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InnKnow FORUM

Of all the tools offered by the Internet to businesses, blogging remains the least understood and therefore still quite underutilized by innovators and marketing managers. This is in spite of the fact that blogging started as far back as 1997, current number of total blogs is upwards of 10 million, and thousands new blogs are created everyday.

Blogging for Business: Enhancing Customer Involvement in Innovation and Marketing *by A. Bhatnagar & K.E. Soderquist*

In 2004, Merriam-Webster Dictionary crowned blog as the word of the year. Most of the major international news and business publications, such as Business Week, The Economist, New York Times, Financial Times, or Le Monde cover it extensively and increasingly integrate blogging as a live news media (not always without difficulties). The White House, and governments world-wide, recognize the bloggers as press and opinion-makers, and bloggers have played a major role in the downfall of figures such as Tom DeLay, Dan Rather, Howard Dean, John Kerry, and many

more. In Europe as well, and quickly growing, blogging plays an increasing role in political opinion making, in the evolution of the activities of NGOs, and in what will be of central interest for this article, namely corporate life and especially innovation, development and marketing of new products and services.

A characteristic example of the latter is the July 2007 launch of the much expected revival of the legendary FIAT 500 (www.fiat500.com).

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Editorial Note

What is the latest trend that enables consumers and potential users of new products and services to take part in the innovation and development process? The answer is blogging – a quickly growing mode of building relations between individuals and communities over the customer – developer/producer interface, especially in the consumer goods industry. The lead article in this issue, co-authored by Professor Amit Bhatnagar of the University of Wisconsin and myself, analyses a number of examples of the use of this new process innovation, part of a movement of "democratizing innovation", as illustratively conceptualized by MIT Professor Eric von Hippel.

2006 and 2007 have been very busy years in the InnKnow Unit, bearing their fruits in terms of the brilliant defence of four PhD dissertations the past spring. The work of these young researchers has already been acknowledged among peers and colleagues in the academic and practitioner communities through publications and presentations in scientific journals and conferences. It was therefore a timely and quite natural choice to devote the rest of this 10th issue of InnKnow FORUM to an overview of the research that has been undertaken and that still is unfolding thanks to the devotion and hard work of these young doctors and the other PhD students and research associates. Research in the five core areas of the InnKnow Unit is briefly presented, together with references to publications and presentations that can be obtained upon request for more in-depth analyses and results.

Klas Eric Soderquist



Blogging for Business...

Since the first rumors started to appear that FIAT was into designing and developing a new super-mini vehicle, revitalizing the looks and identity of the 1950s and 60s FIAT 500, considered besides the Mini and the VW Beetle (already revived) to be one of the major automotive icons of all times, blogs around this upcoming event have mushroomed. No doubt that FIAT orchestrated its part of the launch very intelligently, applying what could be referred to as "rumor management" and tapping fully into the potential of keeping the interest alive and up by communications and appearances of prototypes in leading automotive fairs. However, it is unlikely that the attention would have been so great and kept up for such a long time if it wasn't for the invisible hand of Internet communication in blogs. Virtually every respectable automotive journal maintains blogs on its website, and, except for Italy where the new *Cinquecento* quickly became brick and mortar news on the *piazza*, blogs with the FIAT 500 topic as central or peripheral evolved into some of the most visited of all times in the technology-based consumer goods industry.

Reviving a car legend is not an easy challenge. The success of the New Mini is countered by the relative flop of the New Beetle. Hence, strategically the stop or go decision for such a project is tough, especially as FIAT intended from the very beginning to position the New 500 as low cost. Undoubtedly, the trends and tendencies evolving in related blogs assisted FIAT in this decision. It also convinced management to maintain the low cost and popular profile of the car, although maximizing individualism, experience-driving and "fun". Some sources sustain that the long and innovative list of accessories, both relative to the car's individual styling, and to gadgets and fashion items carrying the logo and image of the 500, was conceptualized and engineered building essentially on the inputs from potential customers and other fans communicating on blogs. A similar pack of features was developed and made available for the new Renault Twingo, but with much less self-generated consumer publicity on the Internet.

Thus, blogging seems to be changing the rules of the game in conceptualization, development and marketing of at least some type of products. And the evolution is extremely fast; from unknown to a marketing and innovation must in only a few years.

What is a Blog?

A blog is like an online diary – a type of website that has entries or posts in chronological order. Anybody can start a blog, where they can post their opinions on any topic under the sun. The au-

thor of each post is clearly marked along with the date and category. While some blogs are very general, some others are focused on very specific topics. Large blogs with thousands of posts, which could be seen as a kind of "Blog Portals", are organized by category and they allow their readers to search the content. Each post also has its own unique permanent URL, and this allows other bloggers to link to posts. Since a blog is a website, any person on the Web can visit it and read the posts. The unique characteristic of a blog is that it allows its readers to post comments on the website to blogger entries. This allows the bloggers and their readers to converse, but unlike email conversations, their conversation is transparent to all.

A capable programmer can indeed add these features to any website, but the advantage of using a blogging software is that it is inexpensive and designed so that non-programmers can do all of the above. Instead of laying a page in HTML and manually positioning the content, in a blog, bloggers enter their content in a simple form in plain text and the blogging software takes care of formatting, etc. There are a large number of websites, such as Blogger.com, where individuals can create blogs not only in minutes, but most importantly, for free. The ease and cost of creating blogs has led to an explosion in the number of blogs.

Harnessing the Innovation and Marketing Potential of Blogs

While the impact of blogs is being felt in several sectors of society, our focus here is on explaining how businesses can harness the innovation and marketing potential of blogs. Blogs can be put to a number of uses.

Market Intelligence for Corrective Action and Renewed Offerings

Marketing managers of a company should identify all the blogs where bloggers and their readers converse about the company, its products and its competitors. They should monitor the conversation to determine the marketplace 'buzz'. Knowledge of where and why a company is being praised or criticized would allow the marketing managers to respond to these criticisms. Furthermore, they can identify potential problems at an early stage and take corrective actions before the problem becomes a full-blown issue. Movie studios use the blogs to see which movies are generating buzz. Advertisers track responses to their campaigns.

By

Amit Bhatnagar
&
Klas Eric
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Blogging for Business...

According to Jeff Weiner, Yahoo's senior vice-president, "Never in the history of market research has there been a tool like this," A large number of firms, from startup PubSub to tech giant IBM, offer services to comb through the mountains of data in the blogosphere for time-starved companies.

In a longer term perspective, buzz can also trigger product or service improvements in new generation offerings and provide an important input to innovative product concepts. Moreover, as in the case of the New Fiat 500, the reactions to an experimental concept made public can be monitored and evaluated.

Virtual "Focus Groups"

Focus group interviews, where a group of consumers gather in a room to discuss a product, play an important role in the new product development process. This is also where the first ideas behind many innovations have been generated. With the emergence of blogs, focus group interviews can now be conducted virtually on a website. This allows marketing and innovation teams to recruit participants from all over the world. One is no longer limited to recruiting from one region. Success of focus group interviews depend on the diversity of opinions held by the participants that leads to a lively discussion. This diversity is enhanced when participants are from different regions or countries. Moreover, virtual focus group interviews are cheaper to conduct, as participants do not have to travel from their house to interview site. They can participate from the privacy of their homes or offices. This privacy also ensures that participants are more honest with their opinion and less susceptible to groupthink.

Open Innovation

Coined by Professor Henry Chesbrough of the University of California at Berkeley, the Open Innovation (OI) concept provides a new framework for strategizing, organizing and managing the Research and Innovation process. OI thinking ruptures with the traditional view that competitive advantage is attained by funding large vertically integrated research units, that nurture engineering departments with the raw material for new product development, and fiercely protecting new discoveries and innovations. The negative side effects of this traditional approach have been many. Smaller firms, which are often more flexible, and attentive to technology and market trends, were at disadvantage as they could not achieve the critical mass of resources to conduct research under these centralized conditions. Cutting edge technologies were hampered in their development due to patent and protection systems designed for the closed and centralized approach or, even worse, new technologies developed in start-ups were sometimes bought up by the big players and put in quarantine.

Open Innovation can be summarized as trying to combine internal and external *resources* as well as *opportunities* for innovation. As Chesbrough and other scholars advance, the boundary between a company (or a research institution) and its RTD stakeholder environment (specialized research performers, suppliers, customers and "lead users"...) must be porous, enabling innovations to move more easily between

the two. More precisely, when guided by OI principles, companies can commercialize ideas outside its internal development and market pathways, as well as using those pathways for bringing externally generated ideas and inventions to the market.

The opportunity of real-time communication in enlarged innovation communities that blogging, under specific rules and controlled frames of access offers, is one of the underpinning infrastructure elements of Open Innovation. Blogging facilitates sense-making and exchange of ideas between cross-disciplinary specialist teams in such areas as mecatronics, optronics, bioinformatics and multimedia.

Company Related Communities for Brand Loyalty and Lead User Innovation

Brands are built by increasing brand visibility and finding connections with the consumers. For example, the yogurt maker, Stonyfield Farm, started a blog to increase the visibility of its brand. They also use their blogs to address consumer's concerns and comments. Several companies, such as, Boeing (www.boeing.com/randy), IBM, GM Fastlane, Microsoft, Sun, liftport (www.liftport.com) operate company blogs where they discuss news, announcements and other subjects of interest to customers of that company. Some of these blogs are run by outsiders but sponsored by the company. Consumers who are loyal to these companies participate in these blogs and get a feeling that they are part of these organizations.

Company related communities are also a space where so called *lead users* tend to gather. Lead users, i.e., early adopters of new product concepts and technologies, play a major role as generators of innovation. The involvement of users in the innovation and development processes has several documented performance effects, including improved functionality and quality that also are reflected in the bottom line. A major challenge for product managers and marketers has hitherto been how to engage and communicate with these lead users. Blogging has appeared as a very relevant tool for overcoming this.

Increase Sales

IBM has developed an advanced technology called Web Fountain that analyzes billions of postings to see if they predict spikes in consumer behavior. They combed blogs for postings on books and sales on Amazon. They found that spurt in sales of books is related to spurt in posts on blogs. To sell new products, one should try to generate a buzz by posting multiple entries on relevant blogs. Clip-n-seal company uses its blog (www.clip-n-seal) to sell its product, a bag closure device. Greencine is a DVD rental company that specializes in independent and alternative cinema. They use their blog (www.daily.greencine.com) to plug their movies and this has resulted in doubling of their sales.



Blogging for Business...

Advertise on blogs

As of now, only 30-40% of the Internet Users in US read blogs, but they tend to be powerful opinion leaders. Consumers who read blogs tend to read a lot and form an influential section in the society. One can capture the mindspace of these consumers by advertising on blogs. Advertisements should not only be placed on a blog that reaches the target segment, but the banner and text copy should be contextually relevant. Some companies (e.g., Coudal, SimpleBits, etc.) create blogs for the express purpose of placing Google-generated ads, known as AdSense, and earn some money. Some other companies sponsor blogs (e.g., Best Buy sponsors Slothmore Institute) to place advertisements for their own products.

Humanize the Company and More

In the eyes of many, major corporations appear arrogant and unapproachable to the common man. It is impossible for consumers to get an audience with the top management. However, top executives at some Internet-savvy companies have started blogs to communicate with their customers directly. For instance, Bob Lutz, vice-Chairman of General Motors, operates FastLaneBlog. Car enthusiasts constantly bombard Lutz with suggestions and complaints. Lutz willingness to accept these criticisms has endeared him to the bloggers and has helped to humanize General Motors. This can also hold true for governments. For instance, Swedish Foreign Minister Carl Bildt maintains a personalized blog showing a human side of international negotiations, meetings and global decision-making.

While blogs offer several advantages, one must be aware of the possible pitfalls. In the old days, very few people in a company were responsible for release of information, but now anybody in a company can release information through his blog. This is dangerous if the employees are not trained or sensitive to potential misuse. For instance, if an employee releases some financial information, it can land the company in trouble with the regulators. In traditional media, there are paid employees to check facts. In the blogosphere, most of the bloggers operate on their own and they have no time or resources to check facts. Lockhart Steele, founder of www.curbed.com, received a tip that a Williamsburg man was advertising phony memberships to a bogus gym. Steele promptly posted this on his blog, but the tip was wrong. The gym owner, who was a legitimate businessman, was furious and he threatened to sue. Blogging can also be very time consuming and the more successful blogs need dedicated staff and this can increase the costs.

In sum, blogs are here to stay and because of all the advantages that they offer, they should form an integral part of any firm's business strategy.

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Research in Innovation Management, R&D and New Product and Service Development

Introduction

The increasing importance of innovation as a fuel for corporate, industry/sector, regional and national economic success is widely recognized. Innovation can happen everywhere and at all levels of the organization: In products, services, processes, organizational structure, strategy, and in business models. Successful innovation depends on effective and efficient R&D and New Product or Service Development (NPSD) processes, today challenged by an increased pace of technology development, shortened product life-cycles, rapid advances in ICTs, and globalisation of NPSD projects.

Ongoing Research and Major Results

The research undertaken within the InnKnow Unit focuses on three major areas:

Identification and analysis of the facilitating and inhibiting factors for innovation output from collaborative Research and Technology Development Projects, and how the exploitation of RTD results into innovation can be enhanced. This research, Funded by the European Union DG Enterprise, relies on a pan-European survey of more than 50.000 participants in collaborative RTD projects under the 5th and 6th Framework Programs of the European Union. The survey is complemented by case studies based on documentary and interview data in 70 companies and organizations. Econometric and as qualitative data analysis methods are being employed and preliminary results produce a rich panoply of descriptive and explanatory factors in relation to the set up, implementation and exploitation of such projects, as well as recommendations at the firm, project, and policy levels. For comprehensive information on the project, please visit www.innovationimpact.org. The results of the project are presented in a major innovation management and policy conference organized in Berlin 23-24 October 2007 by the European Commission Directorate-General for Enterprise and Industry. For further information on this conference, please visit <http://conference.imp-lore.org>.

How learning processes and contextual factors influence the innovation performance of project teams. In this recently completed PhD research, Konstantinos Kostopoulos conceptualizes and advances a model of team learning, with three different classes of underlying (antecedent) conditions -*social, psychological, and enabling* factors- and two distinct but related performance consequences -*exploitation of group outcomes* by the corresponding organization, and *group efficiency*. Through the use of advanced statistical methods, including Structural Equation Modeling, the results of the field research conducted in the ICT and Pharmaceutical sectors produced a number of results with significant theoretical as well as managerial implications.

To mention the most central:

Among group social conditions, conflict is negatively related to group learning while participative decision-making and boundary-spanning activities have significant positive effects on team learning,

Among psychological conditions, cohesion has a positive impact on team learning while psychological safety is nonlinearly associated, i.e., too low as well as too high psychological safety lead to low team learning – a middle way has to be found.

Among enabling factors, clear goals, team leadership, and members' previous experience are positively related to group learning.

If the above categories of conditions and factors positively affect team learning, the latter, in its turn, was found to have a direct positive impact on *team performance*, more precisely in terms of meeting or exceeding time, budget and technical/functional specifications. Moreover, team learning was positively related to the *organizational exploitation* of team outcomes, in other words when team learning took place it supported significantly the transformation of the work produced by the team (knowledge, product designs, prototypes, processes, technology) into innovations exploitable in the marketplace. The importance of team learning was also emphasized by testing the *mediation effect* of team learning on team effectiveness. The results showed strong mediation effects, which means that team learning play a critical role for leveraging the positive effects of conditions and enabling factors on performance.

These results have important theoretical and managerial implications by supporting an integrative perspective in which group, interpersonal and contextual factors shape learning processes for producing organizational-level innovative outcomes with impact of the firm bottom line.

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Research in Innovation Management...

How Innovation Regions or "Innovation Hotspots" emerge and can be continuously reinforced and sustained. This research focuses on the evolution of the Computer Services Sector in the Region of Attica, Greece. The Sectoral Innovation Scoreboard - SIS, which is the sector specific part of the European Trend Chart of Innovation, identifies Greece as one of the leading countries in "Computer Services and Related Activities" for the last three years (2004, 2005 and 2006). The objective of this research is to reveal the processes that have conducted Greece, and particularly the region of Attica, towards this significant performance despite what sometimes has been

advanced as unfavorable conditions for innovation and technology development in the country. A retrospective study of the specific cluster and its interplay with the national, sectoral and regional environments is currently being undertaken. The empirical research involves a longitudinal field research approach using of both quantitative (time series) and qualitative data collection and analysis methods.

Selected Publications by InnKnow Researchers

Kostopoulos K., Brachos D., Papalexandris A., Filippidou S. & Prastacos, G.P., "Organizational Unit ACAP: Social Context and Performance Outcomes", Academy of Management Annual Meeting, Philadelphia, USA, August 3-8 2007. Paper selected for inclusion in the AOM Meeting Best Paper Proceedings.

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Research in Knowledge Management and Competency Based Management

Introduction

One of the most complex issues facing business today is the creation, storage, transfer, and usage of corporate knowledge. Within the context of globalisation and IT explosion, companies need to adopt new managerial practices, better utilise their human capital, and develop new capabilities to remain competitive. One of the fundamental prerequisites in this direction refers to the exploitation of knowledge assets, intellectual capital and individual and collective competencies.

Ongoing Research and Major Results

The research undertaken within the InnKnow Unit focuses on two major areas:

Knowledge Management with emphasis on knowledge sharing. A primary aim of knowledge management is to enable and encourage knowledge sharing among and between individuals, communities and organizational units. Recent research has extended the importance of knowledge sharing to competitiveness, arguing that the combination and sharing of knowledge within organizations provide a basis for competitive advantage. Knowledge sharing within organizations is not easily accomplished, however. A number of concepts have been advanced for analyzing such difficulties including internal 'stickiness', knowledge 'glitches' and different impediments to the transfer of lessons-learned and best practices within firms. Rare, however, are the studies that have attempted to open up the black box of knowledge sharing mechanism and focus on the context where knowledge sharing takes place as well as whether it affects certain outcomes. In view of the above, we propose the "Knowledge Sharing Model", which seeks to advance our understanding of the antecedents and consequences of knowledge sharing within organizations.

The Knowledge Sharing Model, developed in the recently completed PhD thesis by Dimitris Brachos describes an environment characterized by a combination of mutual trust, motivation to share knowledge, leadership, social interaction and organizational structure, which encourages productive knowledge sharing process. It also exerts the importance of Information Technology, by which firms effectively break down the barriers of time and geographic distance and link the knowledge expert with the knowledge seeker. Using Structural Equation Modeling and other advanced statistical analysis techniques on a sample of marketing departments from large-sized firms in Greece (many of them part of multinationals) belonging to the ICT, Pharmaceuticals and Food industries. Marketing departments were selected because they represent knowledge

intensive business processes in the interface between customer expectations and new product/service development – critical for innovation impact.

The results consist of a three-fold contribution to Knowledge Management theory and practice:

- Knowledge sharing context (i.e., trust, motivation, leadership, structure, social interaction) was found to significantly influence and determine the process of knowledge sharing,
- The research introduces the notion of *perceived usefulness of knowledge* to denote the concept of knowledge sharing effectiveness. Knowledge was found to be effective only when it is perceived as useful by participants,
- Knowledge sharing effectiveness was found to have a non-linear (in a concave, upward shaped curve) association with organizational performance.

The Knowledge Sharing Model thus illustrates the importance of context, of knowledge that is developed and activated as means to an end –the concept of usefulness- and of knowledge sharing effectiveness as an enabler of organizational performance.

Competency Management. Competitive advantage depends largely on the ability to activate and use organizational resources. As a result, the focus in the strategic management, organizational behaviour and human resource management literature has turned to the internal capabilities of organizations including a particular focus on employees' competencies. The research within the InnKnow Unit in this area has been conducted in close collaboration with leading Greek companies in the banking and shipping sector. The work has concentrated on two main challenges that organizations face.

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Research in Knowledge Management...

The first concerns the development of a typology of competencies in view of support HR and Functional Managers in the critical transition from a task-based to a competency-based logic for Human Resource Management.

The research has resulted in an integrative competency typology including generic vs. organization-specific competencies, managerial vs. operational competencies, competencies as skills vs. competencies as behaviors.

The second challenge concerns implementation of competency management. The research has here suggested a framework that leverages the potential of competency management to support the translation of strategy into action. In particular, it shows how competencies can support the communication of strategic changes, improve employees' understanding of how to reach goals, enhance employee participation in change implementation, and institutionalize changes by making new practices part of

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Research in the Management of Organizational Change and Development

Introduction

The pace of change experienced by modern businesses is phenomenal. Organizations today have to abandon many of the principles that have guided generations of managers and develop new sets of objectives, strategies, structures and systems that will enable them to successfully lead and manage change. The research undertaken within this area concentrates on developing a holistic understanding of the factors that influence and govern change, when organizational development is observed both longitudinally and from a micro perspective of specific change efforts.

Ongoing Research and Major Results

The research undertaken within the InnKnow Unit aims at developing and refining a **holistic framework for the unfolding of planned change**, grounded in empirical research into major change efforts. Prominent scholars and business leaders alike agree that much of the work on the planning, implementation and sustaining of change initiatives suffers from problems in integrating the content of the change and the process of unfolding, the importance of time and the appearance of unexpected events, and from overlooking the systemic nature of factors that also very considerably depending on organizational and environmental context. Building on the seminal work of Andrew Van de Van and Marshal Scott Pool the PhD research of Sophie Philippidou has advanced their theoretical framework of the interplay between four distinctive "motors" that influence how change unfolds, namely the evolutionary, life cycle, dialectical and teleological driving forces. The first research challenge undertaken was to actually verify if the presence and respective or combined influence of these four motors is evident when a major change project is observed over time. From a longitudinal case study of a major change effort in the Greek public sector, the implementation of the Centers of

Citizen Service (KEFI), these questions could be answered positively. In a second stage, the research modeled the appearance and interaction between the change motors, explaining their sequential influence on the change process, which is not necessarily repetitive or cumulative, and illustrating how the transition of influencing factors between the motors take place.

The result of this research, grounded in one major change effort observed in depth over time, enable the development of a holistic framework for the unfolding of change, integrating the four motors and pinpointing the importance of anticipating and managing their appearance. The next challenge will be to examine the possible extension and quantification of these results, by analyzing change efforts in a larger number of organizations. To this end, ongoing research is attempting to identify a maximum of factors that have been advanced in earlier research as critical for the way change unfolds, group these in the categories of the four "motors", and develop measurement methods for analyzing their appearance, influence and importance for the most effective change management approaches.

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Research in Strategic Performance Management – Balanced Scorecard

Introduction

Any discrete indicator that compares a real world situation to a pre-defined goal can qualify as a performance metric. Most obviously, one thinks of financial indicators when performance measurement is invoked. However, the route to sustainable business development, that also incorporates the societal side, passes through a complex web of activities and processes where performance in terms of customer value, operational efficiency, innovation and learning are central parameters.

Ongoing Research and Major Results

The research undertaken within the InnKnow Unit focuses on two major areas:

Fostering strategic performance management in enterprises. This research involves determining and classifying the enablers and determinants of effective performance measurement and management in organizations. Major performance measurement tools are identified and evaluated and their potential advantages and drawbacks are recognized. Part of the research focuses on the performance management of R&D and Innovation activities, where an in-depth inventory of complementary approaches and methods, as well as an analytical framework for ensuring effective use of performance measurement results, has been developed.

Specific emphasis is also placed on the steps needed for implementing a performance measurement system in organizations. Focusing on the Balanced Scorecard, an integrated methodology for implementing the BSC has been developed building on several studies in the IT, banking, insurance and public services sectors. The related publications have received considerable attention by academics and practitioners in the field, in terms of high download rankings, translation into several languages and adoption by industry and major consulting firms.

Determinants of financial performance in the banking sector. In his recently completed PhD, Alexandros Papalexandris identified and assessed the impact of major antecedents of financial performance on the bottom line.

Relying on data from in-depth studies of two leading Greek banks with important international activities, the research involves two major approaches. The first utilizes longitudinal data and, with the use of objective panel data analysis, aims at identifying the major quantitative determinants of financial performance and the time lag that exists between the improvement of a lag indicator and its impact on the lead performance indicators. The second approach introduces the analysis of self reports in the shape of questionnaire data. The research aims at analyzing the impact that factors such as service quality, customer satisfaction, value and behavioral intentions have on customer measures and ultimately on the bottom line performance of financial institutions.

A holistic research model has been built and tested for all these factors. The results of this innovative simulation provide empirical evidence of significant and interrelated relationships between financial and non-financial performance indicators, which is of utmost interest for the strategic performance management in financial institutions. In particular, the mediation role that customer satisfaction and perceived service value play between service quality and customer behavioral intentions is of utmost importance for effective management of customer relations.

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Selected Publications by InnKnow Researchers

Papalexandris A., Ioannou, G., Prastacos, G.P. & Soderquist, K.E., "An Integrated Methodology for Putting the Balanced Scorecard into Action", *European Management Journal*, 23 (2): 214-227, 2005.

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Soderquist, K.E. & Godener, A., "Performance Measurement in R&D and New Product Development: Setting the Scene", *International Journal of Business Performance Management*, 6(2): 107-132, 2004.

Godener, A. & Soderquist, K.E., "Use and Impact of Performance Measurement Results in R&D and NPD: An Exploratory Study", *R&D Management*, 34(2): 191-219, 2004.



Research in Entrepreneurship and New Business Development

Introduction

Entrepreneurship has been defined as the creation and management of new businesses, small businesses and family businesses. Central areas of research in this new area are the determinants of successful development of very young firms, the formation of strategies for new ventures, and the relationship between entrepreneurial growth and sustainable development.

Ongoing Research and Major Results

The research undertaken within the InnKnow Unit focuses on two major areas:

Strategic Entrepreneurship. A concept that holistically can support the establishment and development of new ventures, as well as entrepreneurial activities in established firms is that of Strategic Entrepreneurship (SE). SE focuses on the integration of the entrepreneurial activities (i.e., opportunity-oriented actions) and strategic activities (i.e., advantage-seeking actions) in order to form and implement entrepreneurial strategies conducive to sustainable progress and satisfactory stakeholder results. Strategic entrepreneurship can, in other words, be described as entrepreneurial actions carried out in a strategic perspective.

The ongoing research emphasizes the development of firm-specific resources and the management of dynamic capabilities for achieving Strategic Entrepreneurship. Important elements of the study are to determine how specific types of resources (financial, human, technology and organizational) and dynamic capabilities (integration, reconfiguration and learning) should be developed and managed in view of achieving SE. Quantitative and qualitative research on a sample of large Greek companies from the IT and Telecommunications, Food and Pharmaceuticals industries serve as empirical platform. Preliminary results from the research include the development of a holistic framework that serves both as an explanatory roadmap for implementation of Strategic Entrepreneurship and a conceptual model for testing hypothesis relative to the development of SE.

Selected Publications by InnKnow Researchers

Katsikis I. & Kyrgidou L. "The Concept of Sustainable Entrepreneurship: A Conceptual Framework and Empirical Analysis", *Academy of Management Annual Meeting*, Philadelphia, USA, August 3-8 2007. [Paper selected for inclusion in the AOM Meeting Best Paper Proceedings.](#)

Kyrgidou, L., Soderquist, K.E., Hughes, M. & Prastacos, G.P. "Towards a Conceptual Framework of Strategic Entrepreneurship", *Academy of Management Annual Meeting*, Philadelphia, USA, August 3-8 2007.

Philippidou, S., Kyrgidou, L., & Mardas, D. "Developing a Conceptual Framework for the Study and Implementation of New Public Management and Entrepreneurship within the Public Sector Context: The Important Role of Motives", *Academy of Management Annual Meeting*, Philadelphia, USA, August 3-8 2007.

Katsikis I. & Kyrgidou L. "Sustainable Entrepreneurship, Global Success and Local Development: The Case of Mastiha from the Island of Chios, Greece", *47th Congress of the European Regional Science Association*, Paris, France, August 30 – September 3, 2006. [This paper was awarded one of the ERSA 2007 Epainos Awards.](#)

Katsikis I. & Kyrgidou L. "Sustainable Entrepreneurship: Theoretical Approach, Strategic Considerations and Empirical Evidence", *British Academy of Management Conference*, Warwick, England 11-13 September 2007. [This paper was awarded one of the British Academy of Management 2007 Best Paper Awards.](#)

Kyrgidou, L., Söderquist, K.E. & Prastacos, G.P. Critical Research Paths in Strategic Entrepreneurship: An Examination of Resources and Capabilities Conducive to SE, *26th International Annual Strategic Management Society Conference*, Vienna, Austria, (2006).

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Next and Previous Issues of InnKnow FORUM

The next InnKnow FORUM, to be published Spring 2008, will feature articles related to innovation management with emphasis on publicly funded R&D.

The focus of previous newsletters, available on our website, was:

Strategic Entrepreneurship – lead article (no 9, spring 2006)

The Role of Gender in Family Business Succession – lead article (no 8, fall 2005)

Innovation Hot Spots – lead article (no 7, spring 2005)

New Product and Service Development (no 6, fall 2004).

Competency-Based Management (no 5, spring 2004).

Managing Knowledge (no 4, fall 2003).

Innovation and Entrepreneurship (no. 3, spring 2003).

Strategic Performance Measurement – Balanced Scorecard (no 2, fall 2002).

Change Management (no 1, spring 2002).

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