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UNBUNDLING THE DETERMINANTS OF INERTIA TO DISCONTINUOUS INNOVATION: ELABORATING THE IMPACT OF ORGANISATIONAL FIELD TRANSPARENCY (INTERACTIVE PAPER)

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INTERACTIVE PAPER SESSION

UNBUNDLING THE DETERMINANTS OF INERTIA TO DISCONTINUOUS INNOVATION: ELABORATING THE IMPACT OF ORGANISATIONAL FIELD TRANSPARENCY

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Principal Topic

Empirical work has consistently linked organisational inertia to the failure of industry incumbents to prosper or even survive from discontinuous change. Recent work has unbundled the structure of inertia into two key determinants; when managers want to respond to or deliver discontinuous innovations they must act to overcome 'resource rigidities' and 'routine rigidities'. Drawing on Institutional Theory, we use the notion of Organisational Field Transparency to further unbundle the nature of these two determinants of inertia. We consider both discontinuous threats and opportunities as objective conditions of organisational fields. As threats and opportunities are only apparent when identified by institutional actors, we suggest that organisational fields are experienced as opaque, semi-transparent, transparent, semi-hazy or hazy. Thus, we propose two research questions: how does the experienced transparency of an organisational field influence (1) the perception of discontinuous threats and opportunities and (2) the different determinants of inertia?

Method

We developed two four-year case studies of manufacturing firms. Specifically, we observed and analysed how managers responded to 20 discontinuous threats and opportunities, using within case and cross case analyses of 28 interviews, 16 two to three day workshops, field observations and document analysis. We monitored how managers experienced their organisational field transparency (assessed via their perceived levels of institutionalisation and multiplicity - the amount of interaction and tightness of coupling with external agents/networks), whilst concurrently recording their sensitivity to discontinuous threats and opportunities and monitoring the prevalence of their resource and routine rigidities.

Results and Implications

We reveal that managers who experience their organisational field as transparent are sensitive to both discontinuous threats and opportunities and are able to overcome both resource and routine rigidities. However, when organisational fields are experienced as semi-transparent, managers are more sensitive to discontinuous threats than opportunities and fail to overcome routine rigidities. Conversely, the experience of a semi-hazy field makes opportunities visible but not threats and leads to the failure to address resource rigidities. Our findings suggest that it may be possible for managers to use assessments of their current levels of organisational field transparency to proactively increase their sensitivity to discontinuous opportunities and threats.

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