

Integrating Innovation: Frameworks for Entrepreneurial Leverage

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Abstract

In introducing innovation and exploration into the organizational agenda, entrepreneurs create a unique position for themselves which demands they establish and utilize recognizable and acceptable patterns of interactions with potential sponsors to facilitate early idea sanction and concomitant innovation integration activities. Understanding that process of innovation uptake and idea integration requires a framework which can enable the essential early interactions to be negotiated and exploited, and the maximum entrepreneurial leverage to be gained. A model is presented here which recognises that frameworks for innovation integration arise from the socio-cognitive parameters of organizational stakeholders and are manifested through normative structures of their interactions and the organizational setting.

The frameworks supporting innovation integration presented here acknowledge the inherent and fundamental fact that humans organise socially (Nicholson 1998) and that the socially contingent nature of knowledge (Hastrup and Hervik 1994; Anand, Glick *et al.* 2002; Yli-Renko, Autio *et al.* 2002) is dynamically and intrinsically related to the normative structures

supporting both organizational goals and entrepreneurial activities, and as such, inevitably underlies the process of innovation integration. Clearly, entrepreneurs and organizational sponsors and gatekeepers are dependent on each other for successful innovation integration outcomes. This can be achieved by recognising and adopting a suitable framework for innovation integration, via the negotiation of appropriate norms and cultivation of mutually acceptable protocols to support the initiation, development and maintenance of relationships and interactions between the entrepreneur and the various co-requisite stakeholder groups. Thus, the importance of ensuring readily appreciable shared meanings and consensual expectations for the entrepreneur is apparent, as recognised patterns of relationships and interactions provide a structure for the evolution and uptake of new ideas, new technologies and innovations (Walcyak 2000; Waters 2000)..

A theoretical paradigm is developed here to support the concept of innovation integration frameworks, which recognises that both explicit and implicit structures underlie the interactions necessary for the various management and organisational tasks which support the leverage and uptake of entrepreneurial activity. These structures exist, not only as overt codes or predefined parameters for action, as in administrative and governance controls (Massini, Lewin et al. 2002), but also as subtle and implicit parameters such as tacit expectations, routines, norms and standards of behaviour which are a result of socio-psychological bonds of interpersonal interactions and political processes (Jagtenberg 1983; Ring and Van de Ven 1992).

Evidence is presented from the Australian biotechnology industry which reveals that both tacit and explicit organisational and cognitive structures provide a framework for innovation integration which supports entrepreneurial activity through recognition of consensual and negotiable norms and practices. Frameworks supporting innovation integration are seen to be

deeply embedded in the socio-cultural environment of the stakeholders, and institutional policy and governance structures only in part facilitate the freedom needed for successful entrepreneurial integration. These findings are particularly significant for those in practice who seek to create entrepreneurial leverage in dynamic and complex high technology industries.

A conceptual model is proposed that enables the diverse influences of the entrepreneurial environment, diverse interactions and innovative activities to be recognised and considered as contributing to a dynamic integration framework. The model presents innovation integration as a recursively informed system of normative expectations and interpretive structures. On a practical level the model recognizes that entrepreneurial leverage can be gained by those key interacting stakeholder groups as they refine and adapt their integration frameworks via recursive negotiation of consensual parameters for exploration and innovation activity. Recognition of such implicit interactions presents an opportunity for entrepreneurs to establish mutually acceptable patterns of interaction to facilitate innovation integration. This research contributes to theory by recognising that the socio-cognitive parameters which inform the entrepreneur, their sponsors and the organizational gatekeepers are internalised through shared patterns of meaning and action, and are manifest through their expectations and practice.

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