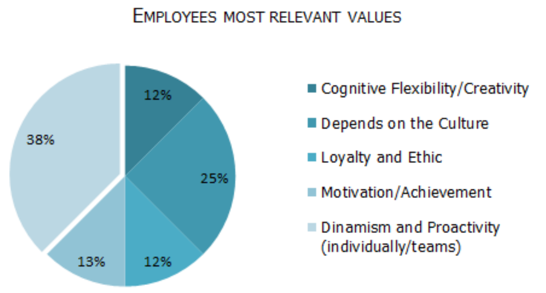
g) <u>Good Companies to Work and Success</u>

The most common opinion is that there is a strong relationship between those companies which create great conditions to its employees and those which are considered market references, entitled by *successful*. Clearly, a linear correlation cannot be established. This factor is based on a continuous cycle: people feel inspired and motivated to work in a successful organization, if this success is sustainable. Meanwhile, this motivation and subsequent productivity, as an internal dynamic will transpires a sense of strength and wealth to the outside. Both dynamics are connected in a common dialect: great companies need great people, motivated and creative, while great people need great companies that provide them the stimulus they need to feel realized.



h) <u>Employees Most Relevant Values</u>

The value of the individual characteristics and competences is a function of the business core. However, notwithstanding the hard skills, there are some soft skills and personal values that need to be present in the corporate culture. The capability to work as a team, overcoming conflicts and taking responsibilities, together with the motivation and the desire to go further and achieve difficult goals, reflects a pro-active attitude that must be fostered within the business environment.

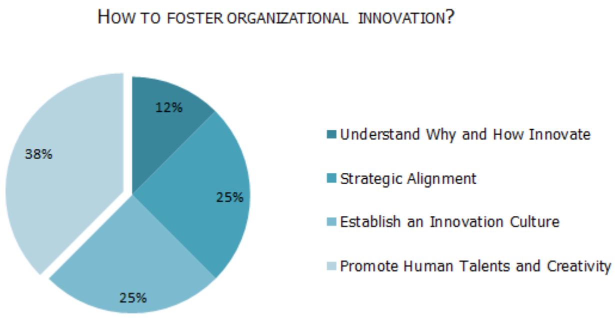


i) <u>Means to Involve Employee into Organizational Culture</u>

The importance of creating and developing a corporate culture in which employees feel comfortable and motivated to go further seems to be generally accepted. Despite the supportive programs that intend to integrate new employees while refreshing activities in the entire organization, culture is truly lived when practicing it every day along with the common activities. This is more effective if reinforced by an appropriate kind of leadership.

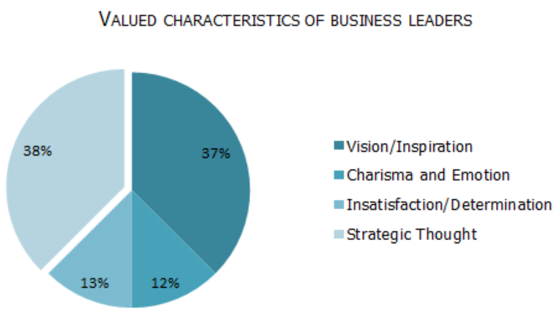
j) <u>How to Foster Organizational Innovation?</u>

Besides the importance of ensuring strategic alignment through the entire structure of an organization, the most imperative tactic to foster innovation seems to be through Human Potential. Working in innovative cultures, employees must understand the importance of contributing with innovative ideas, as well how they can do it. This way, understanding the meaning of innovation they will become aware of their role while revealing their creative personality.

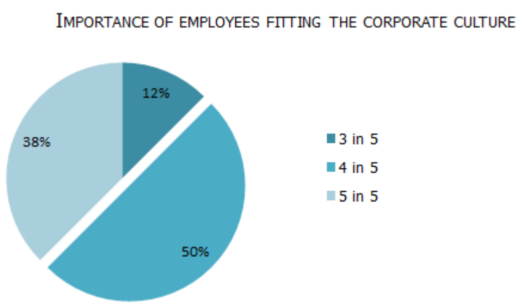


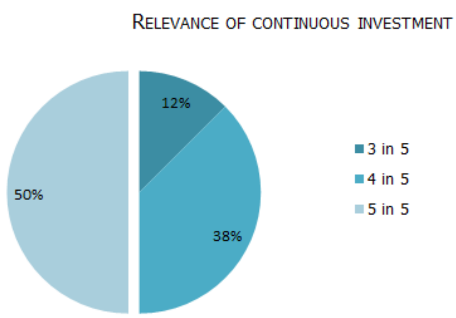
k) Valued Characteristics of Business Leaders

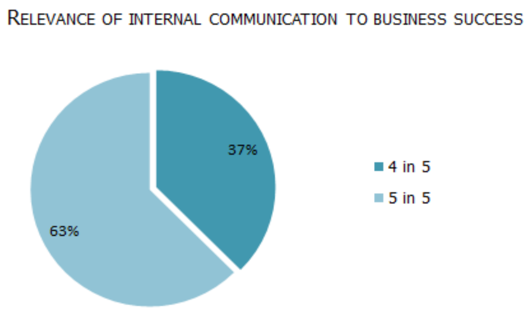
Considered as essential to business achievement, leadership is not always effective to this respect. In agreement with suitable outcomes, leaders are expected to have a strategic mind in order to better approach new situations. This attitude is possible if they feel inspired to follow the corporate vision while sharing this inspiration to their fellows.

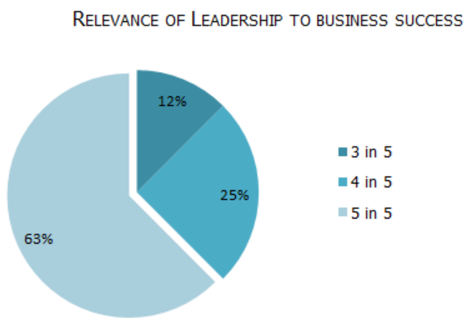


l) Other Topics: Rated from 0 to 5









4.2. Interviews' Analysis

The idea behind Snespscheut's statement (cited in 4) is that theory is enough as long as reality is not concerned. The idea to establish contact and acquire direct feedback from some well recognized organizations in the business environment was born from this same perspective.

The globalized world has permanently changing demands that need to be understood and satisfied. Thereunto, organizations need to encourage an inner entrepreneurship disposition, while individuals should focus their minds in the importance of fostering innovation. Simultaneously, the collaborative efforts to achieve competitive advantage must be aligned with the business strategy in a way that the whole organizational system fits consistently.

Even a company in its most prosperous momentum, where it is difficult to find the need for a strategic change towards improvement, should be aware that there are always great opportunities to go further.

Consistently, all the entities that formed the base for the current research assume having a commitment to excellence – the supreme internal goal. As learning organizations, these companies seem to share a common sense about the path towards success.

The variables influencing the organizational endowment to achieve success through innovation are countless. From the context where the organizations are inserted, the industries they operate in, to their particular size or investment priorities, all of them will have an impact on their performance and business positioning. Besides, it seems that all of them foresee innovation as the best choice for a rewarding near future.

In spite of the different approaches these organizations have regarding the concept of success, their testimonies provided supportive information to create a pattern of perspectives among them. The main conclusion is that innovation is considered the main driver to growth and differentiation in the current conjuncture.

Recognizing innovation as key, they invest in the development of a corporate culture propitious to creativity. This management approach seeks an environment supportive to the emergence and development of differentiated ideas fostering novelty. As part of the corporate DNA, this atmosphere must ensure the alignment between the right attitude towards innovation and the strategic priorities. It follows that due to the relevance of getting people committed with this strategy, managers must be deeply concerned about the creation of career opportunities and incentives to both professional and personal life improvement.

Summing up, the interviewed organizations revealed to be structured in a way that intellectual assets are respected and valued. This approach identifies the human capital enhancement as the main pillar to reach success.

4.2.1. The Meaning of Success for Organizations

Besides the different approaches that both companies, and their representatives, as individuals, have when defining success, all of them show a common pattern by affirming the need for equilibrium between visions and strategies. Indeed, some have focused in directly following success, while others did prefer to make take the overall perspective inside the organization.

CR**C** discloses that "internationalization and innovation are the key factors to achieve success", having leadership, technology and talent as support. On the other hand, CR**D** defends that dignity and transparency are the main elements leading a small company to become a big one. However, in order to show the desirable image, it is essential that managers look at their organizations and see its best potential on people, investors and client portfolio. From this perspective, companies do not need to develop a "show-off" image, by being truth and loyal inside and outside the company. The organizational network is the entire ecosystem that supports business activity. CR**D** ends saying that "if we are aggressive to our ecosystem, it will reject us".

CR**B**, in a different angle, believes that the concept is completely not dissociable from results. As such, having good resources is mandatory in the process of achieving goals. Also, in accordance with CR**D**, CR**B** looks at this business environment as an ecosystem, where we can find an endless cycle of value creation. Simply put, the successful organization is the one with excellent figures – which by definition makes it an organization of success -, on top of the human assets that make these figures possible. Besides, "an organization of success must be innovative". It is the "avant-gard" organization that finds people with the needed competencies for interaction with the right technology. It is their know-how and behaviour that determine the kind of organization one will become. In the end, it is the company's internal capability to solve problems and to focus on the client that will take it to the desired position, which is here defined as success. On the other hand, both CR**E** and CR**A** presented a very similar approach, by which success is achieved through strong foundations.

For CR**E** these pillars are can be defined as a good project, a good united team, and a strong strategy, with clear and shared objectives throughout the entire company. The processes and procedures must also be clear, efficient and optimized. In the end, it comes the construction, which must be a daily activity, where everyone inside the business network take part. "We believe that success is a continuous process that should be valued and rethought along the path, when reaching some targets". During the last year, company **E** has been growing due to its dynamism, ambition, offer quality and internal strength based on a great human asset.

For RC**A,** there are five pillars which determine the organization's positioning: shareholders, finance, human capital, clients/partners, and social responsibility.

First, shareholders need to be satisfied with the company's activities and outputs. Their disposal to invest in the organization needs to be cultivated. It is crucial to attract new shareholders while investing in holding the existing ones. As such, managers should ensure the stability of the administrative organs, whose work must translate quality and bring value to the company.

Second, a good financial management enables the organization to bring out its presence on the market. The ability to keep the business and make it grow, while respecting shareholders, through financial wealth, is half way to conquest an unshakeable reputation. Honesty and determination are also characteristics of a well-managed company. The capability to demand responsibility from customers and deliver responsibility to suppliers, in money exchanges, creates the profile of a company which is capable of honouring commitments. Moreover, in order to get more motivation from both sides, the profits should be enough both for satisfying shareholders and for investing on people.

Third, concerning human resources payback, RC**A** believes that "one company is only successful as long as its employees recognize it as being so". This asset, of human character, "is the barometer that measures the level of recognition of an organization". Feelings like proud and self-realization are should be fostered by the organization culture. "The collaborator should enjoy talking about his organization outside; wearing the shirt and showing together with the own image". Respect arises again as a key concept, when concerned to the creation of good work conditions, smooth environment and convenient training. "Employees need to know the purpose of what they are doing; even the simplest activity should is important, and employees need to know what for". Respect is, then, a transversal value: employees need to respect each other, the people from different levels of hierarchy and need to be respected by all the others. Managers need to understand that employees are also individuals and might expect managers to respect their personal issues. "Successful people are the most likely to bring their best potential to the work environment".

Fourth, with reference to clients and partners, the first step is to understand the value of networking. Healthy relationships within the organizational ecosystem are, again, half way to develop positive and striking brand awareness across the industry. Additionally, organizations should be sure of the quality of what they are selling, since "an upset client is an image detractor". This seems to be the only way to develop fidelity between them and the company.

Finally, both collectives and individuals have a commitment to society. "A successful organization is the one which takes social responsibility very serious" either environmentally or in terms of financial sustainability. However, this concern has to be planned; it has to be inherent to the organizational strategy. "A successful organization is the one that already understands its footprint in society".

This topic concludes with GPW's perspective. Even though *success* is a subjective concept, there were three elements pointed out by the organization, which seem to be common among the ranked best companies to work worldwide: innovation, focus on results and talent. Management credibility, special benefits and recognition are some indicators of motivation that foster the main three. Besides, trust appears once more as the glue that brings together all the three levels of relationship within organizations: between employees and superiors, between employees and the organizations, and among colleagues.

4.2.2. THE CORPORATION STRATEGIC ALIGNMENT

Considered as systems, organizations need to develop sustainable strategies supporting all the elements that form them. Alignment and balance among these components is crucial to ensure coherence and consistence. RC**E**, referring to the specific case of company **E**, defends that it is the greatest balance of the different units that provides the basis to reach excellence. “We work with conscience and responsibility. We know that all the management areas complement each other and, when in equilibrium, they build sustainability and wealth”.

They are increasing the factors that influence the process of building success in an organization. However, in company **E**, it is clearly present the management conscience of continuously maintain the capability to innovate and adapt to the constant changes and challenges proposed by the globalized market. According to RCE, “these are the pillars that support our organizational strategy”.

For company **C**, it is the integrated vision of the business that levers it. RC**C** defends that “organizational strategy must be coherent and transversal along the management areas”. Trust and novelty appear here as the glue that sticks the different units with an integrated vision of what is the strategic purpose. The formula rests in being aligned; “We are all aligned, in the same melody”.

To conclude, GPW makes clear that “there is not any established recipe” to determine which is the most important balance between the different units of an organization. The levels of influence of each variable depend on the organization’s current conjuncture, on the industry it operates in, on its particular features and, furthermore, deeply depends on its specific objectives. However, according to the indicators used by the Institute to evaluate trust indexes – which translates the company’s wealth - there are three common guidelines that seem to appear more often among companies. They are: betting on talent through a goal-focused orientation, and towards innovation. In the end, whatever the scenario is, the entire organization is conditioned by the alignment of its structure and the way human capital is valuable within it.

4.2.3. THE INFLUENCE OF ORGANIZATIONAL CULTURE

Companies should define their strategies based on what they want to achieve – what they understand by success. Likewise, they first need to define their position and the goals of their business, so they can start building their own culture; the one that managers will be willing to share with their employees. It is very important that the culture of an organization transpires internal consistence and an effective configuration through processes and procedures. Even in those companies whose structure is less formal and more flexible, it is imperative to develop a congruous leadership. This will enable integration, smooth relationships, relieve conflicts, and promote transparency across the system.

RC**C** declares that in the informal and young culture that company **C** has been developing over the years, it is possible for each one to feel the culture. “We identify ourselves in the culture” and “it is possible to understand and be part of the way of being and behaving there”. The corporate culture is mostly based on the daily routine, being “the example each one gives every day”. “This makes culture to be shared”, she ends.

Culture, “the thing that comes along the organization’s life and should keep persisting in the future”, as referred by RC**B**, is better spread throughout the company if understood by all. RC**E** believes that passion for corporate culture can be promoted at several levels: by team cooperation, good practices, periodical meetings to motivate employees toward specific targets, idea sharing, empowerment and by the level of demand through proposed challenges. Additionally, there is the design, comfort and functionality provided by the physical space, there is the training and the use to celebrate birthdays and achievements.

RC**D** spoke about a culture of diversity, continuous improvement and collective evolution. Company **D** “is a team at work; no one is perfect, but teams can be”, he emphasizes. It is part of their culture to make people think by themselves, share opinions with managers and try to evolve with their colleagues. There “each one can be himself; each one feels free and challenged to give their best". Within open spaces, where schedules are flexible, interaction is fostered, casual clothes are commonly used, modern designs and good mood can be found in all structures, and positive attitude characterizes the environment; people feel the workplace as being an extension from their own personal life. Further, RC**D** defines its company as being predictable where rules come into place as motivating targets. The lemma is "to help and cooperate in order to beat the competition".

The topic is concluded with a metaphor. GPW defends that passion for the corporate culture should be seed on employees across the internal environment, "it is as if it was a dance". Both company and employee must dance this music. The employee should, at first, choose a company that fits his profile, considering the values and goals. The idea is to ensure that the activities will be taken on with passion. Also, companies should hire people with character, determination and interest in cooperating towards the same targets.

4.2.4. THE STRENGTH OF LEADERSHIP

This was a consensual topic among the different interviewees. RC**E** enumerated three elements that should always "walk hand in hand". Leadership, vision and motivation are essential to achievement. "Leading must be able to naturally influence in the right direction, supported by an ambitious vision that generates good performance. Success will always be the result of good execution, resulting from motivated and well-orchestrated teams".

RC**C**, in turn, asserts that "ideas will lack if leadership misses". She believes that the formula to success is weighted by two variables: leadership and team motivation. "If I aspire to have teams with motivation and good performance, I need to counterbalance my demand with payback". The reward is based on the kind of leadership we choose to develop.

Also, RC**D** believes that "the big difference rests at the leadership level". First, managers and leaders, who rise through the hierarchical structure, are carefully chosen. Further, "leadership is lived every day. Each person is the leader of what he is doing". From the formal leaders to the informal, they must have strategic vision and ability to make it translucent. "Here leadership is different", he concludes.

RC**A** considers that leadership is only takes place when leaders are admired by people. “There is only charisma and respect to leadership if people recognize leaders as such”. Leaders need to know what they are doing; they need to know the business and people must acknowledge it. He concludes that “good leaders are those who have positive attitude and some humility to learn from his followers, by recognizing doubts and spending time with them”.

According to the other interviewees, RC**B** also agrees that “leadership is especially important” in any company’s performance. Besides, “leadership is fundamental to the organizational image both internally, to its employees, and externally, to its clients and partners”. However, leadership cannot be enforced; it must be conquered every day. At the organizational level, “leadership is like a muscle democracy”. It has objectives, vision and strategy. “It is part of our capability to involve people and teams in building the future”. For him, management and leadership should be closely related. Managers, with a scent of leadership, must know how to deal with people, how to manage their careers, how to constantly evaluate their practices and how to foster competence in the overall scenario. “This is about the human being”. It is fundamental to develop transversal involvement throughout the structure to make projects be part of everyone and the leadership spirit an outcome of all.

GPW concludes with one sole sentence: “without skilled leadership, there is no successful organization”.

4.3. THE PERTINENCE OF INNOVATION

RC**A** defines innovation as “the permanent search of new ways to keep renewing”. As so, none organization with no investment in innovation will ever succeed. “For sure it will be a condemned organization”. RC**C** identifies innovation as the main vector to anticipate what might come in the future. Besides, since technology is an outcome of innovation, it is mandatory to understand how to interpret it with other types of innovation. Because they “believe that innovation is the key to success”, their own processes and work methodologies are not apart of innovation.

Company **E**, for instance, assumes a strategic culture that promotes innovation. For them, according to RC**E**, innovation is directed to new developments, new ways of doing and behaving, new services, processes, procedure optimization, and so on.

Innovation is transversal in the organization, in a way that “enables the achievement of a sustainable competitive advantage”. As an inner strength, encouraging innovation goes through idea promotion, creation of task forces to bounder solutions, and strategies to achievement specific targets. “This is a cultural configuration that intends to foster internal interactions, based on open communication and empowerment”. The idea is to ensure that the innovation concept is naturally assimilated in order to get the best human potential in creating value to the organization. Summing up, for RC**E**, the main pillar supporting their corporate strategy is their ability to innovate and adapt to the constant challenges proposed by the market.

RC**B** has a different approach on this topic. For him, innovation needs people. “To have innovation, we need to be able to attract people capable of innovating; however, to attract them, we need to develop conditions for them to feel interested”. The ability to innovate is closely related to the profile of the people hired. Not everyone is able of performing innovation, or working with it.

Due to the subjectivity of the concept based on each organization’s visions and strategies, the GPW has preferred to omit his opinion on this topic.

4.4. The Endowment of Human Capital

Organizations are like living organisms, acting and producing through interactions. Well-managed systems are able to provide orientation to their units – the people – in order to get results at their best potential.

RC**C** believes that “no organization will be successful if not managing their people efficiently”. Integration becomes a natural process. “Audacity, energy, ethics, humility, self-confidence, audacity and dynamism” came up as the main characteristics aimed at innovation and achievement. People are the greatest asset, and specially in a “small company as ours, everyone makes the difference”. This becomes the key feature that makes company **C** invest so much in its internal work environment.

RC**D** also believes that the path that leads companies towards success is established on people. The way people like the organization; how they feel being part of it; how they see themselves as fitting in the evolution and the society. Company **D** invests on resources; it invests on people because it is the individual who creates the whole. “It is crucial to search for the best people; those people who are motivated to transpire their greatest potential". Besides, the worst people must be put out of the organization, creating "an evolution waterfall that makes the company move ahead in the market".

RC**E** stresses the importance of creating a good environment to attract and keep human assets. "It is with the purpose of being attractive to employees that we organize every day". People empowerment becomes the tool to challenge employees, since they understand that motivation will be as great as their endeavour. Company **E** "challenges, motivates and rewards". Besides all the technical and functional resources, there is a clear strategy, shared by all. "We have ambition and energy". RC**E** concludes by affirming that "success arises from good work: ambitious in the strategy, exigent in the challenge and rigorous in both the planning and the execution.

"People are the most important asset. However, it is fundamental to have this slogan as a practice; it must be part of the corporate culture" – affirms RC**B**. Accordingly, company **B** seems to focus on developing a well-structured strategy concerning Human Resources. There is careful career management, by which people can choose what to do, in relation to their personal objectives and skill development. Most importantly, – RC**B** believes – it"is the way as we live in the organization along the day-to-day routine". High levels of professional immersion in demanding environments bring a sense of well-being, and this way makes people desire to go the "extra mile" in a continuous cycle of self-motivation and idea generation. An organization will only achieve the desired level of success once it gets the results desired. However, to achieve them, the company needs to invest in its people, in order to make them feel motivated and give their best.

Summing up, GPW recognizes that talking about organizations is talking about people. Both different organization and people have distinct cultures and singular DNA that make them dissimilar. The point is that companies need to invest in people if they are willing to make them an asset and, on the other hand, people need to have the right profile to fit the system. Notwithstanding, there is a strong dynamic linking two different kinds of processes, one more factual than the other. The first is related to the tasks, goals and verbal communication, while the second concerns the way relationships flow, emotional interactions, contextual influence, as well as non-verbal communication.

5. CONCLUSIONS AND FURTHER RESEARCH

The interest in understanding the concept of success through the business lends directed this dissertation towards the field exploration, through the most available methodologies and methods. As referred in *3.2* and *3.3*, the primordial idea of exploring a particular organizational reality *in loco* was not possible: Nevertheless, either the extent literature review or the contact – direct and indirect – with the companies' delegates was deep important to develop a critical image of what businesses intend to promote aiming at sustainable wealth.

The qualitative approach has revealed great results, since it enabled the involvement of both individual and social meanings about the subject in study, evidencing the diversity of perspectives concerning it (Flick, 2002). During the interviews, particularly, the interaction between investigator and delegates, as well as the insertion in the business atmosphere and the contact with organizational reality, have provided the basis to acknowledge behaviours and environments. As an inherent part of the process of knowledge production and information gathering, this consciousness was deeply important during the interviews since it enabled a clear and agile perception of both intrinsic and extrinsic assumptions assumed by the interviewer.

CONCLUSION

The main driver of value creation seems to be, for any business, the value expected to be delivered to the end target. *Value*, such as *success*, is a subjective concept, which translates the consumers' perception. Also *perception* is a concept hard to define and measure. The business goal is to be positioned in the clients mind when they choose from a wide portfolio of options. From here, it appears the concept of *competitive advantage* which relies on the capability organizations might develop to be perceived by clients within the market as positively different from their competition. Competitive advantage is though the result of a continuous process through which companies are empowered to develop and improve arguments that competitors are not able to replicate. As in sequence of this thinking, companies which act as learning organisms develop the ability to create portfolios of information, competencies, skills and experiences from their network.

From both the readings and the interviews, it was conclusive that success might derive from different achievements: social relevance, economic position, self-realization of employees, or innovative proposition. As such, *success* is not but a subjective concept translating the vision individuals or collectives aim at reaching, through a process that might or not be pre-defined. As such, besides the different approaches among writers and businesspeople, it seems that *success* is inherent to organizational vision and innovation part of the respective mission.

To answer to the main question posted in this dissertation, there are unlimited elements driving companies to achieve what they expect to be their success. During the research it was possible to verify that considering innovation as determinant to business success is not a full consensus. Some, as Trott (2008; p. 122), believe that innovation is "the engine of growth" while others, such as Tidd *et al.* (2003), consider that innovation may not be necessary to growth. However, as Christensen, Anthony and Roth say in their book *Seeing what is next* (2004; p. 54), "choice matter[s]" when it is needed to plan the future, and endorsing or not innovation is a decision that managers need to take when defining their strategies. In the scope of this dissertation, a pattern was created: from theorists to businesspeople point of view innovation should be part of the path to prosper in the current environment.

Innovation, as the strategic process of reinventing businesses continuously and consistently (Hamel, 2007), seems to be about new concepts and understandings, about creativity and idea exploitation, about entrepreneurship and differentiation (Trott, 2008; Neves, 2000). Organizational innovation, particularly, embraces strategy, structure and systems; it refers to people, leadership, networks and culture; it is about the way things run within organizations and how they position themselves in the market. The process of being innovative cannot be separated from the corporate strategic and competitive context (Afuah, 1998).

As part of organizations' DNA, innovation must be carefully planned and managed. To conformwith the character of innovation also organizational culture should beand target-oriented, based on productivity and achievement, to foster collective motivation. In this line, business leaders take deep responsibility in allocating resources and competences, since the more appropriate the resources endowment, the better the financial return to shareholders. On the other side, people, tools, processes, systems and physical structures must work in coherence towards innovation, fuelled by managers who are required to ensure balance on the business engine. This engine aims at achieving high return from excellent innovation processes, effective leadership and cooperative work environment (Patterson and Fenoglio, 1999).

In sum, whether innovating in processes, products, marketing or organization, companies seem to pay high attention to their capability to learn and adapt to external changes. By looking inside with open mindset and creative disposition, managers and employees are more to collaborate proactively in improving outcomes. Therefore, it is possible to achieve the desired place, in this dissertation, called success.

FURTHER RESEARCH

Given the subjectivity and complexity of the subject in hands, it was concluded that further investigation on the topic could be engaged. Some of the related aspects found as interestingto other areas are listed below.

a) <u>Organizational Innovation</u>

Innovation reflects a critical way in which organizations respond to either technological or market challenges, and so the innovation capability is critical for competitive advantage. Hence the value of these capabilities due to their uniqueness and inimitability. Therefore, being innovative at the organizational level is highly relevant to companies, since they look at their imternal structure as a social complex that need to be integrated in the whole, regardless the target of the planned strategy. Concerning the organization's ability to combine different types of resources with creativity, organizational innovation appears also as an interesting field to investigate deeply.

b) <u>Corporate Social Responsibility</u>

The *Social Role* of organizations is nowadays a theme highly subjected to discussions. Both related to *success* and *innovation*, organizational responsibility towards society seems to carry out interesting processes of discovering and developing novelty. New concepts, new understanding and new technologies in the environmental sphere rise every day, helping organizations to understand their footprint in ecology and giving them open oceans to explore. The *Front End* concept appears as a conclusive stage in the innovative process, where both innovation and environmental policies became merged. This synergy plays a central role in integrating sustainability issues into the economic equation.

c) Creativity in the Organizational Context

Creativity is generally associated to arts or literatures, being indeed a differentiating factor. Nevertheless, regarding the business sphere, creativity becomes a trivial concept among so many others. Not only Apple or Google, for instance, whose core business relies on the technological innovation need creative to be ahead. Any other company willing to become innovative and able to ensure sustainable wealth are required to recognize that creativity appear as determinant variable in the process of achieving organizational success. This topic gives the impression to be promissory in a context where innovation is needed as a competitive differentiation.

d) Measuring Innovation

Companies have *a priori* two paths through which they can increase profits and create sustainable competitive advantages:

- One short term option, by reducing operational costs;
- And one long-term choice, by developing differentiation through innovation.

As seen along this work, most of companies are indeed inclined for the second choice, if not already going forward with it. However, most of these organizations have no processes or internal structures to measure the benefits created by such innovative projects. Some of them just neglect the process of managing innovation. Regarding the importance innovation has being increasingly receiving in the organizational sphere, this seems to be a great topic to go through.

Maybe the qualitative investigation should be understood as art and method. It is expected that progress will result from the combination of the methodological developments with its well succeed and reflected application.

Denzin and Lincoln (2000), cited in Flick (2002)

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APPENDIX A

PILOT QUESTIONNAIRES FORM

Tese de Mestrado: Organizações de Sucesso

O meu nome é Daniela Vasco e sou finalista do Master Science in Business Administration da IBS – Iscte Business School. Estou, neste momento, a desenvolver a minha tese intitulada: "A successful organization: how to get there?".

O presente questionário foi realizado no âmbito deste trabalho, a fim de recolher informações e pontos de vista de pessoas que vivem a realidade empresarial, pessoas que ensinam conceitos e demonstram teorias e de pessoas que as aprendem, neste ambiente onde a gestão é um conceito activo.

As respostas serão apenas utilizadas para análise da diversidade de perspectivas em relação ao tema. Não haverá indicação de nomes ou estatutos no estudo.

A sua colaboração trará valor acrescido para este trabalho. Contribua para o seu sucesso.

Desde já agradeço a disponibilidade e atenção dispensada.

Next

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Tese de Mestrado: Organizações de Sucesso

1. O que considera por sucesso?

2. Quais os principais drivers da criação de valor nos negócios de uma empresa?

3. De todas as áreas envolvidas pela gestão, quais considera terem mais influência no sucesso de uma empresa?

4. O que é para a empresa ter vantagem competitiva?

5. Qual a melhor forma de fazer face à competição empresarial?

6. Para si, o que é ser uma empresa de referência? Indique as que são, para si, empresas de referência.

Back Next

17%

Tese de Mestrado: Organizações de Sucesso

7. Até que ponto o sucesso de uma empresa pode estar relacionado com o facto de ser uma boa empresa para trabalhar?

8. Diria que é o sucesso que permite a uma empresa ser considerada uma boa empresa para trabalhar, ou ser uma boa empresa para trabalhar é que é um driver para que seja uma empresa de sucesso?

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33%

Tese de Mestrado: Organizações de Sucesso

9. No que diz respeito aos colaborados, qual o tipo de características e competências que considera terem mais valor para a empresa?

10. Quais as condições que uma empresa pode criar para facilitar a integração dos colaboradores na cultura e, ao mesmo tempo, envolver a cultura nos colaboradores?

11. Qual a importância de semear a paixão dos colaboradores pela empresa?

12. Qual a importância da liderança no sucesso da empresa?

13. Qual a relevância da comunicação para o sucesso empresarial?

Back Next

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Tese de Mestrado: Organizações de Sucesso

14. Sendo a inovação uma estratégia competitiva, como é que uma empresa deve dinamizar e estruturar o seu processo de inovação, a fim de o tornar mais eficaz? E quais as principais áreas de foco?

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15. Qual a importância do investimento para uma empresa?

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16. Para si, quais deverão ser as ambições de uma empresa quando esta decide internacionalizar-se?

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Tese de Mestrado: Organizações de Sucesso

17. Tornar uma ideia numa realidade não é fácil. Em termos de mindset, qual considera ser a melhor atitude de um gestor, que seja líder, na materialização da visão da empresa?

Back Submit

83%

Tese de Mestrado: Organizações de Sucesso

THANK YOU!

Obrigada por ter aceite este questionário. A sua colaboração será muito importante para o desenvolvimento deste trabalho.

100%

APPENDIX B

GUIDE USED TO THE QUESTIONNAIRES

COLABORAÇÃO: XX

1. O que considera por sucesso?
2. A xx considera-se uma empresa de sucesso?
3. Se sim, Quais as principais razões por ser reconhecida uma empresa de sucesso?
    a. Para a xx o que significa ser uma empresa de referência? É o mesmo que ser uma empresa de successo?
    b. Quais os principais drivers da criação de valor nos negócios da empresa?

A gestão abarca todas as áreas de actividade da empresa. Consideramos a gestão da cultura e organização (identidade, valores, estrutura, processos, sistemas…); da estratégia (missão, visão, objectivos e modelos de negócios); do capital: humano e financeiro; do produto; da distribuição (mercados e internacionalização, canais, logística e sistemas…); do aprovisionamento; da comunicação interna e externa; dos clientes, no que diz respeito à segmentação e o próprio relacionamento entre a empresa e os consumidores; e da inovação, na busca de melhoria contínua e prosperidade.

4. Quais destes tipos de gestão tem mais influência no sucesso da empresa?
5. Face aos concorrentes, onde é que a empresa se destaca? Quais os pontos fortes?
    a. O que é para a empresa ter vantagem competitiva?

6. A xx considera-se uma empresa atractiva para os trabalhadores?
    a. Até que ponto o sucesso empresarial poderá estar interligado com o facto de ser uma boa empresa para trabalhar?
    b. Se existe relação, diria que é o sucesso que permite ser uma boa empresa para trabalhar ou ser uma boa empresa para trabalhar é que se torna um *driver* para o sucesso?

7. No que diz respeito aos colaboradores, qual o tipo de características e competências valorizadas?
8. Quais as condições criadas pela xx para facilitar a integração dos colaboradores na cultura e, ao mesmo tempo, envolver a cultura nos colaboradores?
    a. Como é que a empresa semeia a paixão do colaborador pela empresa?

9. Qual a importância da liderança no sucesso da empresa?

10. Qual a relevância da comunicação (interna e externa) para o sucesso empresarial?

11. Considera a inovação uma estratégia competitiva?
12. Se sim, como é que a xx dinamiza e estrutura o processo de inovação (para o tornar mais eficaz)? E quais as principais áreas de foco?

13. Qual a importância do investimento para a empresa? Em que áreas a xx foca mais investimento? Porquê?

14. Na Era da globalização qual a relevância da internacionalização? Para a xx quais os pilares cruciais no processo de internacionalização?

15. Tornar uma ideia numa realidade não é fácil. Quais os pilares que suportam a estratégia a fim de materializar a vossa visão?

APPENDIX C

Example of the Guidelines used to the Interviews

ENTREVISTA:
ORGANIZATION XX

DRA./DR. XXX

"Os xx são pequenas cidades com uma atmosfera única. Mais do que pontos de chegada e de partida, são locais de intensos encontros. Espaços cosmopolitas e coloridos. Ambientes de emoções e descobertas. Espelho de gentes e culturas. Cuidamos de todos para que se sintam únicos. Aproximamos Portugal do mundo. No presente antecipamos o futuro".

1. O que é para a xx, enquanto organização, alcançar o sucesso sustentável?
2. No que diz respeito à sua organização interna, o que torna a xx distincta das outras grandes empresas?

A xx tem como visão ser reconhecida como xxx, "capaz de assegurar um desempenho fundado na confiança dos parceiros e orientado para a rentabilidade e sustentabilidade".

3. Numa Era onde a única constante é a mudança, e os padrões são constantemente ultrapassados, como é que a xx enfrenta a vulnerabilidade de um sucesso sustentável? Como faz frente à concorrência?
4. O que entende pelo conceito de "learning organization"? A xx considera-se uma empresa capaz de aprender e de criar conhecimento?
5. De que forma potencializa essa capacidade?

Não existe diferenciação sem talento; não se desenvolve talento sem líderes.

6. Qual a importância da liderança no sucesso da empresa?
7. Em que sentido o capital humano pode ser um elemento diferenciador na vantagem competitiva do grupo?

Na cultura do Grupo xx um dos elementos valorizados é o espírito competitivo e inovador.

1. Qual a importância de desenvolver uma cultura organizacional propícia à criatividade, numa era em que a inovação é valorizada?
2. Considera a criatividade uma competência-chave numa empresa que pretende ser inovadora? Porquê?
3. Em geral, a ideia de uma empresa inovadora remete para as tecnologias, os produtos, o marketing. Internamente, como é que a xx inova; isto é, em que sentido a xx investe na inovação da sua organização e estrutura?

A inovação é, na sua essência, uma estratégia para conquistar vantagem competitiva.

4. Em poucas palavras: o que significa inovação para o Grupo xx?
5. Como é que a xx dinamiza e estrutura o processo de inovação (para o tornar mais eficaz)? E quais as principais áreas de foco?
6. Quais as principais prioridades de investimento da empresa? É a inovação uma delas?

(os dados citados neste documento foram retirados da página oficial da empresa xx, SA cujo link se apresenta: http://www.xxxxxxxxxx)

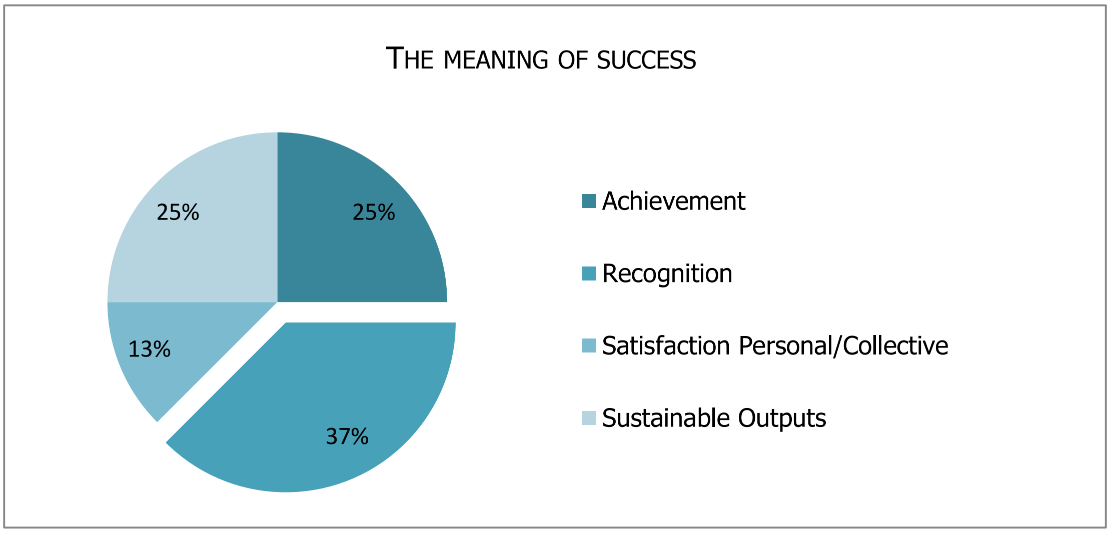
APPENDIX D

Excel Data Analysis

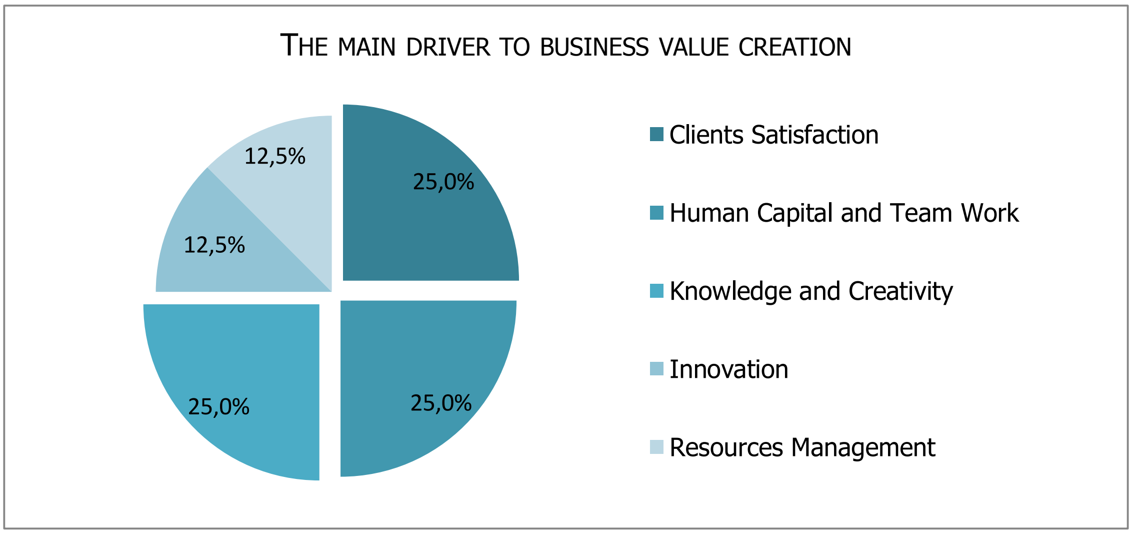
APPENDIX A

Surveys - Analysis of Information

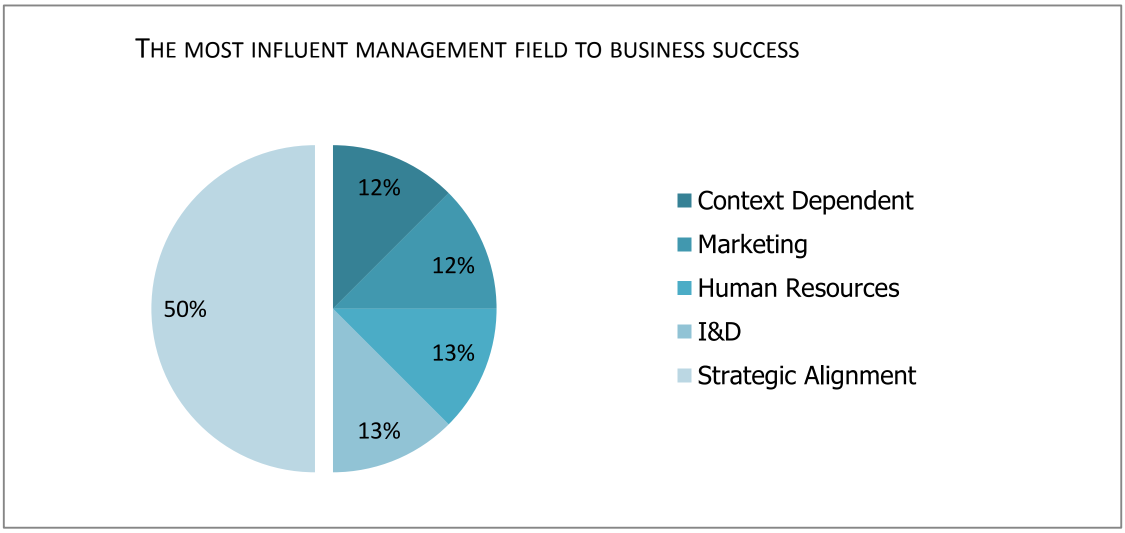
The meaning of success	**%**
Achievement	25
Recognition	37,5
Satisfaction Personal/Collective	12,5
Sustainable Outputs	25



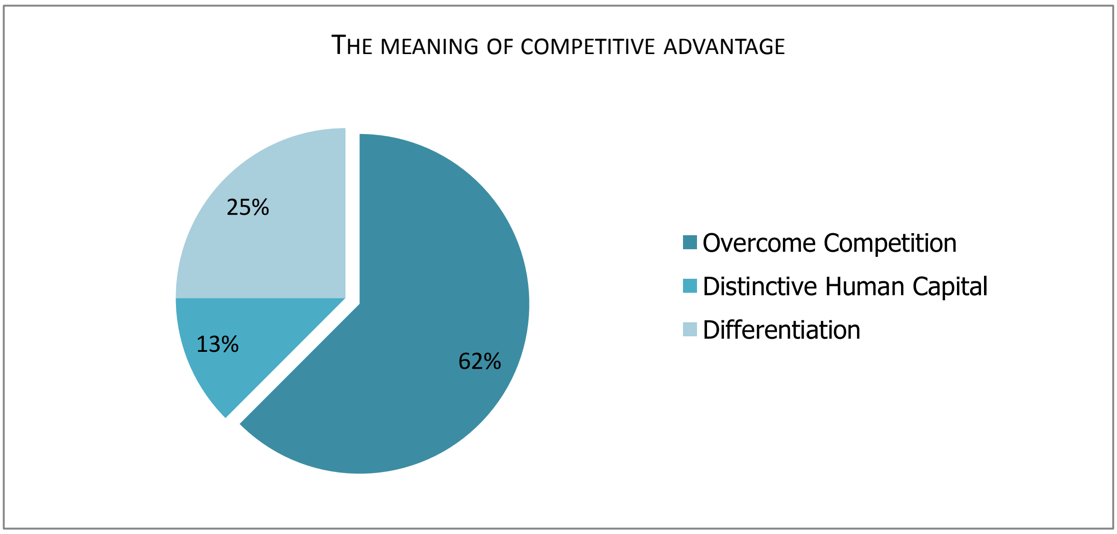
The main driver to business value creation	**%**
Clients Satisfaction	25
Human Capital and Team Work	25
Knowledge and Creativity	25
Innovation	12,5
Resources Management	12,5



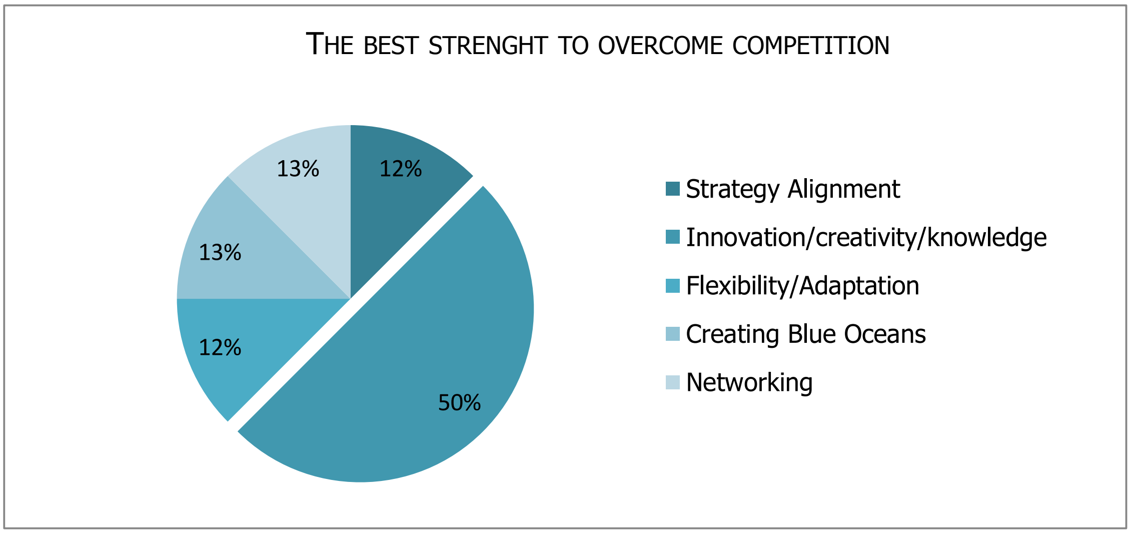
The most influent management field to business success	**%**
Context Dependent	12,5
Marketing	12,5
Human Resources	12,5
I&D	12,5
Strategic Alignment	50



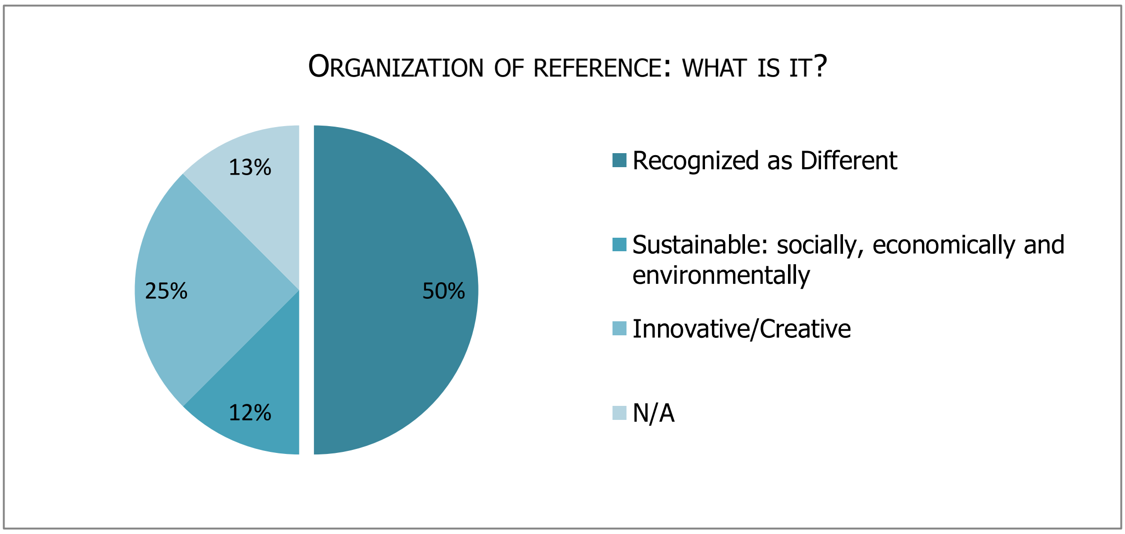
The meaning of competitive advantage	**%**
Overcome Competition	62,5
Distinctive Human Capital	12,5
Differentiation	25



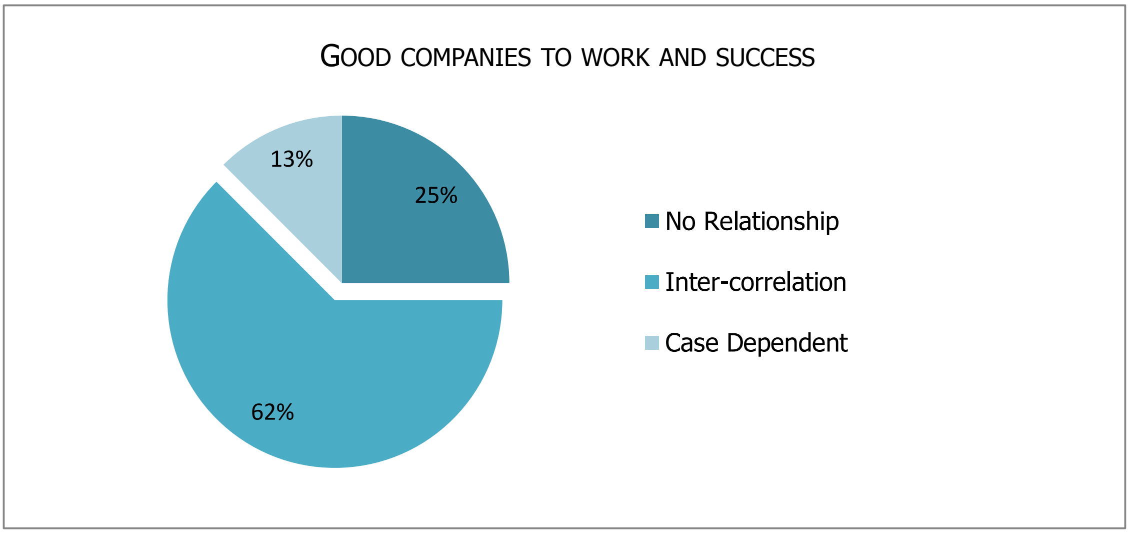
The best strenght to overcome competition	**%**
Strategy Alignment	12,5
Innovation/creativity/knowledge	50
Flexibility/Adaptation	12,5
Creating Blue Oceans	12,5
Networking	12,5



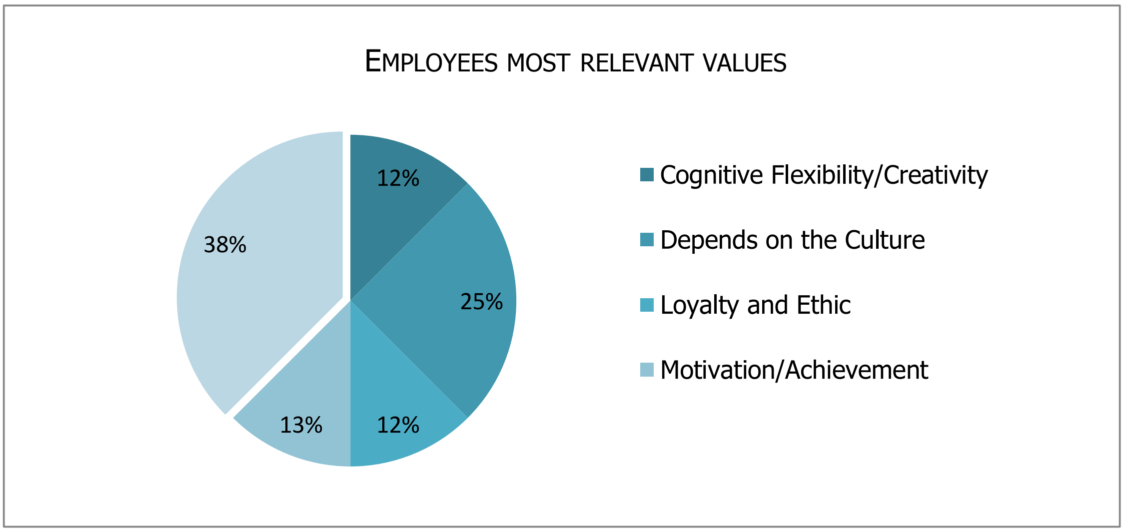
Organization of reference: what is it?	**%**
Recognized as Different	50
Sustainable: socially, economically and environmentally	12,5
Innovative/Creative	25
N/A	12,5



Good companies to work and success	**%**
No Relationship	25
Inter-correlation	62,5
Case Dependent	12,5

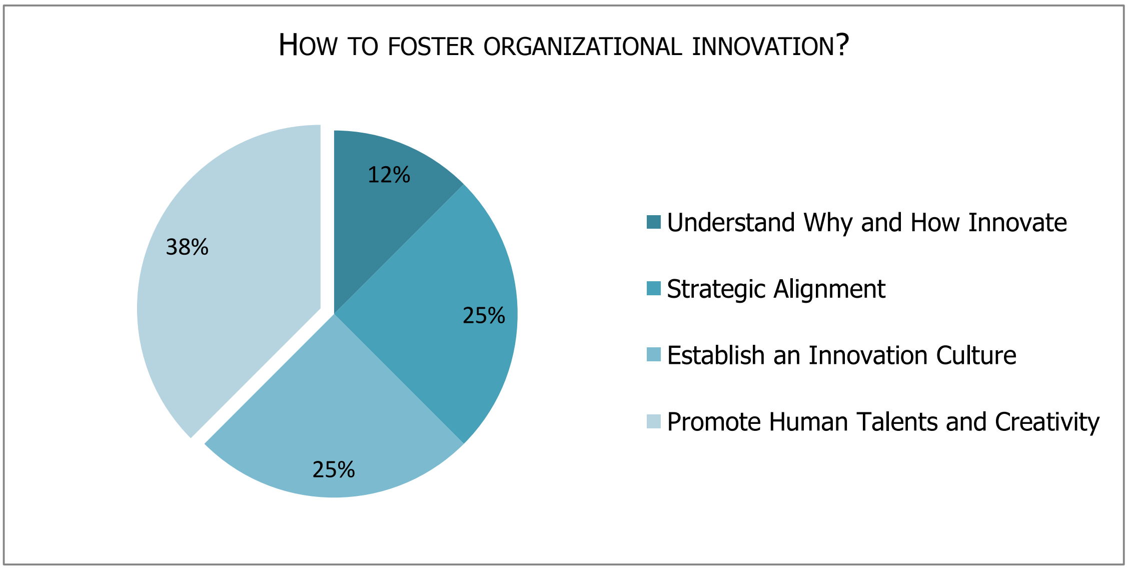


Employees most relevant values	**%**
Cognitive Flexibility/Creativity	12,5
Depends on the Culture	25
Loyalty and Ethic	12,5
Motivation/Achievement	12,5
Dinamism and Proactivity (individually/teams)	37,5

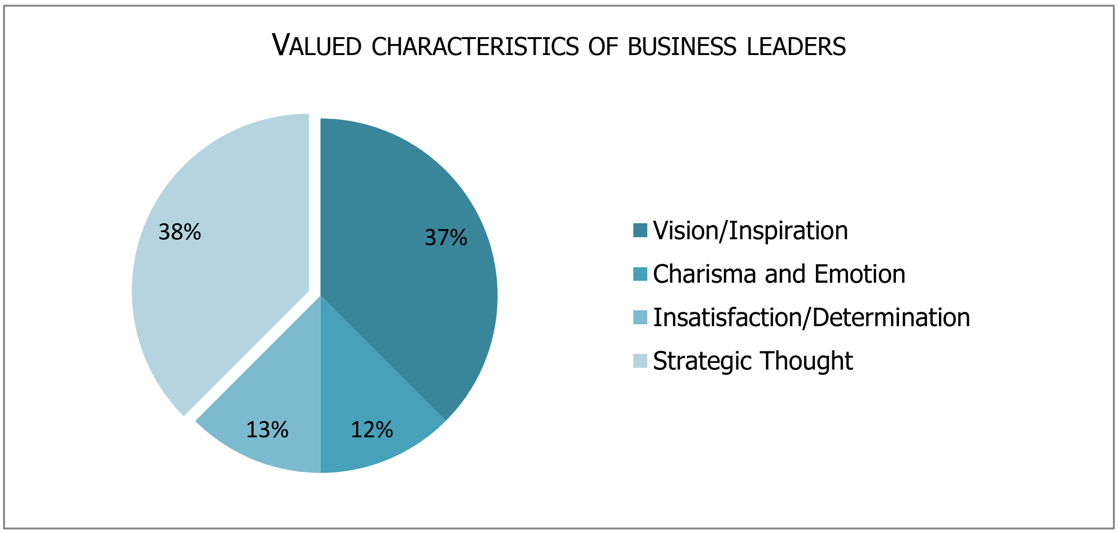


Means to Involve Employees into Organizational Culture	**%**
Practice the Culture Everyday	37,5
Socialization Programs	12,5
Suitable Leadership	25
Shared Values and Flexible Structure	25

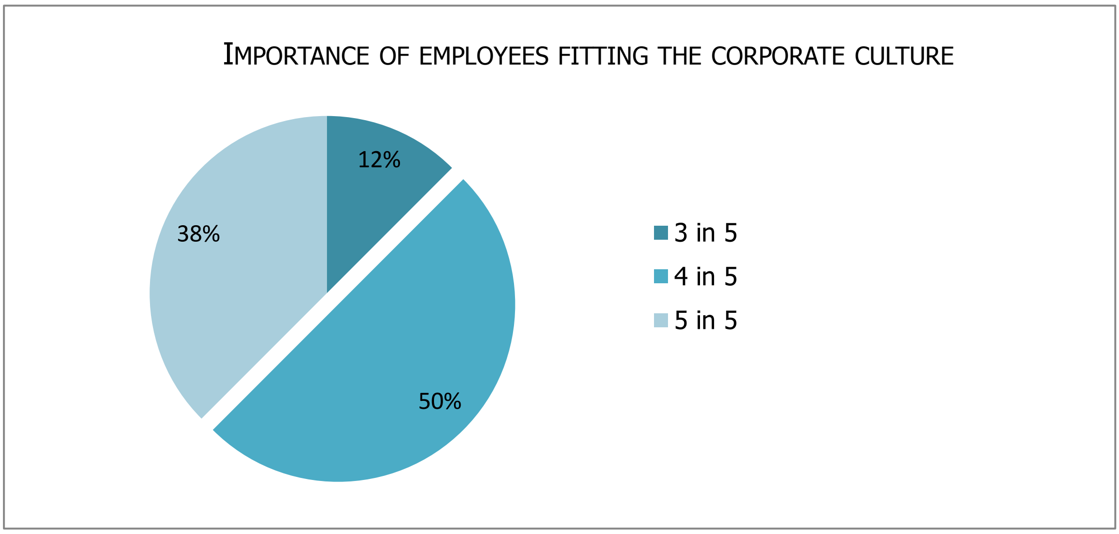
How to foster organizational innovation?	**%**
Understand Why and How Innovate	12,5
Strategic Alignment	25
Establish an Innovation Culture	25
Promote Human Talents and Creativity	37,5



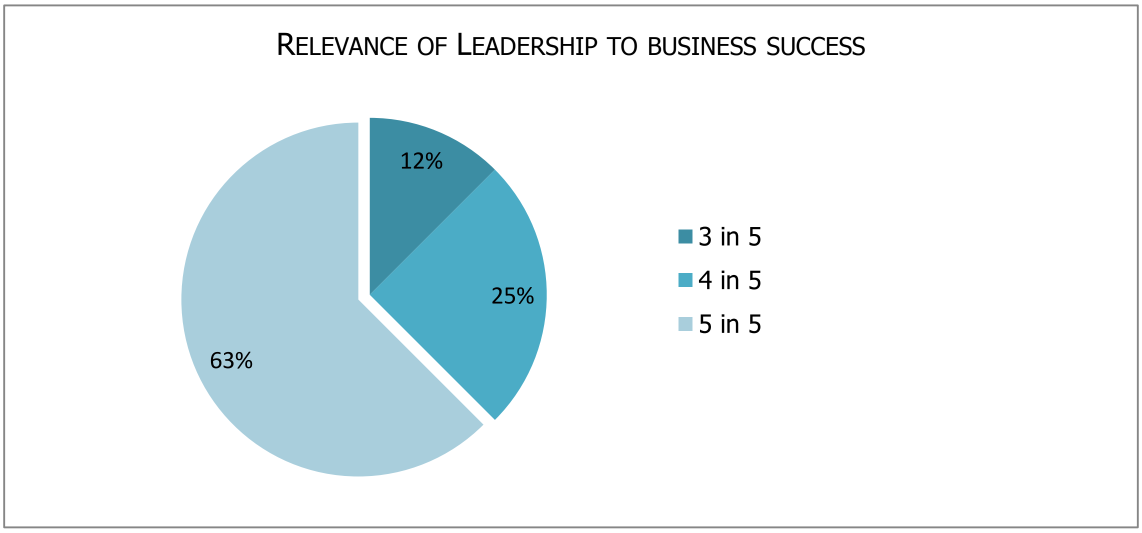
Valued characteristics of business leaders	**%**
Vision/Inspiration	37,5
Charisma and Emotion	12,5
Insatisfaction/Determination	12,5
Strategic Thought	37,5



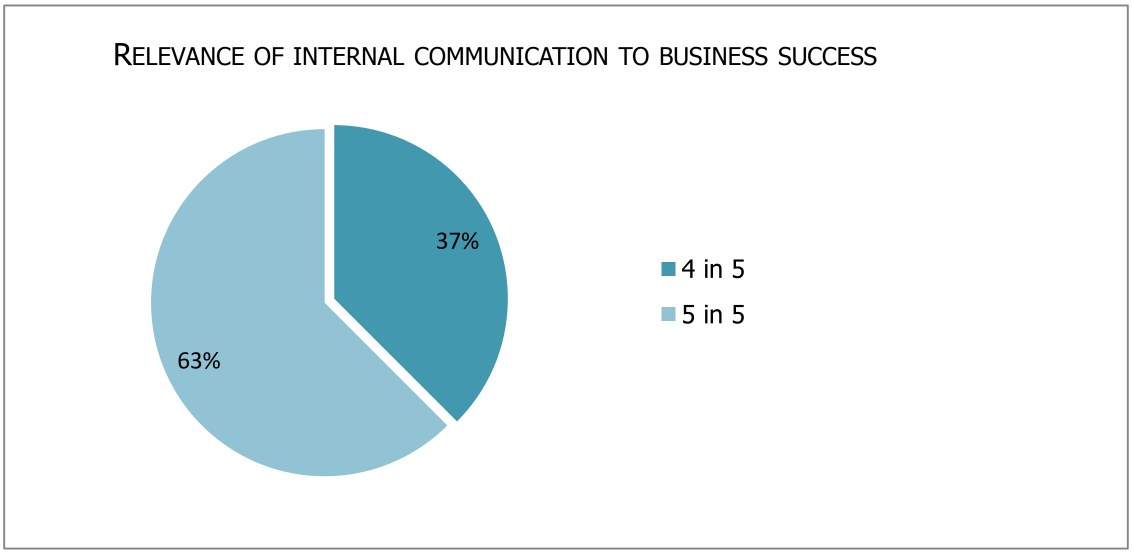
Importance of employees fitting the corporate culture	**%**
1 in 5	0
2 in 5	0
3 in 5	12,5
4 in 5	50
5 in 5	37,5



Relevance of Leadership to business success	**%**
1 in 5	0
2 in 5	0
3 in 5	12,5
4 in 5	25
5 in 5	62,5



Relevance of internal communication to business success	**%**
1 in 5	0
2 in 5	0
3 in 5	0
4 in 5	37,5
5 in 5	62,5



Relevance of continuous investment	%
1 in 5	0
2 in 5	0
3 in 5	12,5
4 in 5	37,5
5 in 5	50