

The influence of organizational culture and management on innovativeness in the business of organizations

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ABSTRACT

Innovations have influenced organizations to change and adapt ways of working, functioning, and the entire concept of business thinking, which turns in the direction of finding innovative solutions and performing tasks. Innovation in the organization's business requires adaptation of the organizational culture and way of managing the organization. One of the key factors in encouraging a company's innovativeness is the organizational culture, which can have a significant impact on the adoption of innovation as a company value. Management, as an integral part of the organizational culture in each company, defines the way of managing innovations and processes, which, if properly defined and managed, can have a significant impact on the organization's business. This paper tries to find an answer to the question of whether and to what extent the organizational culture and management of the organization influence its business. The research aims to examine the relationship between the organizational culture and management of the organization on the one hand, and its innovation in business on the other. For this purpose, the collected literature was analyzed, and based on that, the relationship between organizational culture, management, and innovation was defined, as well as their influence on implementing innovative solutions and ways of doing business in organizations. The research results can be further used as guidelines for more extensive research.

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1. Introduction

The rapid development of technology and numerous technological innovations, along with changes in consumer behavior, have led to changes in the way organizations work. Organizations have become aware that they must direct their business thinking towards finding innovative solutions, respecting the opinions of consumers, and using modern technological solutions to position themselves in the market and in general to survive in an uncertain race with the competition. Due to numerous changes brought by innovations, the market becomes turbulent, with constant changes and adjustments. All of this must be accompanied by the application of an appropriate corporate strategy and business models that will support innovation in business, i.e. changes in the company's organizational culture, and the way it is managed.

Organizational culture represents a changing category that adapts to internal and external changes in the organization's environment and as such contributes to the stability and development of the organization. The management needs to know the organization and its business culture well, to adapt it as efficiently as possible and harmonize it with the ultimate company goal, which creates the basic conditions for successful functioning because the decisions made by the management represent key elements in defining the organizational culture and strategic decisions that have a direct impact on innovation processes. That is why the research problem in this paper could be defined as a question: *Does the organizational culture and management influence the choice of innovative solutions and the way organizations work, and does this influence the organization's business?*

Innovation implies the creation of new conceptual organization solutions and their offer to the market and consumers who will accept or reject them. Innovations in business lead organizations in the direction of developing innovative capabilities within the company itself, securing them outside the organization, and aligning them with strategies, structures, and systems that should support innovation. Organizations face the challenge of finding an appropriate strategy because each business and way of doing business is unique, and it is not possible to

apply a universal business model, regardless of whether innovation refers to the development of new products and services or the improvement of existing ones. Sometimes process or production innovation happens by chance and can be applied in different organizations, but not every organization will react to them in the same way. For some, they can be of great importance, while for others they can be completely irrelevant. It clearly shows the relationship between organizational culture and management as essential factors of each organization. Innovativeness and organizational culture have a two-way connection, and it can be seen on the one hand through the influence of culture in the decision-making process and direct impact on the success of new products or services, and also on the company's performance, and the other hand through the company's ability to absorb innovations in its processes, structure, management (De Montreuil Carmona et al., 2020).

Organizational culture represents a set of organization key values (Jekić, 2016, p. 14), employee behavior norms, and management attitudes that need to be developed and adapted. It encourages the innovative behavior of the members of the organization in such a way as to accept innovation as one of the organization's key values, and it encourages a more creative, freer management style. It represents a culture of behavior, beliefs, ways of thinking, and risk acceptance and as such has a significant impact on structures and systems (Stevanović, 2009, p. 14). Management is the one who makes key decisions, defines the procedures, and the work system, but also influences the employees and creates an organizational culture that should encourage innovation, and thereby strengthen the organization's competitiveness. His role and contribution are reflected in his dedication to the organization, aiming to increase the efficiency of the organization's resources, focusing on discovering and removing possible obstacles for the further development of the organization. On the management side, the key question is how to manage innovations, and how to use managerial abilities to create and manage innovations in such a way that they ultimately have a significant impact on creating organizational values (Pedraza-Rodríguez et al., 2023).

We will try to find the answer to this question through the best possible clarification of the relationship between organizational culture and management, with the innovativeness of the organization and its tendencies towards encouraging an innovative way of working. The main purpose of this research is to reduce the gap that exists in observing these relationships and their mutual influence on organizations' business performance.

In the first part of the paper, in the review of the literature, we explained the basic implications of innovativeness in organization business, clarified organizational culture, and management as a factor of organizational culture. An insight into the most important characteristics of the organization's business related to innovation is given. In the second part of the paper, we tried to show and clarify the connection between innovation and the organization's business, through the presentation of the relationship between organizational culture and innovation, as well as the influence of the organization's management on its business innovation. The third part of the paper presents concluding considerations, along with certain recommendations for future research.

2. Literature review

In modern business conditions, one of the important characteristics of an organization is its ability to perceive and react to changes, and to be innovative. Innovation can be seen as a firm's effort to adopt and develop new ideas and to encourage creativity in processes, which can lead to the development of new products and services, but also processes, as well as forms of organizations (Vij & Bedi, 2012, p. 20). The innovative ability of an organization is also reflected in understanding and identifying the future needs of clients, providing internal resources, but also external knowledge in the development of an organizational culture that supports innovation, the development of new ideas, and their transformation into successful innovations (Rajapathirana & Hui, 2018, p. 52). Innovative strategies enable the organization to pass certain steps before the competition and take advantage of market opportunities, which can result in better financial indicators and business performance. Not all organizations are the same.

Some are dynamic, innovative, and entrepreneurially oriented, while others are more traditionally oriented and less inclined to change, and as such nurture a different organizational culture. The business culture nurtured by an organization affects precisely its ability to perceive or initiate changes and direct the organization to build its market advantage based on knowledge. Organizational culture represents a whole set of values, beliefs, and ways of managing an organization, which, through good coordination of activities, resources, processes, and strategies, affects all aspects of the organization's operations, structure, and systems (Stevanović, 2009, p. 14). It represents an important item for the organization, but also for individuals. It influences the business strategy from strategy selection to its implementation.

Organizational culture represents a heterogeneous phenomenon that unites different dimensions within the organization, how processes are performed in the organization, and what separates one organization from another (Kljajić-Dervić et al., 2017, p. 632).

It is the result of values, attitudes, and norms, developed and adopted by its members through common experience that helped them understand the organization and its environment, and which, based on experience, formed certain rules of behavior that are expressed through certain models or predefined behavior patterns in a given organization. Changes in organizational culture are something that needs to be managed in an adequate way, which can last for a long period and which includes a whole set of planned managerial activities that change it in a targeted direction (Jekić, 2016).

An innovative way of doing business requires innovative management, entrepreneurially oriented, dynamic, aware of changes, and prone to accepting the risks that changes bring. Organizations, to survive, need to change and quickly adapt to the changing environment. They need management able to lead the process of change, who thinks in the long term and understands that in conditions of turbulent changes in the environment, the organization cannot maintain a neutral attitude and state as it is

(Jekić, 2016, p. 15). Managers have insight into the actual state of the organization and changes that occur within it, and accordingly create procedures that define work procedures, processes, principles and practice, and their mutual relationships (Buyukbalci et al., 2020). The manager needs to know company culture, to harmonize it with the company goals, which creates the basic conditions for the successful organization business, because the decisions made by the management represent key elements in defining the organizational culture and strategic decisions that directly affect innovation processes.

Good business performance is the main goal of every organization. Choosing the appropriate strategy necessary to achieve those performances is the result of management's work, and shaping the organizational culture is the best support for the chosen strategy. The management of the organization is responsible for the establishment of the organizational culture and its maintenance (Žugoj et al., 2004). Although the introduction of innovative solutions carries risk and success that is not guaranteed, their adoption has a positive effect on the organization's performance, as an adaptive system that introduces changes to increase the efficiency and effectiveness of the process, and where management can play an important role in the process of changing the organization (Walker et al., 2010, p. 370).

2.2. Innovativeness and business of the organization

The main goal of the organization is profit. However, maintaining good business performance must also represent the goal of the organization, and to achieve it, various methods are used, among which we include innovation at different levels of the organization, from organizational culture, and management to new technological solutions. Research shows that companies must turn to greater use of technology in practice and that the focus must be on innovation, according to which innovation is the best choice for organizational survival in a turbulent market (Zhang et al., 2018, p. 2). Innovation is considered one of the most important tools that enable achieving a competitive advantage in the changing business environment. The connection between the organization and innovation has always been im-

portant, but in today's business conditions, with the extent of the impact that technology has on business changes, together with the drive towards automation and digitization, that connection becomes critical for further business and the organization's survival. Innovativeness, along with creativity, is an integral part of the organization's vision facing consumers and the future position of the company (De Montreuil Carmona et al., 2020, p. 13).

The relationship between innovation and the business success of organizations has been linked in various ways, not only today. Through digitalization, modern technology has made it possible to convert complex analytical tasks into simple procedures, contributed to standardization and operational efficiency, reduction of transaction costs, and a higher level of management control, but also the transition from the traditional way of working and the introduction of new practices (Fana & Villani, 2012, p. 3), work automation, thus preventing the occurrence of errors and shortening the time required to make key decisions, as well as better control of the processes (Črešnar et al., 2022). Innovation changes business practices, companies are more user-oriented and more adaptable to changes, there is a better connection between processes and employees, and companies are transformed into leaders who will achieve a significant advantage in the market (Lukić & Nikolić, 2015, p. 16). The ability of an organization to recognize and apply innovative capabilities in daily activities is a key factor that determines its market position. Although innovations are mostly related to changes, it should be kept in mind that not all changes can be implemented. Changes don't need to carry new ideas that contribute to the real progress of the company, but they must represent a constant in companies, which in this way raises their level of competence. The innovativeness of an organization depends on the interaction between available resources, organizational structure, coordination of work processes and procedures, management work model itself, and flexibility in work (Buyukbalci et al., 2020, p. 34), but also it depends on companies size, number of employees, annual profit, ownership ratio in capital. This is indicated by the results of the research, innovation in the business of smaller companies is represented on average by 30%, while it grows significantly up to 47%

in larger companies, and in the case of the use of digital solutions, innovation is represented in 80% of the total business activities of the organization (Fana & Villani, 2012, p. 7). Large organizations, i.e. companies with higher profits and a larger number of employees, as well as companies with majority foreign ownership (over 50% of the total capital) have a higher level of organizational innovativeness than medium-sized or small companies (Baumane-Vitolina et al., 2022, p. 744).

In addition to the above, companies must consider and decide how to create and introduce innovative ways of doing business. It could be done independently, through internal research and development, in cooperation with other organizations, even competitors or by purchasing ready-made solutions (Audretsch & Belitski, 2020, p. 3). This also depends on the area to which the company belongs, the possibilities to invest in research and development, but also from the ultimate goal to be achieved through the implementation of innovative systems and ways of doing business.

2.2. Innovative organizational culture and business of the organization

The company's business in the conditions of globalization, rapid technological changes and innovations, and fierce competition depends on its ability to adapt, the ability to make quick decisions, and respond quickly to the ever-increasing demands of consumers. Such business requires a good coordination of activities, resources, processes, and strategies, and their compliance with a complex organizational structure. An essential element of organizational structure is the organizational culture that affects all aspects of the organization and thus the achievement of targeted business performance. Organizations should be structured in a way to encourage the development of an organizational culture which is essential in the decision-making process, in changing formal structures, limited by procedures and policies, to encourage innovation and the generating of new ideas (Paunović, 2014, p. 219). Organizational culture is the result of various factor combinations, such as technological, physical, and human resources, it represents a whole set of goals and val-

ues, beliefs, and ways of managing an organization and as such has a significant impact on structures and systems (Stevanović, 2009, p. 14). It can be defined as a model that was developed to adapt the organization through the learning process to both internal and external order, thus contributing to its stability in a changing environment in which creativity and innovation represent cultural norms (De Montreuil Carmona et al., 2020, p. 12). Organizational culture reacts quickly to external and internal changes, encourages employees to take risks, rewards innovative and motivated employees, sees innovation as the starting and ending point of business and itself represents an important point of the innovative system of the whole organization (Tomongkhon, 2022, p. 7). „What represents the way of doing business, what expresses the scale of values in a company, or a set of all factors that define the life philosophy and specific style of a company, can be considered the organizational culture of the company“ (Žugaj et al., 2004, p. 19).

An ideal organizational culture would encourage creativity, innovation, and learning, one that encourages sharing knowledge with all employees, and as such represents an integral part of everyday business processes (Kljajić-Dervić et al., 2017, p. 633). Along with processes, it is an important factor in an organization's successful development of innovation. An innovative organizational culture contributes to shaping an open leadership style, with reduced influence of classic hierarchy, leadership that is ready to take risks, that shapes a vision to improve quality, and that encourages innovation. One of the priorities for organizations to support the changes that innovation brings must be to attract and retain talented employees who will support the changes. Along with the innovative organizational culture, an important factor in the development of new processes or products is internal motivational factors, i.e. highly qualified employees, who are motivated to create something new, look for new opportunities, and continuously think about how to develop new products or improve existing ones (Buyukbalci et al., 2020, p. 41).

An adequately trained work structure will be able to support a change in organizational culture, and on the example of the banks that were the subject of the research conducted by Krstić and Tešić, it

can be concluded that precisely the lack of qualified and talented workers on the market is one of the main problems in 61% banks that face the challenges of innovation and the changes it brings (Krstić & Tešić, 2016, p. 28). A study of the influence of organizational culture on business innovation using the example of 64 companies from Brazil showed that the key stimulant for organizational innovativeness is rewarding and recognizing the work of employees, availability of resources, loyalty, ways of eliminating errors, generating ideas and taking risks (De Montreuil Carmona et al., 2020, p. 20). Research shows that organizational culture based on adaptability, development of employees, and their participation in the decision-making process, with clearly defined goals and structure, is one of the factors that affect the success of the organization through sales growth, higher profits, increased quality and through employee satisfaction (Jekić, 2016, p. 15).

Innovativeness is a complex and uncertain process that carries a high level of risk and significant investments. However, the importance of the existence of an innovative culture in organizations has been confirmed by research that indicates a higher level of innovative culture positively affects an organization's business performance. The same research has shown that culture represents a significant source of organizational innovativeness, marketing and production innovations in general, productivity, and efficiency, but also affects their market performance (Baumane-Vitolina et al., 2022, p. 740). Innovativeness in general, contributes to the growth of business performance and is an important source of competitive advantage. Investigating the influence of organizational culture on the organization and its operations, Tomangkhan (2022) used the example of multinational companies, so-called blue-chip companies, and companies from the field of health care. This example pointed to the positive influence of organizational culture on the organization's business, emphasizing that the common thing for organizations that nurture an innovative organizational culture and what contributes to their success is precisely the tendency to take risks, tolerance towards failure, the discovery and sharing of information and resources (Tomangkhan, 2022, p. 14).

A good example of organizational innovation in every sense is Apple. Its innovativeness can be

seen in all segments of the organization's business. Through innovative products and services, the way of managing the company, through the attitude towards employees, more precisely, it pervades through entire organizational culture. Apple's innovativeness includes technological and product innovations, which represent the basis of Apple's success, while business model innovation is its ultimate achievement (Tomangkhan, 2022, p. 21). How innovative Apple is in its entire business is also shown by the fact that its slogan „Think different“ is not just an advertisement for a product, but an incentive for creativity in business, and for people who are ready to think differently, to be innovative, to take risks. It also shows that the company's organizational culture is not only an isolated form, but is manifested through management processes (policies, procedures, plans, decisions), communication between management and employees, and employee motivation. The organizational culture is based on a form that is not too hierarchical and formal, and which encourages the company's innovativeness. They kept innovation not only in the product concept but also in the way of running the business. That is why since 2018, they have based all operational business, sales shops, offices for data centers, and other facilities in over 43 countries on the renewable energy concept. All this made Apple the most valuable brand in the world in 2022, behind giants such as Amazon, Google, and Microsoft, with a total estimated value of over 355 billion US dollars (Brand Finance, 2022). The reviewed literature suggests that different forms of organizational culture have a different impact on their performance. For example, a culture of adaptability is characteristic of organizations that are leaders in product and process innovation, prone to take initiative, and risks, which are creative and have a positive impact on the organization's performance (Naranjo-Valencia et al, 2015, p. 34).

2.3. Innovative management and business of the organization

The rapid development of technology, and technological innovations that bring changes in the way organizations work require a flexible and easily adaptable organizational culture. Management, i.e.

leadership, as a factor of organizational culture, specific to the company itself, and its values, will change over time and harmonize with the business strategy, which is a consequence of the processes modification, technology, and organizational structure. The innovativeness of business has caused companies to become complex systems that require management with active participation in determining organizational culture that suits the company, and which appreciates the motives and ambitions of different organizational parts, as well as individuals. Innovative organizations are looking for entrepreneurial management, aware of the dynamics and intensity of changes that innovations bring, capable of creating a business policy and encouraging an organizational culture that will support and further encourage innovation. The management focus should be on organizational procedures as a unified document that unites the basic elements of an organization's operations, i.e. processes, principles, and practices, and their mutual relationships (Buyukbalci et al., 2020, p. 32). Managers are the ones who have insight into the entire work process and all the changes that take place in the organization. The management must know the company's culture, to harmonize it with the company's goals, which creates the basic conditions for the successful organization business.

Research indicates that innovations such as the use of modern technology in the production process can significantly increase the level of productivity in manufacturing companies, but that the improvement of the overall result also depends on the organization's management. Management must create appropriate strategies, make specific investment decisions, and transform business models so that they are more user-oriented and not internally oriented, to focus on the potential of its employees and create a culture that will result in products and services that will be successful in the market (Črešnar et al., 2022). Managers become aware of how important is to more rely on employees who are closest to the operational processes as well as to consumers, and that through the transfer of responsibility to the lowest parts, a work environment is created in which everyone bears responsibility for business results (Stevanović, 2009, p. 149). Innovativeness in business requires innovative management that will implement activities in practice that support new

inventions, new practices, and business processes, define organizational structure accordingly, and apply management techniques in the direction of achieving the organization's goals. Innovative management can be called those management innovations that bring innovative practices and create new values, improve an organization's performance, which brings potential advantages to the organization and helps maintain a leadership position in the industry (Tamangkhn, 2022, p. 18). Innovative management contributes to achieving a long-term and sustainable competitive advantage, necessary for survival in a market that changes every day.

Managers should focus on developing practices and introducing strategies that will enable the organization to develop and adopt values that are realized through innovation. For example, in manufacturing companies, we can see how the use of innovative technologies can improve the decision-making process through the use of various data sources, and how the planning process can be improved through the improvement of the production process in such a way that it can be realized without obstructions, as new production methods are introduced with significantly lower production costs (Bjorkdahl, 2020, p. 23). Organizations and their management are more aware of the need for agility and to change processes to move away from more ad-hoc business, without a precise strategy, from ideas that the organization considers suitable, without market research (Bjorkdahl, 2020, p. 27), with an effort to adapt or develop an organizational culture oriented towards innovation, which is in line with the intentions of the organization's management (Pedraza-Rodriguez et al., 2023). To successfully overcome the challenges that innovations bring and often disrupt the way systems work, the organization's management should adapt models that will in some way synchronize opportunities and goals with the changes that innovations bring. Studying the literature, we found that some authors recommend creating a balance between regular business and the need for its disruption due to the innovation impact, and also recommend the establishment and strengthening of innovation committees and mixed functional teams, and intensive monitoring for market opportunities (Krstić & Tešić, 2016, p. 24).

They also recommend innovative manage-

ment as a way to achieve or strengthen a competitive position in the conditions of growing market globalization (Tomongkhon, 2022, p. 6). Management must find a way for different functions to cooperate to achieve the goals faster, simpler, and more efficiently. That is why managers try to include different organization members in decision-making processes, from shareholders to employees, and thus emphasize the culture of nurturing collective teamwork, which, along with the decentralization of the planning process, should contribute to the improvement of organizational processes. However, some research indicates that even a certain level of centralization and formalization can encourage the adoption and implementation of production innovations, especially in new and rapidly growing organizations, such as technology companies, which still do not have defined and elaborated product development procedures (Buyukbalci et al., 2020, p. 36). For example, digitization of products and services, as a form of production and process innovation, affects business model dynamics and requires organizations to adapt managerial skills. Skills are needed for answers to internal issues, which require certain information technology capabilities, and also to external issues, which require strategic capabilities, and business models that will establish a good ratio of input and output (Vasilievna-Gerasimenko & Olegovna-Razumova, 2020, p. 116).

Changing the organizational culture is related to the concept of management and the way organizations are managed, and their modification represents a demanding and long-term process that requires a change in the beliefs, expectations, values, and behavior of individuals. Some of the issues that organizations face, to improve operations and achieve better business performance, are the absence of leadership and entrepreneurship, and the inability of management to create an organizational culture that will support the growth and development of the organization (Paunović, 2014, p. 217). Organizations are starting to adopt alternative business principles, which are not as widespread as the traditional ones and which support new ideas, and creativity in work which results in new products, services, and work technologies. It was digital technology that led to innovations in work and changes in organizational culture and also contributed to

greater operational efficiency by management. Managers have at their disposal a wide range of digital technologies to improve operations and bring innovation in process.

However, research shows a rather low level of use of digital technology by management, as an innovative solution for many products and processes. In the example of companies from Russia, 79% of respondents believe that the lack of information and prioritizing other factors of business development are the main reason for the insufficient use of digital technology in the decision-making process, while only 14% believed that they know necessary to apply technology and innovative work methods (Vasilievna - Gerasimenko & Olegovna-Razumova, 2020, p. 121). The same research indicates that only 16% of respondents believe that the digitalization of management can make an organization a market leader, and 13% of them believe that innovative technologies lead to the discovery of new areas of business (Vasilievna-Gerasimenko & Olegovna-Razumova, 2020, p. 121). Successful implementation of changes requires management to be open to changes, to know them well, to enable information to all employees, especially those who are directly affected by these innovations, the ability to provide clear guidelines in the implementation of innovations and remove all barriers in the implementation process. The management of the organization is turning towards a new practice that aims to improve business performance and which is closely related to innovation in business. They should evaluate which innovations are useful for the organization and which bring benefits, which also depends on management practices and the ability to evaluate the activities and tactics that innovations require. Management needs to pay attention to innovation in different departments and give a recommendation on which types of innovation departments should focus on (Zhang et al., 2019, p. 17).

3. Conclusion and implications

Organizations saw innovation as an opportunity to advance. Innovativeness encourages the use of new technology in organizations, enhances coordination and cooperation in business, and encourages learning and acquisition of external knowledge. Although most authors point out innovation as

something necessary for organizations, there are also certain understandings that innovation brings challenges, which can be cultural, organizational, or sociological (De Montreuil Carmona et al., 2020). But most of them agree on the importance of the relationship and alignment between business goals, mission and vision, and employees with the organization's commitment to innovation (Karimli, 2021). Research shows that innovation is a characteristic of large and successful organizations (Baumane-Vitolina et al., 2022), that positively changes business practices, improves operability with lower business costs, strengthens relations between employees (Lukić & Nikolić, 2015), has a positive effect on management and its tendency to take risks (Buyukbalci et al., 2020).

The changes that modern trends, technology, and digital innovations bring to the way organizations work make the final results of business more uncertain. "The only thing that is certain in the 21st century is that everything is uncertain" (Petković, 2021, p. 53), and such unpredictable business conditions require a review of existing work systems, including the organizational culture and management of the organization itself. Companies that want to be innovative must pay special attention to organizational culture, which is a key factor that encourages creativity and innovation in organizations, and as such should be supported by management to develop and maintain an atmosphere that encourages the exchange of ideas, opinions, equally at the individual and collective level.

Defined organizational culture, accepted by its members, creates a clear organization identity with a common system of values and goals, contributes to greater competence and achieves better performance. The example of 416 companies from Ecuador, the peripheral region of Manabi, shows how a business strategy based on the company's organizational capabilities has a positive effect on its business innovation. Also shows how the company's organizational capacities, along with managerial, innovative, and organizational abilities, can shape its innovative activities even in situations when there are significant difficulties regarding investment in research and development, as a prerequisite for the development and implementation of innovative solutions, espe-

cially in companies operating in peripheral regions (Pedraza - Rodriguez et al., 2023, p. 8).

Organizational culture is a strong factor that can affect the overall efficiency and long-term company success. It affects choosing an organization's strategy and its implementation, while the very character, framework, and content of strategic decisions largely depend on the organizational culture and management of the organization. The attempt to change the organizational culture is a long-term and complex process that consists of activities defined by the management and it can last from 6 to even 15 years only shows how much organizational culture is an important factor in every organization (Žugaj et al., 2004, p. 21).

Although organizational culture represents a set of key organizational values (Jekić, 2016), management is the one responsible for its establishment and maintenance, and it should be kept in mind that this is a two-way relationship, because organizational culture can fully influence the performance of managerial functions. A survey conducted among the top management of 304 companies in Pakistan showed that innovative management, along with technological innovation, has a significant and positive contribution to business sustainability, as well as to the company's performance (Zhang et al., 2019). Management contributes company's success by providing faster and better solutions, reducing costs and increasing income, bringing creativity and innovation into the work, improving services and customer satisfaction, eliminating redundant processes and tasks, encouraging employee satisfaction and reducing employee turnover, and generally through changing the management style (Karić & Ovčina, 2017, p. 93). Research conducted on the example of companies from Spain showed that the absence of organizational hierarchy has the greatest positive impact on business innovativeness and business performance, while centralized decision-making and a high degree of formality in decision-making are negatively related to innovation (Naranjo-Valencia et al., 2016).

3.1. Theoretical implications

By looking at the collected literature and analyzing the research data presented in this paper, we

see that organizational culture and management, as one of the key factors of organizational culture, have significant implications for decision-making processes. The impact is visible in defining key goals and ways of their realization. By choosing certain innovative solutions and their implementation, the management determines the direction of the future organization development. That is why organizational culture requires management to be proactive, innovative, and entrepreneurial. This type of management clearly defines the company's purpose, strategic goals, policies, resources to be used, target markets, attitude toward competition, and innovations. It forms corporate values and norms that encourage creativity and innovation, employees accepting changes, strengthening the tendency to take risks, encouraging teamwork, strengthening communication and cooperation, and generally developing knowledge and skills to be able to follow the dynamics that innovation brings. Such implications for managerial behavior are a prerequisite for the commercialization of innovation and its successful application in practice, as well as for the development and application of innovative business models.

3.2. Policy and managerial implications

Research showed that companies have difficulties in applying innovative solutions, especially in less developed areas, and in small and medium-sized companies. However, the managerial innovative way of working, with the prerequisites for the commercialization of innovations and innovative business models, can have certain positive implications on business, especially through support programs for further development. The European Union supports the innovativeness of small and medium-sized enterprises through numerous innovation support projects, funds, and programs for financing research and development in these enterprises. For example, support in the development of innovation at companies in the Republic of Srpska is provided at the level of local authorities, through funds provided by the Ministry of Scientific and Technological Development, Higher Education, and Information Society of the Republic of Srpska, with support from the Association of Innovators of the Republic of Srpska and the Development Agency of the Republic of Srpska,

then through support programs of the European Union, and other local development agencies, chambers of commerce and other non-governmental associations (Entrepreneurial Portal of the Republic of Srpska, 2023).

3.3. Limitations and suggestions for future research

Limitations in research represent difficult access to information about how mechanisms and support programs are used in companies that develop technological innovations for which there is a need in the market. We also need more information on how programs to support the survival of companies during the critical phase of research and development are implemented, and how the programs that enable the development of business capacities for placing innovations on the market are implemented.

Future research should be directed towards the collection of this data, because in this way we get a clearer picture of the state of organizations, as well as the development and application of innovative solutions, and how the organizational culture and management of the company can influence the realization of these programs.

CRedit authorship contribution statement

S.D.: Conceptualization, Formal analysis, Methodology, Writing – original draft, Writing – review

Data availability

The data that has been used is available upon a request to the author.

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Biography

Slavica Dragišić, Ph. D. candidate at the University of Banja Luka (UNIBL), Faculty of Economics, Bosnia and Herzegovina, and Head of Department for Card Business Development at Nova banka AD Banja Luka. Her research interests include innovations, digital innovation, payment innovations in banking sector, entrepreneurship. She has published papers in journals such REDETE: Researching Economic Development and Entrepreneurship in Transition Economies, Journal of Contemporary Economics, Financing.

Утицај организационе културе и менаџмента на иновативност у пословању организација

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Кључне ријечи:
организациона култура,
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САЖЕТАК

Иновације су утицале да организације мијењају и прилагођавају начине рада, функционисања и цијелокупног концепта пословног размишљања, који се окреће у правцу проналажења иновативних рјешења и извршавања задатака. Иновација у пословању организације захтијева прилагођавање организационе културе и начина управљања организацијом. Један од кључних фактора за подстицање иновативности предузећа је организациона култура, која може значајно утицати на усвајање иновације као вриједности компаније. Менаџмент, као саставни дио организационе културе у сваком предузећу, дефинише начин управљања иновацијама и процесима, који, ако се правилно дефинишу и управљају, могу имати значајан утицај на пословање организације. Овај рад покушава да нађе одговор на питање да ли и у којој мјери организациона култура и менаџмент организације утичу на њено пословање. Истраживање има за циљ да испита однос између организационе културе и управљања организацијом с једне стране и њене иновативности у пословању с друге стране. У ту сврху је анализирана прикупљена литература и на основу тога дефинисан однос организационе културе, менаџмента и иновација, као и њихов утицај на имплементацију иновативних рјешења и начина пословања у организацијама. Резултати истраживања могу се даље користити као смјернице за опсежнија истраживања.