

WHY INNOVATION FAILS: THE IMPORTANCE OF BRINGING IN A NEW CONCEPT OF CULTURE

Ulrik Brandi and Cathrine Hasse¹

Aarhus University, The Danish School of Education, Department of Learning

Paper submission to the fifth International Conference on Organizational Learning, Knowledge, and Capabilities, *Learning to Innovate: Innovating to Learn*, 3-6 June 2010, Northeastern University Boston, MA. USA

Abstract

What can prevent a planned organizational innovation from being realized in organizations? In this paper, we argue that a new concept of organizational culture which includes a learning perspective is of essential importance for understanding how organizational innovation is enacted in organizations. Due to the lack of this new concept of organizational culture in analyzing organizational innovation we are not able to fully grasp why innovative attempts sometimes fails. Thus, this paper deepens our knowledge of how organizational innovation is recognized as innovation by the organizational culture, when the management is putting productive resources to uses hitherto untried in practice. To place these considerations in an organizational setting, the paper concludes with an empirical illustration based on a qualitative study of the public service area of children with special needs.

Key word: culture, diffusion, learning, organizational innovation,

1. Introduction

Why does attempted innovation sometimes fail and what is the relation between cultural change and innovation? This is the core research question that has guided the study in this paper. At first sight, the research question has a rather depressing undertone. Why not study innovative attempts that are a success and already has added value to the organization under scrutiny? Our argument for taking the rather dismal approach is two folded: First, our case is an example of an attempt to create new ways of doing things that *de facto* did not resulted in putting productive resources to uses hitherto

¹ Contact address: Ulrik Brandi, Tuborgvej 164, 2400 Copenhagen NV, Denmark, phone no.: +45 8888 9833, e-mail: ulbr@dpu.dk and Cathrine Hasse Tuborgvej 164, 2400 Copenhagen NV, Denmark, phone no.: +45 8888 9482, e-mail: caha@dpu.dk

untried in practice. The existent routines and modes of action continued being the one in use in the studied public organization in spite of a long and well concerted effort from the management behind the innovation. Secondly, we see in the innovation literature and research a tendency to describe, prescribe, and explain successful innovation *ex post facto* while research on failed innovation is rather rare. Furthermore, we see an emphasis in research on how to advance and prescribe innovation processes rather than a focus on identification of how dissent and objection to a potential innovation can be embedded in cultural workplace processes. Instead of looking at innovations that is realized we will turn the research lens to innovative attempts that did not result in learning new ways of doing things hoping hereby to bring the knowledge of innovation and learning further.

As Fagerberg & Verspagen (2009) demonstrates, the research community of innovation is a multi-disciplinary field with a longstanding research tradition. Schumpeter in his seminal work on economic development often marks the beginning of this vibrant and voluminous research field. In 1928 Schumpeter (1928: 378) defines innovation as:

“What we, unscientifically, call economic progress means essentially putting productive resources to uses hitherto untried in practice, and withdrawing them from the uses they have served so far. This is what we call “innovation.”

We follow in general terms this definition understanding innovation as a qualitative new combination of existing resources and knowledge aiming at generating profit or improvement. However, what we are asking is how the new combination of existing resources and knowledge are recognized as organizational innovation by the employees supposed to implement managements’ ideas of innovation? We want to study the clash between intended ways of doing things in an innovative way and the implementation and learning of organizational innovation. In this clash we see the relevance of bringing in a new concept of organizational culture tied to learning to improve our understanding of how organizational innovation is realized.

Studying the relation between organizational innovation and organizational culture is not a novel theme in innovation research. The vast number of publications on innovation and culture viewed from group to country level and from product to process innovation is a clear evidence for this statement (Ahmed, 1998; Gudeman, 1992; Herbig & Dunphy, 1998; Lemon & Sahota, 2004; Morcillo, Rodriguez-Anton, & Rubio, 2007)

Reviewing the majority of core texts demonstrates the primacy of one type of relation between organizational innovation and organizational culture. This type of relation understands culture as an important influencing factor for the organizational innovation process and outcome (see e.g. Ahmed, 1998; Chiu & Liaw, 2009; Feldman, 1988; Kiurunen, 2009; Lin, 2009; Martins & Terblanche, 2003; McLaughlin, Bessant, & Smart, 2008; Tan, Lee, & Chiu, 2008). Organizational innovation is in this approach dependent on the specific cultural traits as factors that can either facilitate or impede organizational innovation. Organizations can *have* organizational culture. Hence, the direction of this type of relation between organizational innovation and organizational culture goes thus from culture to innovation (culture → innovation).

However, the relation can also be understood the other way around. In this type of direction organizational innovation first becomes an innovation from its recognition as an innovation in a specific cultural context. What is recognized as an innovation is related to cultural-historical learning processes. This is a different way of conceptualizing the relation between organizational innovation and organizational culture than the primary one we find in the research literature on

innovation. The direction of this type of relation goes from innovation to culture (innovation → culture). We see this as an often neglected approach in organizational innovation research. This approach underscores the importance of learned cultural patterns of meaning and motives for the recognition and enactment of organizational innovation.

The case that we analyze in this paper illustrates an attempt to reorganize two public offices working with children with special needs, their resources and tasks into respectively three offices rearranging the tasks, resources, and rules. The main goal for the administration was to improve the economy through a reorganizing aimed at improving collaboration between the departments, units, and individuals. The reorganization was in a Danish context an innovative way of organizing the public service area of children with special needs. We define the attempted reorganization with Schumpeter as an example of organizational innovation, where management attempt to put the productive resources of the two offices to use in a hitherto untried in practice, and (in relation to children with special needs) at least to some extent withdraw the two offices from the uses they have served so far.

The studied organizational innovation not only led to the physical establishment of a new office, but also to a number of tacitly obstructive actions and fierce negotiations on how to recognize the innovation as added value and ascribe meaning to the innovation. When resistance is rooted in different cultural practices with inherent motives, values and knowing we argue that in order to understand and explain organizational innovation processes and results the concept of organizational culture is of great importance not only as an influencing factor behind innovation but also as a learning context innovation has to be recognized and realized within.

The paper consists of five main parts. First, the research question guiding the paper is presented together with the main line of reasoning in the introduction. Secondly, the theoretical perspectives of organizational innovation and culture are described and defined along with our new conceptualization of organizational culture as connected to learning. Thirdly, we present the case followed by a short introduction of the employed methods and analytical strategy. Fourthly, we outline the results from the study. In the analysis we argue for the presence of learning tied to different cultural practices with different motives in the organization where the innovation was attempted implemented.

The analytical results demonstrate that the different cultural communities recognized the innovation very differently and ascribed very different meanings to the innovation. Innovation is thus not a thing or tool that can be forced into a culture. Innovation must first be recognized as an innovation and as something that can be aligned to the motives of the individuals learning as they are engaged in the everyday cultural practice of their work before innovation can be implemented as an innovation in practice. We demonstrate in this part hence that the new cultural perspective contributes with a very strong and important explanatory vocabulary understanding organizational innovation. Finally, in the fifth part we conclude our findings.

2. Organizational innovation and culture

2.1 Researching innovation and culture

Organizational innovation has been a central part of innovation studies from its birth. Daft (1978: 197) in his seminal work defines organizational innovation as the creation or adoption of an idea or behavior new to the organization. This is a definition that in many ways has coined the standard characterization of organizational innovation from the late 1970s until present (see e.g. Amabile, 1988; Damanpour, 1991; Damanpour & Schneider, 2006; Hage, 1999; Lam, 2005; Wolfe, 1994). As Damanpour (1991: 556) writes understanding innovation as the adoption of new ideas or behavior opens up for seeing organizational innovation as a new product or service, a new way of organizing work or business processes and production methods, new structure or administrative system. Naturally these different ways of seeing organizational innovation relates to the two overall innovation types, product innovation and process innovation, which have served as a classic categorization within innovation studies (Schumpeter, 1934: 718). Following this definition we understand the illustrated case in this paper as an attempted type of organizational process innovation.

Based upon a review of the research field of organizational innovation Wolfe (1994: 407) describes three fundamental research approaches to organizational innovation: Diffusion of innovation; determinants of innovation; and the process of innovation. In this paper we see a strong correspondence between the fundamental research field oriented at answering how innovation is diffused or spread through a group or population of potential adopters and our approach that studies how innovation are recognized as innovation by organizational culture. The two approaches put spotlight on how innovation is spread out in organizations. Thus, we seek to contribute in this paper to the research tradition within organizational innovation studies that understands innovation as diffusion. In addition, we see the chosen theoretical approach as a new way of understanding the concept of diffusion that adds to the further development of the field.

As already mentioned there is an established relation between the fields of organizational innovation and organizational culture. However, as suggested in our opening remarks, this entanglement has not, in any appreciable manner taken the development within the field of organizational culture into account. Beginning with an explosive interest in the 1980ties research organization and management studies has made a particular darling of the concept of organizational culture " *Journal of management Studies* (1982, 1986), *Organisational Dynamics* (1983), *Administrative Science Quarterly* (1983), *Journal of Management* (1985), *Organization Studies* (1985) and *International Studies of Management and Organization* (1987)" have all launched special issues of this new field and a number of important books spurred the interest in this new promising field (Parker, 2000: 59).

What characterized books like Terrence Deal and Allan Kennedy's book on 'Corporate Cultures' from 1982 was a strong belief in culture as an entity which could be managed and controlled by leadership. In this 'objectivist perspective' promoted by many studies in organizational culture to this day culture orientation is considered "one of the organizational variables" (Mavondo & Rodrigo, 2001: 245). Definitions of organizational culture by e.g. Edgar Schein (1992)(1985) and Deal and Kennedy (1982) have been accused of being academically superficial consultant like

definitions (Alvesson & Berg, 1992: 33), which overlook the complexity of everyday life in organizations. Empirical studies made clear, that whatever culture is, it is not easily manageable. Management don't create culture, members do (Martin, 2002).

In the wake of the massive interest in how to boost innovation in organizations it seem logical to many that innovation studies would see culture as yet another tool to improve and enhance innovation. The promise of an 'innovational culture' is built into a good number of arguments. Many, like e.g. Mavondo & Farrell (2003), are somewhat aware of the discussions and polarizations within the field of organizational cultural studies. They are thus aware that culture understood as a variable, which is easy to manipulate, has been repudiated, yet they chose to maintain that: [m]ost marketing researchers treat culture as something the organization has and have demonstrated that market oriented cultures enhance organizational performance" and that "[c]ultural consistency creates economies of horizontal and vertical coordination since subordinates know how their boss would like things to be done" and that culture is a strategic asset as it is "significantly and positively related to innovation" (ibid.: 241-242).

We suspect that one reason for ignoring the culture-trouble is that *researchers* might want to explore the culture concept in itself whereas *consultants* want a workable definition which can be used for 'recipes' for building 'corporate cultures' or 'innovational cultures'. Thus conceptions of culture seem to change with interests of the interpreters (Smircich, 1983: 341).

The concept of culture has gone from a description of what an organization *has* (which can be manipulated in line with other variables) to something it *is* (Smircich, 1983) in a clearer understanding of what the concept of culture covers and how culture drives organizations rather than management alone. Researchers adapting this approach will explore cultural manifestations in the shape of for example symbols and search for patterns of meaning behind behavior through "thick descriptions" of everyday life (Geertz, 1973) to "gain an in-debt understanding of how people interpret these manifestations, and how these interpretations form patterns of clarity, inconsistency, and ambiguity that can be used to characterize understandings of working lives" (Martin, 2002: 4-5).

A closer look on the complexities of everyday life in organizations might even gradually dissolve the very notion of a shared culture – first into subcultures and finally into a fragmented perspective without any clear presence of anything shared (Martin, 1992). This closer look on the complexities has ultimately been "deconstructing the idea of collective culture altogether" (Hatch & Schultz, 2004: 338).

The movement from culture as something an organization has, to something it *is* and finally to something consultants and researchers *writes*, which can be deconstructed, has not meant an end to the interest in organizational culture, however. On the contrary. As Carlos Gonzales reminds us, "[e]ven though the problem of culture has not been solved, in recent years there has been an explosion of cultural inquiry within international management" (2008: 95).

There is a risk that glossing over the critique of the culture concept in relation to innovation could lead to a repetition of the culture 'bubble' of the 1990ties which ended in accusations of organizational cultural analysis promising more than they could fulfill, because cultural analysis at the end of the day turned out to be subjective, imprecise, one-sided as well as unrecognizable for ordinary employees in the everyday life of organizations (Alvesson & Berg, 1992; Martin, 1992; Parker, 2000; Smircich, 1983). Instead of ignoring the critique, we propose that new efforts are

made to improve and broaden the culture concept so it can explain not only the cases where a culture lead to a boost in innovation capacities (e.g. Lemon & Sahota, 2004), but also the cases where attempted innovation fails in the meeting with an organizational culture.

2.2 Towards a new concept of organizational culture

To define organizational culture we shall begin by questioning the most widespread definition connecting culture and learning put forward by Edgar Schein. Culture in this perspective is artifacts, values and basic assumptions learned as:

“A pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” (Schein, 2004: 17)

Instead of this focus on learning as related only to ‘problem solving’ we suggest that learning is understood as learning in the everyday chores of the practice, which brings a group of people together through social designation (Hasse, 2008). In this sense an organizational culture is a community of practice in which a newcomer gradually learns to become an old-timer in the practice, which holds the community together (Lave & Wenger, 1991: 57). In this process newcomers also learn the specific cultural values, discourses, emotions, traditions and meanings of artifacts already learned by old-timers.

The practice learning is organized around a variety of work tasks and knowing (Gherardi, 2000) and the organization is distributed (Cole & Engeström, 1993). What holds the practice together in spite of the division of labor - and constitutes the borders of the culture in relation to external environments - is in cultural-historical theory a shared understanding of the *future* motive of the combined workplace efforts. This approach is inspired by the cultural-historical theoretical framework and especially the activity theory promoted by Yrjö Engeström. His notion of an activity system builds on a complex theoretical framework drawing on many sources from the cultural psychologist Lev Vygotsky to the system theory of Gregory Bateson (Engeström & Sannino, 2010).

To understand the future motives of any work place activity it is necessary to map and rationalize the existing processes, starting by questioning historically the object of work: What are employees producing and why (Engeström, Puonti, & Seppänen, 2003)? In cultural-historical activity theory, change and learning is inextricably linked to the object of activity and the object is inextricably linked to the motive of the work (Leontiev, 1978). The main point we want to make salient here is that in an activity system members can perform and change different everyday tasks, understood as actions, and still learn to share the same motive for their varied actions. What defines the collective subjects in activity systems is a shared understanding of the motive of the activity (Engeström, 1987, 2007; Engeström, Lompscher, & Rückriem, 2005; Engeström & Miettinen, 1999).

This understanding of workplace cultures underscores that not everyone in the organizations has to *do* the same. Even though organizational culture is shared and people learning to know in practice various kinds of learning take place (Gherardi, 2000, 2006). Problems are not uniform, as work

tasks differ. The boundaries of organizational culture is not defined by *solving problems together* “of external adaptation and internal integration” but in our understanding defined by a variability of actions (including a variety of problems solved) aiming at a commonly shared motive. This motive is in itself constituted and renewed by everyday actions. This move will imply a better understanding of the relation between culture and everyday learning through practices in organizations and how practice learning aiming at a shared motive can influence perceptions of what is considered and recognized as being innovative.

Learning in practice in everyday life is thus not just related to solving everyday problems but connected to the moving horizon – the motive - of the object. Everyday actions may have goals – but these are “relatively short-lived and finite aims of individual actions”, whereas objects and inherent motives “constantly reproduced purpose of a collective activity system that motivates and defines the horizon of possible goals and actions” (Engeström, 2004: 17). By separating everyday actions aiming at specific and constantly changing goals and the more sustainable activity aiming at a shared motive, we can also make a distinction between change and innovation in workplace cultures. Once the object is identified we can identify the boundaries of an inside and outside of culture. Cultural organizations will in this analytical perspective appear in relation to shared motives tied to the object of work.

New solutions in organizations might be seen as new and innovative from within a particular cultural activity. Innovation is recognized as innovation in relation to objects and their inherent motives. An innovation has to be recognized by the collective subjects sharing a particular motive tied to everyday work practices to be allowed to be included in or allowed to transform the object of the activity. The power to define the activities of institutions —and thereby what are to be considered creative acts — is, however, related to changed motives (Hasse, 2001: 214). The human resources might look as if they are put to use in untried practice because peoples actions change, and they may seem withdrawing from the uses they have served so far. But from the point of view of employees still sharing the old motive new locations and required actions might be seen as an annoying change and not an innovation.

Innovations in organizational cultures are tied to what people do as a community of practice, which shape basic assumptions, discourses, values, emotions, traditions and meaning-making, and employees do what they do in relation to the shared object and thus the shared future oriented motive of the activity. An attempt to innovate through a change of people’s everyday actions is not enough if the shared motive behind the actions is not changed as well. An innovation is in this perspective thus to be understood as a change of the motive holding a practice together in an organizational culture. Through a change of the motive changes of everyday actions as well as basic assumptions, discourses, values, emotions, traditions and meaning-making processes follow. Without a change of the collectively shared motive an attempted innovation is bound to fail even if everyday locations (like new offices) and actions change. When work is organized through a division of labor aiming at a shared motive many changes can take place in striving for the desired object of the activity.

In the next section we shall present a case to illustrate how different objects of activity might lead to different understandings of a potential innovation.

3. An illustration: organizational innovation in the public sector

To emphasize in a more concrete way the contribution of our new organizational culture concept to the study of organizational innovation, we present an illustration drawn from a study into the attempt to realize organizational innovation. The illustration focuses on the attempt to improve collaboration between two departments and their organizational members through a combination of ethnographic observation, qualitative interview (n=40), and documentary analysis for investigating patterns of shared practices and motives. The data was collected from December 2004 until January 2007. The analytical strategy and technique for analyzing data connects to the explorative and inductive logic from grounded theory as developed by Strauss and Corbin (Corbin & Strauss, 1990; Strauss & Corbin, 1990).

In our illustration of organizational innovation we analyze the activities and motives of the members characterizing the different cultures in the departments (day-care institutions, schools, psychological service center, and social service center) before the implementation of the studied organizational innovation and after the implementation when the innovation was intended to be a part of everyday practices.

The empirical data collection was a research project conducted in a large Danish municipality located north of Copenhagen. The public service area this article uses is the service area of children with special needs, which includes children with e.g. behavioral, physical, and psychological problems. In Denmark the public service area of children with special needs is traditionally organized in two types of administrations:

1. Administration of social affairs that consists of social service centre and institutions that is responsible for solving problematic cases of a social character;
2. Administration of educational affairs that consist of day-care institutions, schools, and pedagogical-psychological service departments that is responsible for solving cases of an educational and psychological character.

The first of January 2005 the administrative management implemented a reorganizing of the area of public service field of children with special needs that was radically novel in a Danish context. The conceptualizing of the idea, decision, and implementation of this organizational innovation was initiated from the administrative management that was interested in creating a new organizing of work. The organizational innovation aimed at creating a foundation for the improvement of collaboration between departments and organizational members that in the past had operated as autonomous units without any collaborative relations.

The primary goal of the studied organizational innovation intended at improving collaboration was to enact shared practices across administration, departments, and organizational members that could result in a decrease in the number of removals of children in special education and placing children in e.g. foster care. Hence, there was from the administrative management side a strong incentive to create a more transparent organizing of the public service area of children with special needs resulting in fewer expensive cases combined with more control of a somehow “uncontrolled” service area.

The new organizing of work processes was concretely realized through the creation of a new unit within public service area of children with special needs called the Visitation office (VIS). To secure the realization of the organizational innovation the Visitation office was of pivotal importance seen in the eyes of the administrative management (see figure 1). Before the reorganizing 1 January 2005 the units belonging to the social and educational administration was responsible for the preventive intervention as well as removals of children if the case was of such a nature that it was necessary. After the reorganizing the division of work was changed, so that these two administrations only was committed to work with preventive intervention keeping the child in the natural environment while the VIS was responsible for controlling cases send from the preventive system really was cases that should result in removals of various kinds.

The management logic embedded in the organizational innovation was to stimulate the social and educative departments, units, and organizational members to start working together in a novel way. In figure 1 SOADM stands for social administration, EDUADM is an acronym for educational administration, while VIS is a shortening for the visitation office. Prevention means activities that focus on keeping the child in its normal environment with different kinds of support while placement represents interventions of a more deep-seated character referring to removing the child from either its family or normal school (or often both). The arrows between the boxes symbolize the responsibility of the different units and organizational members within the two major administrations. The thick arrow after the implementation of the organizational innovation indicates the focus put upon collaboration between organizational members from SOADM and EDUADM.

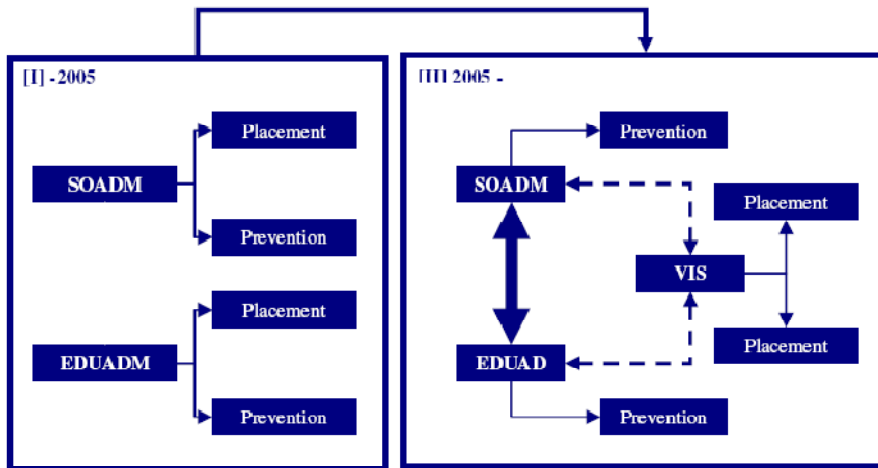


Figure 1. The organization before [I] and after [III] the reorganizing 2005.

4. Results: organizational innovation meets organizational culture

4.1 Before the implementation

The administrative management pointed at three primary problems in their conceptualizing of the idea and subsequent proposal for an organizational innovation 1. Increased expenses during the years especially within the educational area (placed special education); 2. Lack of knowledge/control of the effects of provided public services; 3. An immensely tensed relationship between organizational members from SOADM and EDUADM. However, there was a clear internal taxonomy between the stated problems. Increased expenses were the primary problem while 2 and 3 in the administrative logic was understood as the means to solve the economical problems.

The idea behind the organizational innovation was clear and simple in its outset: When a child with special needs was ‘discovered’ by involved members the case should be solved based on coherent and effective collaborative actions by members from both the SOADM and EDUADM. It meant that if e.g. a school teacher experienced a child as having behavioral difficulties the teacher should contact and collaborate with e.g. a social worker from the social service unit trying to find a solution by different types of preventive initiatives thereby avoid conveying the case to the Visitation office. The understanding residing in the idea behind the innovation of the work process was thus that from collaborative activities the organizational members from different units could prevent that a case would be passed on to the Visitation office. Hence, the public service area of children with special needs would avoid expensive solutions. However, what were the existent motives of the organizational members as regards the work object “children with special needs” in the different departments and units?

It is important to underscore that the different organizational cultures and its members that were working with the object “children with special needs” based their work activities on fundamental different practices and law regulations.

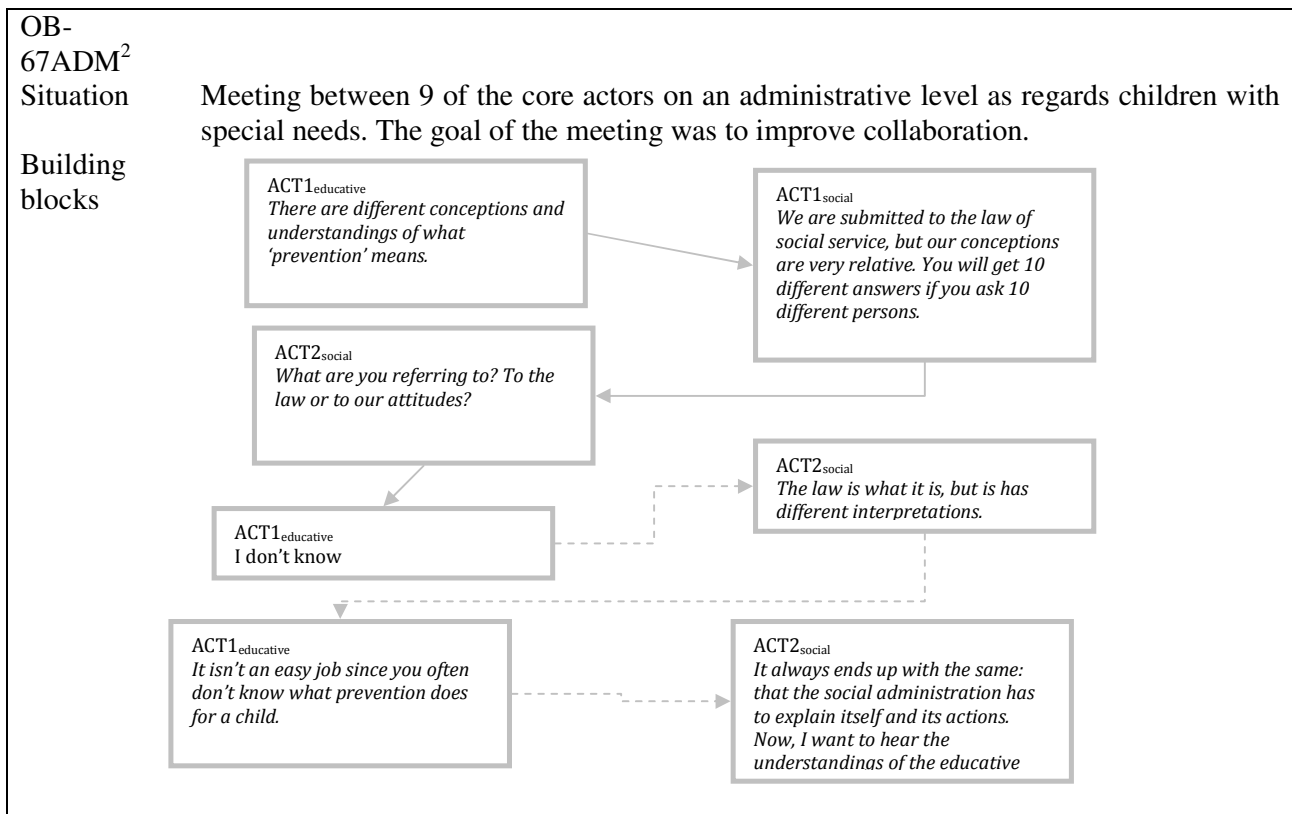
A micro analysis of the organizational innovation demonstrates that there were two different organizational cultures with different motives and activity patterns for working with children with special needs. SOCADM, its service units, and organizational members was characterized by a motive “to solve social problems”, thus to support and provide social solutions to families and children with special needs. The majority of the employees had been educated within the social field. A leading value for employees in the social service culture was that the family was the best place to stay for the child and that all cases of children with special needs always should be understood as a social founded problem – never solely an individual problem.

The aspects making up the educational world differed quite drastically from the social world. To start with, the main motive for members of the organizational culture of EDUADM was to sustain and support learning and development activities in the schools of all individual children. The steering idea of the educational organizational culture was that if a child had learning problems it was a psychological and individual problem that in many cases could be solved without the family. This was quite contrary to the motive of the social service culture that primarily acted when the child with special needs had social problems. They were not particularly concerned with learning disabilities or a behavior that impeded learning and development.

The tensions between the two organizational cultures was to be found in the difference in motive and meaning ascribing of how to interpret the work object “a child with special needs”. Concretely, the consequence resulted in fundamental different ways of acting as regards the child with special needs. The social service complained that EDUADM was too quickly in removing children with special needs – not being able to see the resources within the social context of the child but always seeing the child as a problem. In stark opposition, the organizational members from schools and psychological service criticized social service and its members for not reacting or helping when a school experienced problems with a child - often a child showing non appropriate behavior.

4.2 After the implementation

The research question asks how the organizational innovation was spread out in the organization from 1st of January 2005 and met by the members working with children with special needs in the organizational cultures? Examples from meetings at administrative and shop floor level illustrate the diffusion of the organizational innovation. One example was the attempt at meetings at administrative level to come up with a shared understanding of ‘preventive acts’, which are illustrated in box 1.



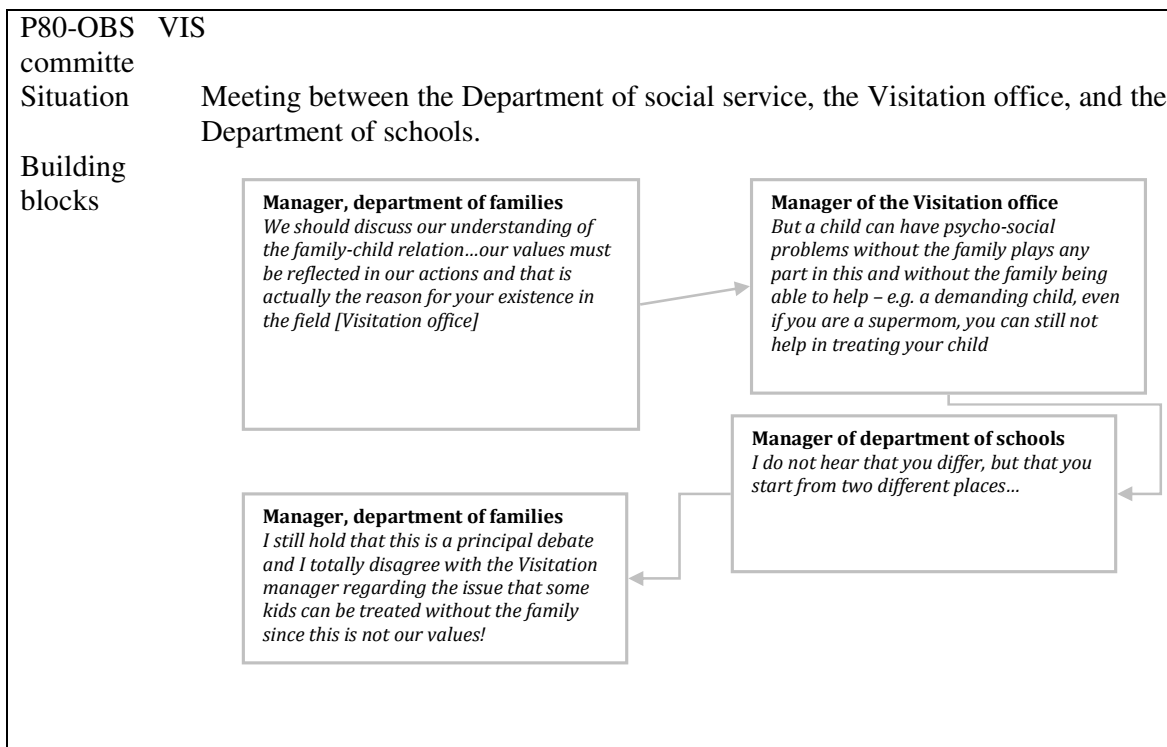
Box 1. Meeting on administrative level.

² OB-67ADM means data source no.79 in Atlas.TI, OB stands for 'observation', and ADM for 'administrative level'.

We see in the interaction from the meeting that there were many different opinions as regards the meaning ascribing to the term 'prevention'. During the observation of the meeting it became clear that the interaction functioned as a continuous interplay between members from both EDUADM and SOADM without this resulting in concrete unified decision of one shared understanding of how to work "preventive". This type of interaction was typical for how the attempt to learn to collaborate and creating a shared motive for how to work with children with special needs: it always ended as stale mate since the members attempted to find some kind of consensus or middle way as regards a shared motive for the work object. The problem was just that the organizational members were not able to construct such a middle way for a concretely shared motive.

It was obvious that even though management had reorganized the public service area of children with special needs with the Visitation office on top, this reorganizing had maintained the organizational units and members responsible for preventive activities in separate administrations, which clearly was a significant obstacle for the intersecting process, for creating new shared practices and motives. Interactions on all levels had constantly to transcend the border of one's own practice or "how we do things here" and the motive for their work object. Further, shop floor members had in a similar manner to transcend spatial belonging when different kinds of organizational members tried to intersect and convey collaborative effort oriented at solving specific cases together.

Naturally, the top management had attempted to create a foundation for the enactment of shared activities and one motive via the reorganizing. Even though the top management had been able to frame children with special needs discursively, it became clear that the relationship between SOADM and EDUADM and its member from management to shop floor level was characterized by interactions that impeded any initiatives oriented at enacting collaboration from the reorganizing from 1 January 2005. However, the new organizing of labor with the implementation of the Visitation office 'on top' had one remarkable consequence. It totally reconfigured the tensions and contradictions within the arena. The tensions before the reorganizing had existed between SOADM and EDUADM. After 1 January 2005 the tensions was directed towards the Visitation office. Even though the reorganizing diminished the previously open conflict and lack of relations between SOADM and EDUADM, the reorganizing did not support the enactment of collaboration as illustrated in box 2.



Box 2. Meetings at managerial level.

The reconfiguration of tensions totally changed the focus for the members of the social and educational administrations. Members from SOADM harshly criticized the Visitation office for not assessing cases on the proper interpretation of the values (see box 2) that is their motive behind activities. Actors from EDUADM in a similar manner disparaged the Visitation office for not dealing correctly in the case management as well in the inquiry of cases. Thus, no organizational innovation was realized as goes for learning to collaborate on shared understandings and motives except for a less tensed relationship between the SOADM and EDUADM. Thus, the different departments that was intended to create a shared understanding and motive of the work object “children with special needs” concentrated all their energy on the – seen from their perspective – the misdoings of the Visitation office resulting in no shared motive. The attempt to implement an organizational innovation within the public service area of children with special needs from the 1st of January 2005 resulted in three different meaning ascriptions as well as motives for the organizational members work.

5. Analytical reflections

The organizational innovation of the VIS-office was hacked in by the management culture based on an imagination of how this new office would make former adversaries collaborate and thus reduce costs. The new office would resolve the disagreements between the two offices through a new shared focus on ‘children with special needs’. This organizational innovation was never recognized

by the EDUADM and SOADM offices and the attempted innovation became yet another obstacle to be dealt with in their respective everyday practices rather than a vehicle for a new shared focus on 'children with special needs'. This potential innovation was and remained only an organizational innovation on paper.

In our analysis we shall question that 'children with special needs' ever was, nor became a motive for any of the four cultures, management, EDUADM and SOADM or VIS, identified by their different motives connected to everyday practice learning.

The attempt to create a new shared platform, the VIS-office was seen from the everyday practice learning of the management culture, far away from the practices of dealing with children with special needs. The underlying motive in the everyday practices of the management culture could be argued to be 'cost reductions'. From this point of view the new office concentrated on the placement of children with special needs seemed obvious. The employees connected to the new VIS office were, however, in many cases psychologists, coming from the EDUADM and social workers coming from the SOADM culture and the motive for this office remained unclear – even for its own employees. Even though the office to some extent shared the real motive of management (cost reduction and control) its members whether social workers or psychologists also remained loyal to the former motives the two different social and educational cultures, they were recruited from. The differences between the EDUADM and the SOADM cultures were not resolved through the VIS-office even though the conflicts between them moved from direct confrontations to confrontations within the borders of the VIS-office.

We shall contend that the managers were wrong in assuming the main focus of the EDUADM and the SOADM offices were 'children with special needs' and that management in their attempted innovation did not investigate the values, emotions and traditions tied to the real and very different motives tied to the two activities.

EDUADM did not recognize VIS as an organizational innovation. The employees saw children with special needs as individuals. These individual children had problems with behavior as well as learning disabilities and could be perceived as a problem for the teachers trying to sustain and conduct everyday school activities. For the sake of the 'difficult' children but not least for the sake of the other individual children they would promote a fast placement rather than work on a prolonged prevention strategy. Their main motive was not one of reduction of costs in relation to 'children with special needs', but rather the maintenance of 'normal' classes at school. The placement of children with special needs outside of normal classes would be actions aiming at the keeping up the local culture and its motive. When turned down by VIS EDUADM could not regard this as an organizational innovation, but an attack of their deepest motive. Values, emotions but also interpretation of the discourse initiated by the management culture should be seen as relating to this motive.

The SOADM culture did not directly share the management's motive of a reduction of costs in relation to 'children with special needs' as their motive more precisely could be defined as 'helping families with special needs'. In so far children were part of these families they should be helped in their own environment and prevention was preferred for placement. There was, therefore, an apparent merging between the management culture and the SOADM culture. But only apparently, which became clear when employees from the EDUADM and SOADM cultures were supposed to merge with the motive of the new office VIS initiated by the motive of the management culture. From the SOADM cultures point of view VIS was not a legitimate organizational innovation, but an

attack on their deepest motive: to serve families with social problems and help children within the confines of the families.

Even though management on the discursive level maintained that the new office, VIS, was about 'children with special needs' (as well as a reduction of costs and control) not even the employees in VIS could develop a common coherent motive, because the psychologists in the office stuck to the motive of the EDUADM culture they came from and the social workers stuck to the SOADM culture they came from. In the two EDUADM and SOADM culture the only change was that the actual placements procedures with the inherent conflicting motives were now placed in the VIS office.

In these cultures everyday learning is guiding and guided by internally shared but externally separate motives. No attempts are made to recognize the attempted organizational innovation as an improvement of everyday learning practices and thus discrepancies between the employees or managers deep-felt motives are sustained. In the VIS-office (at the time of the research conducted) no new shared motive seemed within sight and all actors spend a considerable amount of time discussing basic disagreements over concepts connected to the forced shared focus on 'children with special needs' having no results as regards the learning of shared motive.

The organizational innovation attempted by the management could be argued to be prevented from this lack of a shared motive. Not because employees are not compliant with managements sought-after cost reductions but because none of the real motives behind the actions of the actors are clarified in the process. Even though management discursively constructed an idea of a shared motive between the two existing offices EDUADM and SOADM as seen from the management culture, which was reduce costs and control of 'children with special needs' by promoting prevention and reducing placement, this motive was not discussed openly. The management never attempted to look into the actual motives of the two offices, which had developed their own organizational cultures (with in-built emotions discourses etc.) around a different set of workplace practices and motives.

To obtain economic progress in Schumpeter's definition the productive resources and knowledge of the EDUADM and SOADM offices cannot be reduced to use in hitherto untried in practice as when their respective employees meet in the new VIS office, and withdrawing them from the uses they have served so far (in removing 'placements' from the EDUADM and SOADM-offices). If the motives and values remain connected to the former everyday learning no new integration can take place. To change the workplace cultures also a change of motive is needed to fulfil organizational innovation.

6. Conclusion

We have asked why attempted organizational innovation fails in organizations. In this paper, we argue that organizational culture is of essential importance for realizing and understanding the diffusion of organizational innovation. We also find a necessity to move towards a broader understanding of culture than claims on 'innovation cultures' being especially supportive of not least process innovation adding value to the organization. We still need better understandings of

what is meant by culture in organizations. With the proposed definition of culture as connected to learning, object and motive in workplace activities, we argue that to be realized organizational innovations have to be recognized as innovations in relation to shared motives. If innovation fails to be realized the intended organizational innovation might just be regarded as changes to be dealt with in order to maintain the existing motive of the work. Thus, innovation will fail if it attempts to innovate only through changes in actions and physical spaces, but not include changes in the motives of a workplace activity.

The analysis of the studied empirical case in this paper demonstrates that innovation is highly dependent on the cultural learning processes connected to motives. These learning processes form understandings of artifacts, emotions, discourses, values, and resources etc. as core elements that facilitate and/or create inertia in realizing organizational innovation. Organizational cultures will, according to our renewed definition, center their artifacts, emotions, discourses, motives, values, resources on the fulfillment of motives. When motives are changed recognition of potentials of organizational innovation can be fulfilled. However, without this recognition attempted organizational innovations are merely seen as changes, which can be perceived as obstacles to be addressed so as to carry out the activity directed at the unchanged motive.

Words: 6980

References

- Ahmed, P. K. (1998). Culture and climate for innovation. *European Journal of Innovation Management*, 1(1), 30-43.
- Alvesson, M., & Berg, P. O. (1992). *Corporate culture and organizational symbolism: An overview*. Berlin: Walter De Gruyter Inc.
- Amabile, T. M. (1988). A model of creativity and innovation in organizations. In B. M. Staw & L. L. Cummings (Eds.), *Research in organizational behavior* (Vol. 10, pp. 123-167). Greenwich: JAI Press.
- Chiu, Y. C., & Liaw, Y. C. (2009). Organizational slack: is more or less better? *Journal of Organizational Change Management*, 22(3), 321-342.
- Cole, M., & Engeström, Y. (1993). A cultural-historical approach to distributed cognition. In G. Salomon (Ed.), *Distributed cognitions: Psychological and educational considerations* (pp. 1-46). New York: Cambridge University Press.
- Corbin, J., & Strauss, A. L. (1990). Grounded theory research: Procedures, canons, and evaluative criteria. *Qualitative Sociology*, 13(1), 3-21.
- Daft, R. L. (1978). A dual-core model of organizational innovation. *Academy of Management Journal*, 21(2), 193-210.
- Damanpour, F. (1991). Organizational innovation: a meta-analysis of effects of determinants and moderators. *Academy of Management Journal*, 34(3), 555-590.
- Damanpour, F., & Schneider, M. (2006). Phases of the adoption of innovation in organizations: Effects of environment, organization and top managers. *British Journal of Management*, 17(3), 215-236.
- Deal, T. W., & Kennedy, A. A. (1982). *Corporate cultures*. Reading MA: Addison-Wesley.

- Engeström, Y. (1987). *Learning by expanding: An activity-theoretical approach to development research*. Helsinki: Orienta-konsultit.
- Engeström, Y. (2004). New forms of learning in co-configuration work. *Journal of Workplace Learning*, 16(1/2), 11-21.
- Engeström, Y. (2007). *Putting Vygotsky to Work: The Change Laboratory as an Application of Double Stimulation*: Cambridge University Press.
- Engeström, Y., Lompscher, J., & Rückriem, G. (2005). *Putting activity theory to work: Contributions from developmental work research*. Berlin: Lehmanns Media.
- Engeström, Y., & Miettinen, R. (1999). Introduction. In Y. Engeström, R. Miettinen & R.-L. Punamäki (Eds.), *Perspectives on activity theory*. Cambridge, UK: Cambridge University Press.
- Engeström, Y., Puonti, A., & Seppänen, L. (2003). Spatial and temporal expansion of the object as a challenge for reorganizing work. In D. Nicolini, S. Gherardi & D. Yanow (Eds.), *Knowing in organizations: A practice-based approach*. Armonk, NY: M.E. Sharp.
- Engeström, Y., & Sannino, A. (2010). Studies of expansive learning: Foundations, findings and future challenges. *Educational research review*, 5(1), 1-24.
- Fagerberg, J., & Verspagen, B. (2009). Innovation studies - the emerging structure of a new scientific field. *Research Policy*, 38(2), 218-233.
- Feldman, S. P. (1988). How organizational culture can affect innovation. *Organizational Dynamics*, 17(1), 57-68.
- Geertz, C. (1973). *The interpretation of culture*. New York: Basic Books.
- Gherardi, S. (2000). Practice-based theorizing on learning and knowing in organizations. *Organization*, 7(2), 211-223.
- Gherardi, S. (2006). From organizational learning to practice-based knowing. *Human Relations*, 54(1), 131-139.
- Gonzales, C. B. (2008). The cultures of international management. *International Business & Economics Research Journal*, 7(7), 95-114.
- Gudeman, S. (1992). Remodelling the house of economics - culture and innovation. *American Ethnologist*, 19(1), 141-154.
- Hage, J. T. (1999). Organizational innovation and organizational change, *Annual Review of Sociology* (Vol. 25, pp. 597-622).
- Hasse, C. (2001). Institutional creativity - the relational zone of proximal development. *Culture and Psychology*, 7(2), 199-221.
- Hasse, C. (2008). Cultural body learning - the social designation of institutional code-curricula. In T. Schilhab, M. Juelskjær & T. Moser (Eds.), *Body and learning* (pp. 193-215). Copenhagen: The Danish School of Education Press.
- Hatch, M. J., & Schultz, M. S. (2004). *Organizational identity: A reader*. Oxford: Oxford University Press.
- Herbig, P., & Dunphy, S. (1998). Culture and innovation. *Cross Cultural Management*, 5(4), 13-21.
- Kiurunen, A. M. (2009). Culture effect on innovation level in European countries. *International Journal of Business Innovation and Research*, 3(3), 311-324.
- Lam, A. (2005). Organizational innovation. In J. Fagerberg, D. C. Mowery & R. R. Nelson (Eds.), *The oxford handbook of innovation*. Oxford: Oxford University Press.
- Lave, J., & Wenger, E. (1991). *Situated Learning: Legitimate Peripheral Participation*. Cambridge: Cambridge University Press.
- Lemon, M., & Sahota, P. S. (2004). Organizational culture as a knowledge repository for increased innovative capacity. *Technovation*, 24(6), 483-498.
- Leontiev, A. N. (1978). *Activity, consciousness, and personality*. Englewood Cliffs: Prentice-Hall.

- Lin, L. H. (2009). Effects of national culture on process management and technological innovation. *Total Quality Management & Business Excellence*, 20(12), 1287-1301.
- Martin, J. (1992). *Cultures in Organisations - Three perspectives*. London: Oxford University Press.
- Martin, J. (2002). *Organizational culture: mapping the terrain*. London: Sage Publication.
- Martins, E. C., & Terblanche, F. (2003). Building organisational culture that stimulates creativity and innovation. *European Journal of Innovation Management*, 6(1), 64-74.
- Mavondo, F. T., & Farrell (2003). Cultural orientation: its relationship with market orientation, innovation and organisational performance. *Management Decision*, 41(3), 241-249.
- Mavondo, F. T., & Rodrigo, E. M. (2001). The effect of relationship dimensions on interpersonal and interorganizational commitment in organizations conducting business between Australia and China. *Journal of Business Research*, 52(2), 111-121.
- McLaughlin, P., Bessant, J., & Smart, P. (2008). Developing an organisation culture to facilitate radical innovation. *International Journal of Technology Management*, 44(3-4), 298-323.
- Morcillo, P., Rodriguez-Anton, J. M., & Rubio, L. (2007). Corporate culture and innovation: In search of the perfect relationship. *International Journal of Innovation and Learning*, 4(6), 547-570.
- Parker, M. (2000). *Organizational Culture and Identity*. London: Sage.
- Schein, E. H. (1992). *Organizational culture and leadership*. San Francisco: Jossey-Bass.
- Schein, E. H. (2004). *Organizational Culture and Leadership* (Third ed.). San Francisco: Jossey-Bass.
- Schumpeter, J. A. (1928). The instability of capitalism. *The Economic Journal*, 38(151), 361-386.
- Schumpeter, J. A. (1934). *The theory of economic development: An inquiry into the profits, capital, credit, interest and the business cycle*. Oxford and New York: Oxford University Press.
- Smircich, L. (1983). Concepts of Culture and Organizational Analysis. *Administrative Science Quarterly*, 28(3), 339-358.
- Strauss, A. L., & Corbin, J. (1990). *Basics of Qualitative Research: Grounded Theory, Procedures, and Techniques*. Newbury Park, London, New Delhi: Sage Publications.
- Tan, B., Lee, C. K., & Chiu, J. Z. (2008). The impact of organisational culture and learning on innovation performance. *International Journal of Innovation and Learning*, 5(4), 413-428.
- Wolfe, R. A. (1994). Organizational innovation: review, critique and suggested research directions. *Journal of Management Studies*, 31(3), 405-430.