Literature Review

Organizational culture is considered to be a significant vehicle to the implementation of organizational change (Aluko, 2003). Although it can be said that innovation is not involved by all organizational changes, but change is involved by all organizational changes (Alvesson, 2002). A very less research has been conducted so far on evaluating the relationship between innovation and organizational culture (Martin, 2001), very few empirical studies can be found over the organizational culture's impact upon innovation. Literature review in this study cover following in the discussion:

- Concept of organizational culture
- Concept of organizational innovation
- Relationship between organizational culture and innovation

Organizational culture's seven dimensions have been identified by resemblance of OCP dimensions with cultural knowledge two types which were generalized by Silverthorne (2005) while utilizing an instrument developed by them, the Organizational Culture Profile (OCP): stable, innovative, respect of people, detailed oriented, outcome oriented, aggressive as well as team oriented. These culture dimensions seem to be quite similar to the practice dimension of Hofstede, Neuijen, Ohay and Sanders (1990) that were generated from firms' international sample; there is also the resemblance of OCP dimensions with cultural knowledge two types which were generalized by Silverthorne (2005) across the organization. Many culture dimensions have been generated by authors over the last few decades (Pavitt, 2003; Denison, 1990). Even though some general similarities can be found among various categories of authors, it is crucially significant to set culture dimensions which can play their role in characterizing organizational cultures (Zammuto & Krakower, 1991).

Concept of Organizational Culture

The idea of "culture" has been more often associated with distant as well as exotic places and people, with rites, myths, foreign practices and languages. It has been observed by researchers that organizational members are engaged in various traditions and rites with our society which plays its role in passing along stories and myths. In addition to this, arcane jargons are also used and the goals of management for any organization are fostered or hindered by informal practices Denison (1980). In the literature of organizational behaviour , various definitions of organizational culture have been given by many researchers, For

instance, Kilmann (1985) has demonstrated upon organizational culture in such way: "the shared philosophies, ideologies, values, assumptions, beliefs, expectations, attitudes and norms" that plays an important role in keeping an organization together; whereas Deal (1986) defines organizational culture as the human invention which plays an immensely significant role in creating solidarity and inspiring productivity as well as commitment. According to Deal & Kennedy (1982), it can be assumed as a shared value system or a belief system which interact with the people of a company, control systems, organizational structures in order to produce behavioural values and norms. Organizational culture is defined by Collins and Porras (1991) as the shared beliefs and values' pattern which helps people in understanding the function of an organization while providing them with norms and values in the organization for behaviour. According to Hofstede et al (1990), behaviour of an organization is greatly affected by national as well as regional culture groups. National differences were looked by Hofstede between more than 1 Lac employees of IBM in the world's different parts. It was an attempt in order to identify the culture's aspects that may play their role in influencing business behaviour. Culture's five dimensions have been identified by Hofstede in his study in order to explore national influences, which are uncertainty avoidance, power distance, masculinity vs. Femininity, and individualism vs. Collectivism. Power distance is an extent to which difference are expected by the society in power's levels. It is suggested by a high score that more power is exercised by some people than others, therefore, they are stronger than them in the society; whereas it is suggested by a low score that each and every individual should have justice and equal rights. Uncertainty avoidance is the degree to which risk as well as uncertainty is expected by the society. Individualism vs collectivism refers to the point where people stand for themselves or act predominantly as an organization's members. Masculinity vs. femininity demonstrated the traditionally female or male norms and values. For instance, male values include assertiveness, competitiveness, ambition, material possession and the wealth's accumulation.

Concept of organizational Innovation

An overview of literature over innovation demonstrates that a greater consensus has been enjoyed by few topics among scholars, academicians and researchers but not so much importance has been given to innovation. Moreover, innovation is considered to be a strategic option in order to improve the organization and make it more effective and competitive. Simultaneously, it plays its role in opening the doors for competitive benefits both in national and global markets (O'Reilly and Tushman, 2004; Michie, 2002) as it provide a new

marketplace with unique as well as new services and products, makes learning something very important by creating entry barriers in order to develop innovation tough. In addition to this, it creates new norms and values which rewrite the competitive play's rules. Facing high competition and turbulent markets in globalization, the success of new products' development was known to be highly significant indicator to perform well at corporate level (Michie, 2002; Denison, Haaland and Goelzer, 2003). Because of failure to innovate in products and technologies, competitiveness and ability to achieve and sustain success has been lost by corporations in the present global market (O'Reilly and Tushman, 2002). It has been believed by Nacinovic (2009) that innovation was always able to bring up highly competitive benefits to any organization or company. However, there had been no general consensus of researchers over innovation's definition; developing innovation's good measures became so difficult in an organization (Jung, Wu and Chow, 2008).

Concept of Innovation

Innovation has been defined by West and Farr (1990) as an intentional introduction as well as application within a group, role or organization of notion, processes, procedures or products, new to the adoption's relevant unit, designed provide advantage to individual, group of people, company/organization or society as whole. Innovation can be assumed as the implementation of new idea, material artifice such as product or practice; it plays its role in bringing about positive change in any organization or society (Martins, 2000). As stated in a research by Linder, Jarvenpaa, and Daveport (2003) that innovation can be defined as the presentation and implementation of new notions which help create norms and values.

Relationship between Organizational Culture and Innovation

According to Lee and Yu (2004), the findings of their research has supported this notion that those organizational cultures which mainly focus on innovation can greatly contribute to the growth, progress and success of any organization or company as high-tech manufacturing firms are greatly helped by innovation in order to enhance and improve their ROA, even though very less attention was paid by the hospitals (they were also included in the research) to innovation because of the hospital industry's characteristics. As result, inclusion of innovation was made in organizational culture's components in order to help corporations for improving their growth and performance. As stated by Hurley and Hult (1998) that organizational cultures are not only comprised of learning and market orientations, but they also explore different between innovation and marketing orientations in order to develop an

effective model. In order to be highly innovative, it is important for an organization not only to be creative, but it should also be able to make the implementation of creative ideas successful. Due to such distinction, the organizational values, norms and behaviors, which promoted the creative ideas' production within a company can be different from those which play their role in fostering the creative ideas' implementation (Flynn & Chatman, 2001). Thus, it has been argued that the culture's aspects can be different from each other as well. Many of the values and behaviors which promote creative ideas are represented within the Dension Model's Involvement and Adaptability traits, which include:

- Risk-taking
- Collecting ideas from different point of views
- Collaboration/Teamwork
- Sense of ownership

Those organizations which score high in involvement reflect to sense of autonomy as well as freedom which is considered to be highly significant for the generation of ideas. Teams are also utilized by them to get their work done while working with team members cooperatively and emphasized is placed on mutual accountability. This employees' integration plays its role in promoting the sharing of responsibility and ideas which is considered to be highly significant for innovation and creativity. High involvement cultures play an immensely significant role in build sense of ownership and capability among employers which ultimately leads to the creation of environment where creativity occurs (Denison, 1996). Similarly, Adaptability is also considered to be highly important for innovation and creativity. Customer and market oriented markets help create ideas' diverse network in order to learn and modify through communicating and understanding of their customer, their people, and their competitors

Employers are greatly encouraged by them in order to taken calculated risk while promoting diret communications with consumers for developing creative response to the needs of customers (Denison, 1996). If encouraging creativity by leaders in their organization, it is important for them develop as well as support a culture which is high in terms of involvement and adaptability. It has been found out by Kotter and Heskett (1992) "organizations with adaptive values were strongly associated with superior performance over a long period of time, as compared to short-term performance". This finding was supported by Collins and Porras (1994) in their own research with regard to organizations that are

financially successful. By following that, a thorough comparison has been provided by Denison and Mishra (1995) between external adaptation and internal integration, and between stability and flexibility all of Denison model's dimensions which have been discussed above. Finally, the discussion of Saffold (1988) on "strong" culture, being adaptable and having a sense of commitment and mission, is similar to what has been advocated by Kotter and Heskett on their discussion over adaptable culture. The notion has been highlighted by these early findings that organizational performance and innovation is greatly affected by the organizational culture particularly when its aspects are strong such as a general consensus or when its relevant to industry as environment matters a lot.

A research was conducted by Tellis, Prabhu and Chandy (2009) in which they made analyses of 759 firms of the world's major economies and they found out capital, government, labour and coutltrue as innovation's important drivers. According to them, culture is considered to be the radical innovation's strongest driver across nations. In addition to culture, corporate culture has been considered by author's very significant driver of innovation in the firms all over the world. According to Felisberto (2008), innovation management is greatly influenced by competition since superior options are looked by managers for their existing methods as well as procedures. The competition's growth line in general has led to a chaotic and dynamic world of competition at global level where all organizations are bound to come up with innovations to remain relevant in the highly competitive market (Drechsler 2011). It has been further observed by Chesbrough (2003) that doubtful culture environment plays its role in opening doors to the process of innovation. While adopting radical innovation, industry leaders tend to control local as well as global markets along with promoting domestic economies' international competitiveness in order to survive and prosper under the immense pressure of globalization. An ability to build as well as sustain competitive advantages effectively and strategically is highly dependent upon the attitude of firms with regard to handling changes in organizational environment with innovation as its shows how they demonstrate their innovative behaviour. In a dynamic and vibrant environment, innovation plays its role as a mean to adapt to surmount and change organizational weaknesses while adding value to the services and products of an organization. By reviewing the literature produced over the impact of organizational culture on innovation, it can be argued that the capacity is possessed by successful organizations in order to absorb innovation into management process and organizational culture; both in general and former in particular plays an immensely significant role in supporting and encouraging organizational innovation.

In a turbulent economic environment, innovation is known to be a significant strategic driver in order to secure knowledge assets, gain new opportunities and obtain advantages in this highly competitive economic world. Innovative companies are regarded to be more flexible than others with regard to dealing with change and they also react to opportunities very fast, therefore, innovation is seen as highly significant for any organization to be successful. But it cannot be possible without an encouraging organizational culture since such organizational culture affects the innovation to a greater extent by creating, supporting as well as implementing innovation ideas which encourage innovation in order to represent problems and find solution.

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