UNCERTAINTY AVOIDANCE AND THE PREFERENCE FOR INNOVATION CHAMPIONING ROLES

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Abstract. This paper examines the preferences of 4405 individuals in forty-three organizations from sixty-eight different countries for four innovation championing roles: the organizational maverick, the network facilitator, the transformational leader and the organizational buffer. The study shows that the cultural value of uncertainty acceptance is significantly associated with preferences for these four championing roles. It suggests that uncertainty-accepting societies may be more innovative than uncertainty-avoiding societies because of the greater legitimacy of these roles.

The management of innovation is an important activity in multinational corporations. Increasing complexity and turbulence in the environment increases the need for the development of new products, processes and organizational routines as ways to generate competitive advantage in multiple countries. Moreover, host government pressures to locate new product and research and development activities in their countries have also increased the internationalization of innovative activity [Kedia et al. 1992]. Finally, the need to adapt new products, systems and procedures developed at headquarters or in other subsidiaries to fit local markets has also led to an increase in the need for innovative activity across subsidiaries of multinational corporations [Ghoshal 1987].

This increased focus on the innovative activity of different national subsidiaries of multinational corporations has made the selection of the location of innovative efforts an important strategic issue for senior managers [Porter 1990]. Some have argued that locating innovation efforts in nations that are more innovative than others will enhance the probability of successfully developing those innovations [Ghoshal 1987].

Economists have argued traditionally that national differences in innovativeness are the result of industrial structure, societal wealth, research and development infrastructure, resource endowments, or country size [Nelson 1993]. However, research by other scholars has shown that the cultural values of people in some

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societies make those societies more likely to be innovative and inventive [Kedia et al. 1992; Shane 1992, 1993].

While studies comparing cultural values and national rates of innovation or invention have been helpful in identifying societies that are more innovative or inventive than others, these studies have not explained how cultural values influence different aspects of the innovation process. Research on the innovation process in the United States has shown that organizations often resist new ideas and innovate only when there is some force that pushes them to overcome this inertia [Aldrich and Auster 1986]. An important force in overcoming this inertia has been found to be the presence of organizational members who champion the innovation [Howell and Higgins 1991].

While many other aspects of the innovation process might also vary across cultures and are worthy of investigation, some scholars have begun to examine how the championing process might vary across different cultural environments [Hoffman and Hegarty 1993; Shane et al. forthcoming]. Much of this research has taken a contingency perspective, arguing that certain championing roles are most effective in certain cultures and other championing roles are more effective in other cultures [Shane et al. forthcoming; Hoffman and Hegarty 1993]. While these studies fit the tradition of cross-cultural management, which shows that certain managerial activities are more appropriate in some cultures than in others [Hofstede 1980; Schneider and De Meyer 1991], they conflict with studies that have shown that some societies are more innovative than others because they possess certain cultural values.

For arguments about culture-championing relationships and culture-innovativeness relationships to mesh, evidence must be found to show that certain cultural values encourage individuals to adopt championing roles that have been shown to lead to innovation. The purpose of this paper is to make such an argument. It examines the relationship between the national cultural value of uncertainty acceptance – the tendency of members of a society to tolerate uncertain and ambiguous situations [Hofstede 1980] – and four championing roles. The study proposes and tests an explanation for why this cultural value leads individuals to view more favorably four championing roles that previous research has shown to increase innovation.

The examination of this topic proceeds in four parts. First, a theoretical model of the relationship between the cultural value of uncertainty acceptance and the preference for championing roles that lead to innovation is proposed. Second, the methodology for testing that model is discussed. Third, the results of that test are presented. Fourth, conclusions are drawn from this analysis.

THEORY DEVELOPMENT

Need for Champions

Innovation in established organizations is often a difficult process. Organizations often resist innovative activities for a number of reasons. Organization members often want to adhere to old routines and repertoires that were established to make