Multi-level Approach to the “Social Marketing” Context for Innovation: Impact on Organizational Relationships

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Abstract

The aim of the article is to explore the social aspects of innovation at three levels of research: individual, group, and organization. A multi-level approach enhances the understanding of how organizational context shapes and is shaped by the actions and perceptions of individuals. It may provide more precise research findings and more rigorous theory testing by clarifying the level of analysis. A resource-based approach and adaptation theories are used in relation to the organizational level, while at the individual level, psychological theories are applied. We propose a theoretical approach which could link creativity and competencies at the individual level, managerial / leader action and organizational culture with innovation to marketing innovation as a process and outcome of organizational level. The earlier studies used the approach that focused attention on the innovation process and innovation outcomes rather than on developing the ability to take specific innovative action and focused research on the selected level of innovation process management. It is therefore necessary to take into account the complexity of the research subject and include the actual problems resulting from the needs of multi-level innovation management and respect for the diversity of its conditions in the research.

Keywords: innovation, multi-level approach, organizational relationships, organizational culture, leadership, creativity, managerial competencies, social marketing

1. Introduction

Research indicates that organizations must be more flexible, enterprising and innovative, have the ability to adapt quickly to function effectively in rapidly changing 'social communities' and market conditions (Parker & Bradley, 2000; Valle, 1999; Nadeem, 2012). Organizations are increasingly more aware of the fact that, firstly, the basis of their competitive advantage is their knowledge, and secondly, innovation to marketing innovation is of paramount importance for maintaining and strengthening this advantage. Corporations are using Social Media (SM) to form meaningful and engaging customer relationships involving online transactions (Nadeem, 2015). Innovation is crucial in achieving the long-term success of a company in contemporary competitive markets and changing environment (Shapira, Youtie, & Kay, 2011; Kay, 1993; Dess & Picken, 2000). The previous researchers have recommended that an organizational innovation affects performance and competitiveness (Baker & Sinkula, 2002). Stimulating organizational innovation has become a prevalent topic in current management discourse (Husher, 1984).

Introducing the concept of innovation into economic sciences in the 1930s, Joseph Schumpeter argued that the economic development is more influenced by innovation rather than capital. Innovation is understood as introducing a new product, using a new method of production, finding a new market for existing products, finding and developing new sources of raw materials or using a new type of raw materials and also, introducing organizational changes in the company (Schumpeter, 1934; 1960; Nadeem, 2012). The Schumpeter’s approach corresponds to the static (results-based) approach to innovation. This means the outcome of innovative processes undertaken in the company.

The Schumpeter’s concept was the starting point for further study, reflections and analyses on the importance of innovation in the economy. Considering innovation from the perspective of marketing, Kotler (1994) defined it as a good, service, or idea perceived by someone as new. The very idea might have existed for a long time, but it
was innovation for the person perceiving it as a new one. Similarly, a broad approach was represented by Drucker (1992), allowing for treating each novelty as innovation. According to Drucker, innovations spread to all the spheres of company activity, the innovation process is, however, a conscious, assumed and fully organized, regular quest for changes occurring in the external environment, their analysis and taking action that allows for using these changes to current development needs. Drucker also believes that innovation also has an economic or social marketing dimension rather than only technical. In his opinion, a spur for innovation is not only a technical factor (including research), but often it is enough to observe the market, i.e. analyse its needs, deficiencies or products supplied on the market.

As a result of extensive studies of the literature on innovation, Crossan and Apaydin presented a comprehensive definition of innovation. In their opinion, innovation is: production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome (Crossan & Apaydin, 2010). This definition captures several significant aspects of innovation: it includes both internally conceived and externally adopted innovation (‘production or adoption’); it stresses innovation as more than a creative process, by including application (‘exploitation’); it highlights intended benefits (‘value-added’) at one or more levels of analysis; it assumes the possibility that innovation may refer to the relative, as opposed to absolute, novelty of an innovation (an innovation may be common practice in some organizations but it would still be considered as such if it is new to the unit under research); and it draws attention to the two roles of innovation (a process and an outcome) (Crossan & Apaydin, 2010). Drucker (1954) argues that the two basic functions of the firm are marketing and innovation. In addition to innovations in products and production processes, there are also innovations in the marketing of products. The development of new marketing tools and methods plays an important role in the evolution of industries. In recent years, new ways of gathering consumer information through innovative marketing programs and technologies have enabled firms to reach consumers more effectively and to use pricing strategies that were previously not feasible (Chen, 2006). Much of the research showed that marketing capability has an important role in innovation-based strategy and this capability increases success market performance of the firm (Weerawardena & O’Cass, 2004; Day, 1994).

It may be noted that the earlier studies used the approach that focused attention on the innovation process and innovation outcomes rather than on developing the ability to take specific innovative action and focused research on the selected level of innovation process management (Bal-Woźniak, 2012). Innovation is often associated only with technological processes, new or improved products, and organizational changes occurring in companies are usually considered together with changes in technology. The role of man and their capabilities and limitations of a psychological nature are underestimated in the processes taking place in the organization. It is a fragmentary approach. There is no integrated research on the problems arising from the needs of multi-level innovation management. Fragmentary, single-level research may be a source of mistakes in the way of organizing research, inventive activity and commercializing its results, the reason for underusing the innovative potential of the organization, and consequently, maladjustments to a new type of competition and restrictions on disseminating new development strategies (Bal-Woźniak, 2012).

The creation and management of innovation to marketing innovation has many dimensions that spread to all levels and dimensions of the organization. The conditions that lead to innovation are a combination of processes in an organization that result from internal and external dynamics. Innovation is not only an economic mechanism or a technical process. It is primarily a social phenomenon, the result of various interactions and relationships between individuals and to be implemented, it must obtain public approval as it changes paradigms, both in ways of thinking, production, organization and management, as well as in consumption.

Research problem: The process of innovation is the implementation of innovation in the social system of organization that has specific conditions both at the organizational level (e.g., organizational culture or structure), group level (including the leadership style) and individual level (including creativity, knowledge, competencies, personality, and learning). For example, the strongest marketing driver for successful innovative line extension introductions is parent brand strength (Sinaquelas, Wang, & Bohlmann, 2015). Innovation management at various levels of the organization, the effective harmonization of innovation process management and innovation management from different levels of decision-making will create a synergy effect. It is therefore necessary to take into account the complexity of the research subject and include the actual problems resulting from the needs of multi-level innovation management and respect for the diversity of its conditions in the research.

The aim of the article is to explore the social aspects of innovation to marketing innovation at three levels of research: individual, group, and organization. Therefore, six hypotheses have been formulated for the purpose of
research: 1) The overall relationship between creativity and marketing innovation is positive; 2) There is a direct relationship between managerial competencies and marketing innovation; 3) There is an indirect relationship between managerial competencies and innovation by stimulating the creativity of employees in socially innovative processes; 4) There is a direct relationship between leadership and marketing innovation; 5) There is an indirect relationship between leadership and innovation by creating a socially innovative culture; 6) There is a direct relationship between leadership and marketing innovation.

The hypothesized model has been depicted in Figure 1 and the literature in support of the hypotheses has been summarized.

Figure 1. Research hypotheses

2. Review of Literature

2.1 Innovation as a Multi-Level Process in the Organization

In the literature, innovation is understood as an outcome (Freeman, 1982) and a process (Aiken & Hage, 1971; Amabile, 1988; Drucker, 1992). In the first meaning, innovation is considered as an outcome of using progress of knowledge and invention such as the growing usage of Facebook, Twitter and Instagram (Nadeem, 2015a). In the second one, innovation phenomena include not only the final outcome of the specific technical task implementation, but also activities prior to its creation (Stawasz, 2005). The concept of the innovation process can be interpreted both in the narrow and broad sense. In the narrow sense, the innovation process is the traditional control of the innovation process, already enriched by new elements, but proceeding in the routine manner (a decision to innovate at a higher level, information, implementation, adaptation of the system), with clearly defined boundaries. This concept, used in the plural, refers to the creation of a creative organization with an innovative culture and means constantly resumed innovation processes, whose boundaries are blurred, not only between successive innovation, but also between creativity (the sphere of creativity, idea) and innovation (the sphere of innovation) and whose long-term objective is to improve the innovation capability of the organization system to create a learning organization, capable of adapting, collecting and using knowledge. In this perspective, the innovation process means gaining autonomy, strategic advantage over the competition, unique traits and behaviors, changing the culture of the organization. It should be emphasized that in contemporary reality, it is not sufficient to manage the process of implementation innovation (in the narrow sense).

Company’s innovation to marketing innovation capabilities are determined by two main groups of factors: (1) external-national conditions (e.g., legislation related to supporting innovative activity), conditions specific to the region, for example legal, cultural, economic and technical factors and the specific character of the industry and the sector where the company operates, (2) internal-these are primarily company resources. The conditions necessary for innovation processes include resources directly affecting innovation: material and financial resource (machinery, equipment, buildings, owned licenses and patents), organizational resources (including the size of the company, which involves motivation and dynamics of innovation), human capital (in particular their competencies, including the level of education and qualifications, knowledge and skills of employees, research staff, as well as leadership skills of managers and the continuity of management that ensures long-term innovation processes), acquired knowledge (measured by expenditure on research) (Francik & Pocztowski, 2003; Borowiecki & Siuta-Tokarska, 2013; Szczepańska-Woszczyńska, Innovation processes in the social space of the
The Schumpeterian school discusses the nature of innovation and focuses on the economic-based and behavior-based drivers of innovation.

When analyzing the determinants of innovation, the importance of knowledge, its combination and exchange in the innovation process cannot be neglected. In a significant trend of literature on innovation e.g., (Nonaka, 1994; Nonaka & Takeuchi, 1995; Tsai, 2001), innovation at the organizational level is defined as the creation of new knowledge. In this meaning, innovation is inevitably related to knowledge management, knowledge acquisition, exchange, and combination, and the significance of the social side of innovation is increasingly emphasized (Abrahamson & Rosenkopf, 1997; Den Hertog, Broersma, & Bart, 2003).

The mechanisms for creating and selecting high-quality innovations to marketing innovation that can be commercialized are developed within the organization. For a more thorough understanding of these mechanisms and the basic foundations for individual innovation outcomes, as well as group and organizational innovation, the research domain needs to study intra-group dynamics and individual-level phenomena. Individuals, groups, and organizations form an integral part of innovation and it requires an integrated organizational approach to innovation that involves skills at the levels of an individual, group and organization like leadership, team working and learning to learn (Roffe, 1999). Emphasis on intraorganisational processes and stimulating the key variables set by creative individuals, groups, organizations (Woodman, Sawyer, & Griffin, 1993) and the extraorganisational processes would go a long way in increasing the innovative pace in organizations. The social context and its interpretation are linked to innovation at many levels, either in the form of inter- (Byosiere, Luethge, Vas, & Paz Salmado, 2010; Vaccaro, Parente, & Veloso, 2010) or intra-organizational linkages (Ohly, Kaše, & Škerlavaj, 2010; Wallin & Von Krogh, 2010).

Thus, innovation to marketing innovation should be treated as a dynamic, multi-level process aimed at transforming creative energy into new tangible “products” (new ideas, products, processes, values) that contribute to the economic and social development of the organization and provide the basis for its organizational, technological and social change. This process includes additional forms of innovation-from individual creativity, through invention, implementation, organizational change and technology. The impulse for innovation is rooted in individual motivation to innovate, it requires certain resources and innovation management skills. Innovative processes should therefore be analyzed, like organizations (Klein & Koslowski, 2000), from a multi-level perspective (Sears & Baba, 2011). A multi-faceted approach encourages the search for the determinants of innovation at three levels: individual, group and system (organization), allows for the integration of social, structural, political, economic, and/or historical factors, and the human capital factor, which is also a determinant of innovation.

2.2 The Organizational Perspective of Innovative Behavior

It can be assumed that successful innovation is an effect of many factors, including strategies based on systemic thinking, that is the ability to perceive the organization and its environment as a whole and innovation as an important element for the development of the whole; the systems of internal and external communication; creativity of managers and staff, their ability to learn and use tacit knowledge, openness and the ability of managers to accept and implement the ideas of employees, incentives and pressure, favourable atmosphere; the lack of resistance to change (attitudes to risk, novelty, participation in decisions). These elements together create the circumstances favourable to innovation processes, which create a culture of innovation in which no innovation is a destructive event, but an opportunity to obtain further benefits. In addition to the specific relationships between the organization and its environment, “a social game” takes place inside the organization, whose active participant is each of its members, and which determines the organization’s ability to innovate. The innovation to marketing innovation process is multifaceted (multi-level) and innovation is a process that develops over time, at each of the organizational levels in an interdependent way and which consists of the sum of the partial results at each level. At the same time creativity at the individual level is the “raw material” conditioning the occurrence of innovation at a higher level of analysis.

2.2.1 Creativity and Innovation

Innovation at any of the examined levels (country/economy, organization, group, individual) cannot occur without its single most important determinant at the individual level, that is creativity. Creativity can be defined as the man’s ability to come up with new ideas, concepts, or new associations and links with the existing ideas or concepts, the manifestation of the ability to see unconventional ways of solving organizational problems, the size of creative ideas associating a wide range of facts, phenomena and trends from different areas of the organization operation and its environment (Hys, 2010).
The innovation to marketing innovation process, in broad terms, comprises two stages: the creation of innovation and the dissemination of innovation. The former is closely related to psychology of creativity, including creative problem solving, a creative way of responding to the problems faced, both internal and external (Knosala, Jagoda, Karlińska, & Serafin, 2011). The idea that prevails in the literature says that creativity is positively related to innovation (Amabile, Conti, Coon, Lazenby, & Herron, 1996; Axtell, et al., 2000; Axtell, Holman, & Wall, Promoting innovation: a change study, 2006). The association between creativity and innovation is highly contextual and multi-level in character. Managers and entrepreneurs can exert a certain degree of control over factors that help to convert creative ideas into new innovations. Determining company size, locating R&D facilities, and managing cultural configuration of human resources are examples of areas that managers can strategically control to make the innovation process smoother and more balanced (Sarooghi, Libaers, & Burkemper, 2015).

One of the more complex presentations of the relationship between the levels of analysis is the model of creativity and innovation in organizations introduced by Amabile (1988). Based on her earlier model of individual and group creativity, Amabile assumes that each of the three key elements of creativity at individual and group level (internal task-based motivation, skills to perform the task and the creative thinking) affect the elements that are an indispensable feature of innovation at the organizational level (motivation to innovate, resources for a given task, and ability to manage innovation), which in turn refer to the different stages of the innovation process in the organization (creation, prioritizing tasks, scheduling, creating ideas, testing and implementation, evaluation of results, introducing current changes). She also assumes that the relationships between the various elements at individual/group and organization levels are bi-directional, so each of the elements at the organizational level enhances or restricts the development of each element at the individual level.

The complex nature of determinants of innovation to marketing innovation is also underlined by the theory of individual creative action by Ford (Ford, 1996), stressing the importance of elements such as: analysis of change (e.g., the exploration and analysis of the problem, interpretation), motivation (goal orientation, the ability of persuasion), knowledge and skills, and creative thinking. Many authors have also discussed how to bring a creative idea to the final stage of the innovation process-implementation. The factors determining this process include: knowledge sharing (Liu & Philips, 2011), stimulating climate or culture (Mueller & Thomas, 2001), or leadership (Gumusluoglu & Ilsev, 2009).

2.2.2 Competency and Innovation

Innovative processes set specific eligibility requirements for employees, including flexibility and original, discovered skills or acquired by appropriate management. For modern businesses, the most important success factor is people-their knowledge, qualifications, skills, behavior and the willingness to cooperate and make changes that allow its adaptation to a changing environment (Smolarek & Dziendziora, 2011). The authors emphasize the importance of the relationship between company innovation and psychological factors, which include personality traits, psychological capital, knowledge, personal competencies and motivation and commitment to innovation. These factors strongly influence the innovative activity of employees in the company. Creative behavior leading to the emergence of innovation will be a synergy effect between different psychological factors that will reveal in an organizational context.

Managerial competencies. Company innovation to marketing innovation is conditioned, among others, by top management: their mental focus on the development of innovative activities, the ability to allocate appropriate resources to this activity, the ability to identify and use external impulses, as well as the acceptance of many, even controversial points of view. Decisions and choices of managers affect company performance, depending on how they evaluate the environment, what strategic decisions they take and how they support innovation. Also, Schumpeter and Knight characterized entrepreneurial competencies from the perspective of implementing innovative solutions in the organization by the entrepreneur, as well as overcoming uncertainty and risks associated with the operation of the company. Managerial competencies must be oriented to start innovative behavior of employees. Each element of the daily work should be firmly rooted in the consciousness of being creative. The managerial competencies required for the successful innovation implementation include: the willingness to take action, the readiness and motivation to take risks, the ability to subdue others (Schumpeter, 2002; Francik & Pocztowski, 2003), support and encouragement given to each employee to seek and discover non-conventional, non-standard ways of achieving goals and tasks (Loewe & Dominiquini, 2006), openness, the ability to look broadly at problems, the ability to creatively solve problems and conflicts, tolerance and respect for different views, avoiding taking a stance too early, openness to criticism, relativistic view of reality, and independence of judgments. Creative and innovative competencies mean the ability to learn new values and patterns of action continuously, as well as new ways of acquiring and transferring knowledge. An innovative
manager is competitive, constantly seeking, constantly introducing changes and improvements, communicative and has good interpersonal skills, is able to inspire subordinates, to listen to their opinions and recognize good ideas.

2.2.3 Leadership and Innovation

Innovation Leadership is a meta-construct consolidating individual and group level variables (Crossan & Apaydin, 2010). In the literature their support and guidance vital in promoting innovative efforts at the initial creative stage is highlighted, as it contributes to effective interactions among group members (West et al., 2003), and their ability to create conditions for the subsequent implementation of innovation (Mumford & Licuanan, 2004). Jing & Avery (2008) and Sökmen et al. (Sökmen, Bitmiş, & Üner, 2015) put an emphasis on various paradigms of leadership in the management and advisory literature: classic, transaction, visionary, and in particular the new, emerging paradigm of participatory leadership, co-leadership (the authors use the term “organic leadership”), which exhibits higher levels of trust between leaders and staff.

An individual leadership style is an important determinant of innovation to marketing innovation. Organization leaders help define and shape work contexts that contribute to organizational innovation (Sarros, Cooper, & Santora, 2008). Participative leadership is associated with cultures of innovation and high-performing companies (Ogbonna & Harris, 2000). Several studies indicate that transformational leaders empower their followers (e.g., (Jung & Sosik, 2002)), create an innovative climate (Jung, Chow, & Wu, 2003), change the personal values and self-concepts of their followers, move them to higher levels of needs and aspirations (Jung, Transformational and Transactional Leadership and Their Effects on Creativity in Groups, 2001), as well as raise the performance expectations of their followers. The leader has to fulfill the task of persuading others, he/she must have the skills to give motivating information, establish dialogue and listen to people who can suggest solutions better than originally intended (Szczepańska-Woszczyna, 2015). The leader becomes a coach who knows how to encourage people to learn and to cooperate mainly by putting team assessments before individual ones. Regardless of the differences in personality, style, abilities and interests, effective leaders have their supporters who act in harmony and follow their example. Leaders do not ask about the goal of achievements, but about the mission and objectives of the organization, and then about what you should do and how to do it. They are able to recognize the power latent in their associates and activate it, recognizing it as a condition to cope with the complexity of the situation (Francik & Pocztowski, 2003). Leadership can increase innovation to marketing innovation value potential by nurturing aspects of their corporate culture and environment that support innovative behavior (Balsano, i inni, 2008).

2.2.4 Organizational Culture and Innovation

Research emphasizes the role of the organizational climate / culture for organizational creativity (Woodman, Sawyer, & Griffin, 1993; Ford, 1996). According to West (West, 2000), organizational culture essentially prevents or facilitates the implementation and maintenance of innovation in the organization. According to Maher (Maher, 2014), organizational culture is a major factor which has an impact on the speed and frequency of innovation. Forms rooted in cultures determine the success of companies, the ability of an organization to be creative and to effectively pursue the strategy (Schwartz & Davis, 1981). Loewe & Dominiquini (2006) believe that organizational culture and values are one of the four-in addition to leadership behaviors, management processes, people and skills-key areas for the effective innovation implementation. On the basis of these areas, sustainable internal competence is built for innovation as a continuous process, not an incidental, short-term effort.

Organizations with a culture of innovation to marketing innovation are characterized by several features, such as poorly defined hierarchy, low bureaucracy, the free flow of information, enabling decision-making of many people, so little centralization, formalization and stratification, promoting and rewarding creativity, delegating, using mistakes to learn, collaborative work style preference and abandoning short-term profit maximization for the long-term prospects of the operation (Francik & Pocztowski, 2003). Natural sources of innovation (creators, teams, customers) are protected and recognized (prestige, awards, listening and gathering knowledge). Woodman et al. (Woodman, Sawyer, & Griffin, 1993) discover a significantly negative relationship between hierarchical and bureaucratic culture and innovation.

The complex nature of determinants of innovation at the organizational and group levels is shown in a model by Hsu et al. (Hsu, Tan, Jayaram, & Laosirihonghthong, 2014). This model measures the relationships between corporate entrepreneurship, operations core competency and innovation. The authors measured corporate entrepreneurship by its corporate culture and leadership, whereas operations core competency was operationalised by company’s knowledge management, technology management and process management.
Finally, innovation is measured by process innovation and product innovation. The analyses show that corporate entrepreneurship affects company’s operation core competency, which in turn affects innovation.

Sepahvand & Mohammadi (2015) have examined the relationship between organizational culture and knowledge management and innovation of employees. The findings indicate a significantly positive relationship between organizational culture, its components including involvement, consistency, adaptability, and mission and innovation among employees. Moreover, knowledge management and its components i.e., knowledge creation, knowledge absorption, knowledge organization, knowledge conservation, knowledge distribution, and knowledge application are significantly and positively correlated with innovation of these employees. A framework from multiple theoretical perspectives has been developed to study the relationship between a set of organizational and group variables and the level of group innovation (Mohamed, 2002). Results show that managerial attitude, decentralization, supervisory support, group satisfaction, diversity, committee membership, and management learning are important predictors of group innovation to marketing innovation.

3. Discussion

Based on the theory of customer value, comprehending the needs of customers and creating value for them is crucial for organisations to be competitive and innovative (Lo, Mohamad, Ramayah, & Wang Yin, 2015). Based on the analysis of the results of sub-studies relating to the relationships between individual elements at different (individual, group and organizational) levels of the organization and innovation, a multi-level approach to the social context for innovation can be adopted, in which individual elements influence innovation to marketing innovation processes and each other.

Depending on the organizational level at which innovation is examined (organization, team or individual), various factors as determinants should be taken into account. A comprehensive list of factors determining creativity and innovation at the organization level proposes the model of creativity and innovation determinants by Martins & Terblanche (2003), who include strategy, support mechanisms, patterns of behavior that encourage innovation and communication in it.

Hypothesis 1 is proved in earlier empirical research. Innovation to marketing innovation is the result of changes created and implemented by creative and innovative-minded people. Their spontaneity results from natural curiosity of people, their creative approach, the originality of thought, fantasy, imagination, flexibility, self-criticism, courage, perseverance, commitment, the ability to look across borders and make interdisciplinary connections. Actions that increase innovation can be strengthened by strengthening the creativity of individuals. Relationships between the concepts of creativity, creative output and innovation have been characterized by Stasiakiewicz (2002), who presents the course of the process - from creativity as an individual’s competence, through his or her actions and behavior (creative output) to the effects understood as the possibility of application solutions. Five sets of variables have been found to affect the creativity-innovation link at the individual level: expertise, creative processing activities, dispositional characteristics, motivation, and task environment (Amabile, Conti, Coon, Lazenby, & Herron, 1996; Mumford & Hunter, 2005). Mumford & Gustafson (1988) claim that dispositional characteristics such as openness, flexibility, conscientiousness, and criticality have a significant impact on the creativity-innovation link. Arya et al. (Arya, Sharma, & Singh, 2012) conclude that innovative employees gather and use a wide range of information to generate new ideas and improve existing innovation processes; behavior is closely related to the commitment of the employee, his or her internal motivation.

Managers play a special role in the innovation to marketing innovation process; it is estimated that companies may make much more (by 30%) profit if managers apply practices stimulating an increase in involvement and competencies of people. Company innovation is determined, among others, by top management: their mental focus on the development of innovative activities, their ability to use appropriate resources in this activity, their ability to identify and use external impulses, and the acceptance of many, even controversial points of view. Managers play a dual role in the innovation processes: firstly, through their powers they directly affect the course of innovation processes, secondly, they must be a leader, facilitator, animator, coach, mentor or trainer, and their task is to: coordinate, diagnose and bring out human potential, moderate, stimulate, create, initiate, and to motivate. Management may rely on developing specific innovation competencies manifested as resource allocation, the choice of technology, operations management and employee development, where the competencies are ultimately determined by the over-arching influence of the firm’s knowledge structure, though directly under the influence of management who work within the influence of the knowledge structure (Siguaw, Simpson, & Enz, 2006; Mumford, Scott, Gaddis, & Strange, 2002; Jones, Simonetti, & Vielhaber-Hermon, 2000; Gliddon, 2006; Szczepańska-Woszczyńska & Dacko-Pikiewicz, Managerial competencies and innovations in the
Hypotheses 4 and 5 are proved by research in recent years, where the influence of leaders, more generally leadership, on innovative behavior of employees (including transformation leadership, the importance of work and responsibility experienced by employees, employee engagement, the relationship between the leader and subordinates) (De Jong & Den Hartog, 2007; Arya, Sharma, & Singh, 2012) has been examined. Leaders are essential in shaping and facilitating successful innovation to marketing innovation and creativity in organizations. Both through direct leadership behaviors (e.g., by vision formulation) and through more indirect leadership behaviors (e.g., by role modeling) (Holten & Bollingtoft, 2015). It is critical for leaders to inspire and motivate employees to contribute new ideas and become more productive (Maladzhi & Yan, 2014). Basadur (2004), for instance, notes that the most effective leaders help individuals to coordinate and integrate their differing styles through a process of applied creativity that includes continuously discovering and defining new problems, solving those problems and implementing the new solutions. Various innovation studies explore the influence of leader behaviors using models developed in relation to performance outcomes, that is, leader behaviors that positively affect outcomes such as effectiveness and efficiency rather than innovation-related outcomes (De Jong & Den Hartog, 2007; Jansen, Vera, & Crossan, 2009). Leaders play a primary role in helping to facilitate original thinking as well as guiding instantiation of those novel ideas that are worthy of exploration. Leaders are depicted as having both direct and indirect influences on the innovation to marketing innovation process.

As research by West (2000) shows, organizational culture crucially prevents or facilitates the implementation and maintenance of innovation in the organization. According to Maher (2014), organizational culture is a major factor which affects the speed and frequency of innovation. Hypothesis 6 is proved in earlier empirical research in this area. Innovation-supportive culture is important for both the generation and implementation of innovations. Many authors confirm that organisational culture is important with regard to innovation (Dobni, 2008; Gordon, 1991; Amabile, Conti, Coon, Lazenby, & Herron, 1996; Jassawalla & Sashittal, 2002; O’Reilly, Chatman, & Caldwell, 1991). Generating innovation requires an organisational culture that continually encourages organisation members to seek novel solutions and that fosters a climate conducive to creativity (Krot & Lewicka, 2012). It can be stated that an organization’s culture is instrumental in guiding behavior and can therefore serve to either support or inhibit innovation (Ahmed, 1998). A comparison of companies that implement innovation and that do not implement innovation shows that in companies where innovative processes take place, new ideas of employees are noticed to a greater extent, managerial staff are more open to the opinions of their subordinates, managers appreciate and reward the signs of innovation to marketing innovation of their employees and cooperation between employees of different organizational units increases.

Although some researchers believe that the source of new values and knowledge is at the organizational level (Barney, 2001), the authors agree with the opinion of Felin and Hesterly (2007) that a full explanation of all the concepts fundamental for the organization such as identity, the learning process, knowledge, abilities, attitudes must begin with an understanding of individuals, their nature, choices, abilities, inclinations, objectives, expectations and motivation. This perspective must, however, take into account the context of the functioning of the individual socially. As multinational organizations increase operations in emerging economies, firms need to understand how cultural values prevailing in a host country can influence leadership practices developed and practiced in Western economies (Mulki, Caemmerer, & Heggde, 2015). The combination of micro, meso and macro levels could merge individual, group, organizational and contextual variables described in the literature.

4. Conclusion

When analyzing the literature, the advantage of the approach including sub-studies investigating the selected area of the relationships between the various elements at different levels of the organization (individual, group and organization) and innovation within the organization can be observed. There is no comprehensive theory of innovation that would include all the levels. Economic theories are related mostly to economy or social marketing groups; a resource-based approach and adaptation theories are used in relation to the organizational level, while at the individual level, psychological theories are applied. We propose a theoretical approach which could link creativity and competencies at the individual level, managerial/leader action and organizational culture with innovation to marketing innovation as a process and outcome of organizational level. The more the organization is able to build its distinctive (Luxton, Reid, & Mavondo, 2015) integrated marketing communication capability, the greater its campaign effectiveness, which in turn leads to superior brand market-based and financial performance.

A multi-level approach enhances our understanding of how organizational context shapes and is shaped by the actions and perceptions of individuals. It may provide more precise research findings and more rigorous theory
testing by clarifying the level of analysis. However, it is challenging to measure concepts at several levels, as Curral & Inkpen (2002) show. Individuals, groups and organizations have been traditionally studied separately, based on different theoretical approaches. However, organization theory would benefit from a holistic approach linking networks at micro and macro levels (Klein & Koslowski, 2000).

5. Recommendation

Future empirical research should cover different types of organizations, taking into account the size of a company, its type (manufacturing/services), as well as organizations operating in various industries. Future research should also take into consideration the possible diversity of existing marketing relationships between the elements studied at various levels of the organization. For example, the position level in the organizational structure (a senior manager and a manager at the operational, executive level) may determine the relationship between managerial competencies and product innovation or between innovative leadership and the service innovation process. Different types of organizational cultures may also determine relationships between other elements. Finally, it should be noted that the model does not include the significant impact of external marketing factors on innovation to marketing innovation processes in the organization.

Future empirical research might also pursue opportunities unearthed in this paper by testing the construct measurements and proposed model across different types of firms, industries, exploring the mechanisms that connect the constructs, the inherent tensions that exist between the various types of innovation to marketing innovation outcomes, and the underlying marketing processes. Also, future research could explore the possible moderators of the proposed relationships from social marketing perspective.

References


