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How Entrepreneurial Orientation and Stakeholder Engagement Shape Innovation Culture at Family Business

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Abstract. The paper aims to verify how the Entrepreneurial Orientation (EO) of Family Business (FB), through the Stakeholders Engagement (SE), develops an Innovation Culture (IC) – ideas, learning through try-error and relations network to become sustainable in the long term. The study used a qualitative approach, using sixteen interviews with current managers and other stakeholders from family businesses from different sectors of activity. The results demonstrate that FB need to analyze the current state of their market, as well as its evolution (such as consumer habits and perceived risk), to plan, evolve and innovate upon the perceived changes. A successful FB achieves a positive and effective approach to deal with risk, making use of the know-how and value of employees, and the external community.

Keywords: Entrepreneurial Orientation, Stakeholders Engagement, Innovation, Family Business

Introduction

In the face of current challenges and competitive pressures, organizations need to reassess their positions vis-à-vis the market. The growing need for innovative and creative skills represents how organizations can keep pace with technological developments (as is the case with digitalization), volatile changes in consumer preferences, and legal changes (Wales et al., 2020). Only in this way will it be possible to ensure its survival and growth, through a culture of innovation that is assumed to be a critical requirement (Sharifad & Ataei, 2012).

Culture is a relevant asset in organizational performance. As Barney (Barney, 1986, p. 657) refers, the organizational culture "is defined as a complex set of values, beliefs, assumptions and symbols that define the way in which a firm conducts its business".

Innovation, on the other hand, may represent a manifestation of this culture (Tai et al., 2018). Although the concept of innovation has been studied over time, there is currently no consensus on its definition. So, for Higgins, (1995) innovation is translated into the creation of something new and that has meaning for a given group. Lawson and Samson (2001) understand that innovation occurs whenever new products or processes are necessary to adapt the organization to new competitive contexts.

Given this diversity, we can consider that the scope of innovation can vary, from the ability to create and test something new (product, concept, or process) (Cumming, 1998; Jonsson, 2014; Yang & Li, 2011), it can reflect the investment in R&D (Allred & Swan, 2004), as it can represent the adoption of new behaviors (Damanpour, 1996), or even translate the development of new business models (Amit & Zott, 2001). It is clear to Tian et al. (2018) that innovation can be approached from two perspectives, either because of the generation of new ideas, or as a result of the application of new technologies, new structures, or systems, with the purpose of obtaining better results. However, when there is a culture of innovation, which is based on solid and clear values, beliefs, and practices that are perfectly imbued, this represents a unique resource that is difficult to imitate (Barney, 1986), it helps to explain the differences in performance, and to be the driver of superior performances (Ouchi, 1981).

Organizations with an Entrepreneurial Orientation (EO) have become one of the most researched and discussed topics in the management literature (Anderson et al., 2015; Eshima & Anderson, 2017; McKenny et al., 2018; Palmié et al., 2019). EO reflects a trend towards the adoption of innovative behaviors (Covin & Slevin, 1989; Dess & Lumpkin, 2005; Lumpkin & Dess, 1996; Kallmuenzer, 2018), have a risk predisposition (Lumpkin & Dess, 1996; Miller, 1983; Perez-Luno et al., 2011; Bujan, 2020), seek new opportunities through proactive stances (Covin & Slevin, 1989; Hornsby et al., 2013; Hajmohammad & Vachon, 2016; Zhuang et al., 2020), leaving freedom for the presentation of ideas and revealing aggressive attitudes towards competitors (Lumpkin & Dess, 1996; Baker & Sinkula, 2009; Kajalo & Lindblom, 2015). In addition to these characteristics, OE also shows a transformational process through new combinations of resources, through appropriate planning exercises or decision processes that promote a given culture (Liu et al., 2014; Perez-Luno et al., 2011; Covin & Wales, 2019). Entrepreneurial culture illustrates a series of overall shared assumptions of how organizational members will react and respond to day-today situations, new problems and challenges and opportunities (Kang et al., 2016). New competitive developments attach an increasing importance to the promotion of ecosystems, where different stakeholders must collaborate, as it is difficult for an organization, in isolation, to be able to offer everything that consumers want and need (Jacobides, 2019). The association of the entrepreneurial component with an adequate relationship management of the interested parties represents a necessary formula for the promotion of a culture of innovation that allows greater sustainability of companies in the long term (Schumpeter, 1936; Ruzzier et al., 2020). Among these resources are the organization's multiple Stakeholders (SH).

The importance attributed to SH started in the 60s, however, it was fundamentally through Freeman's work in 1984 that the concept takes on another relevance. The stakeholder model proposed by Freeman (1984) seeks to go beyond the traditional view, centered on groups, employees, customers, and suppliers, adding new dimensions, such as local communities, the environmental component, and governments. This concept aims to reflect the importance of managing relationships with all those who can influence or be influenced by an organization (Hillman & Keim, 2001; Gottschall & Woods, 2020; Leonidou et al., 2020; Littunen et al., 2021; Pollack et al., 2017).

The SH approach is associated with the RBV (Resource Based View) approach both in the internal component (internal stakeholder engagement) and in its external dimension (external stakeholder engagement) (Ayuso et al., 2011; Grama-Vigouroux et al., 2020). These relationships with the different stakeholders make it possible to obtain new ideas for innovation and the possibility to foresee changes in the competitive environment (Littunen et al., 2021). Another important contribution of SHT to the creation of value is because the development of relationships with different stakeholders, is a stimulator of the entrepreneurial spirit (Aarrison et al., 2010; Maxwell and Levesque, 2014; Pollack et al., 2017; Bridoux & Stoelhorst, 2014). It is also recognized that the network of stakeholders is an important contribution to the creation and development of an innovative environment (Santoro et al., 2018; Watson et al., 2018), which features an Innovation Culture (IC). The importance of innovation today is fully recognized by both academic and business communities (Drucker, 1985; Chesbrough, 2006; Santoro et al., 2018; Vrontis et al., 2017). For instance, the sustainability of family-owned enterprises involves linking innovation with the entrepreneurial orientation of their decision makers (Kaufmann & Shams, 2015, Bughin et al., 2008; Smith & Lohrke, 2008; Dal Maso et al., 2020). Therefore, the main contribution of this study is to answer the following question: how do Entrepreneur Orientation and the Stakeholder Engagement shape an Innovation Culture?

This work is organized as follows. First, we start with setting up a theoretical background so that we can confine the definition of entrepreneurial orientation, stakeholder theory, and innovation culture. Second, we present the methodology based on a qualitative approach. Third, we report our findings based on data and linked with the basic literature. Finally, we discuss the implications and limitations of our study and suggest some key areas for future research direction.

Theoretical Background

The speed of competitive changes poses new challenges for organizations, requiring new skills and competences (Bujan, 2020; Wales et al., 2020). The need to take advantage and explore new opportunities (Williams et al., 2020) requires a new type of practices and attitudes (Lumpkin & Dess, 1996), namely one that assumes an entrepreneurial character (Santos et al., 2015). OE is considered a process that reflects a commitment (Leigh & Blakely, 2013), integrating a predisposition to risk (Covin & Slevin, 1989; Miller, 1983; Williams et al., 2020), its own culture (Perez-Luno et al., 2011; Covin & Wales, 2019; Kang et al., 2016), and the adoption of practices and processes of decision-making (Bujan, 2020; Kallmuenzer, 2018), which ensure a dynamic of development (Edgys, 2016; Lin et al., 2014; Ofem et al., 2020). The concept of OE thus represents a set of practices, styles of decision processes, and strategic orientations, which make it possible to obtain a competitive advantage (Lumpkin & Dess, 1996; Wikland & Shepard, 2005; Bujan, 2020). These guidelines also reflect the entrepreneurs' mental framework that translates into an influence of their strategic processes (Rauch et al., 2004). They often represent a response to potential or future market needs (Kocak et al., 2017). These conclusions are supported by the works of Miller and Friesen (1982) who understand that OE is all that bets on innovative projects and with considerable risk.

The concept of EO developed by Miller (1983) considers that this requires a constant balance between the proactive, innovative behavior and the propensity to risk. In this unidimensional perspective, the nature of EO is represented by a construct that integrates, the dimensions - of risk propensity, proactivity, and innovative behavior - all of which contribute equally to EO. Lumpkin and Dess (1996) extended the preview concept, introducing new dimensions - autonomy and competitive aggression. In this perspective, it is understood that the different dimensions of the construct present different contributions to the performance of organizations (Kreiser et al., 2002; Wang, 2008).

This paper is based on Lumpkin and Dess (1996) approach, which assigns distinct importance at different EO dimensions - risk assumption, proactivity, innovation behavior, autonomy, and competitive aggressiveness. The propensity to risk is associated with bold decision making and with the availability of the senior management to assign a large percentage of the enterprise resources to uncertain actions (Covin & Slevin, 1989; Lumpkin et al., 2013; Karmann et al., 2016) or to new projects, by taking advantage of emerging opportunities. The proactivity translates the capacity of an initiative of the individual when it comes to searching for new opportunities, influencing the environment, and anticipating the future (Lumpkin et al., 2013). According to Shan et al., (2016), this dimension represents yet the propensity to generate trends, encouraging pioneer behaviors. The innovative behavior is based on the promotion of innovative actions, which may involve developing new ideas, through the experimentation of new solutions, substantiated by new products (Martens et al., 2014), new processes, using new technologies (Amara et al., 2016), or through research and development (Lumpkin et al., 2013). Lazzarotti et al. (2015) refer that the innovative behavior has its bases in creativity, in the perception of gaps in the market, and in the entrepreneurial predisposition of individuals, enabling the development of new combinations. Innovate goes from the vision of a new opportunity to the planning and development of the

product or service, to its insertion in the market. The autonomy expresses the "individual independence" who, with a strong leadership, can promote the development of innovation through experimentation and creative processes, with the intention of creating new products/services. Competitive aggressiveness consists of the ability to compete with competitors in niches or new markets through offensive postures and determined responses to competitors' movements (Covin & Slevin, 1989; Lumpkin & Dess, 2001; Slater & Narver, 2000). This attitude of challenging competitors is intended to quickly obtain market shares (Dess & Lumpkin, 2005; Lumpkin & Dess, 1996; Wang, 2008; Mele et al., 2014; Mele et al., 2020) using conventional methods.

The concept of innovative orientation has been often used in the innovation literature, but with a mix of conceptualizations and meanings. Business innovates in many ways, including business models, products, services, processes, and channels (Carr, 1999; Flammer & Kacperczyk, 2016; Mele et al., 2014; Trott, 2008), in order to maintain or capture markets, to do better than competitors, and to guarantee long-term growth and survival, especially in highly complex and turbulent environments (Freeman, 1994; Eisenhardt & Brown, 1999; DiVito & Bohnsack, 2017; Douglas, 2013). Manu and Sriram (1996, p. 81) conceptualize innovation orientation as a multidimensional construction consisting of new product introductions, R&D expenditures, and order of market entry, whereby “single variable categorizations of innovativeness do not fully capture the complexities of innovativeness.” Worren, Moore, and Cardona (2002), p. 1127) hypothesizes innovation orientation as consisting of entrepreneurial committed—the relation between “product modularity and the firm's strategic intent for developing new items or entering new markets with existing products”—and innovation climate—where new ideas are stimulated, and employees share a common mission. Hall and Vredenburg (2003) sustain that viable change innovation is more complex than the conventional, market driven novelty, because it must reveal a wider range of stakeholders. A question arises: is it possible to effectively manage the real interests of a large group of stakeholders? (Retolaza, Ruiz-Roqueñi & San-Jose, 2015). Businesses need to innovate by reinventing the way they relate to their multiple stakeholders: employees, customers, competitors, suppliers, communities, governments, etc. But at the same time, the dynamically managed relationships with stakeholders can become an important source of ideas for innovations that report stakeholder expectations and eventually add to the welfare of the social and natural environment (Ayuso et al., 2011). In fact, an effective stakeholder management is a strategic activity for business success (Gottschall & Woods, 2020; Gurzawska, 2021). On one hand, it adds value to the stakeholders themselves, on the other hand, it guarantees sustainability to the organization in a long-term perspective, incorporating an ethical dimension and social responsibility (Freeman et al., 2010; Harrinson, Freeman & Abreu, 2015; DiVito & Bohnsack, 2017). The ability to manage expectations of key groups (in addition to shareholders) is of strategic importance because it contributes to risk reduction, improves reputation, enhances the perception of justice, and adds value to the organization (Hernández-Perlines & Ibarra Cisneros, 2018; Konadu et al., 2020). However, the plasticity and the contingency character of the relations between the various stakeholders and the organization, implies a constant and selective organizational readjustment to their expectations (Freeman, 1984; Koka & Prescott, 2008).

The relationship of between organizational culture and innovation has been subject to extensive research over the last decades (Büschgens, Bausch & Balkin, 2013). It is common sense that organizational culture is a key to innovation success and the enterprise that are notorious for their ability to create, and sale sell new technologies highlight their unique culture (Appio et al., 2021).

Control theory is the most common theory applied to describe the role of culture in innovative organizations (Jaworski, Stathakopoulos & Krishnan, 1993; Groote et al., 2020).

Organizational control is a management activity designed at motivating individuals who work in a company, to act in a way that is consistent with organizational objectives (Kirsch et al., 2010). By another hand, Ouchi (1980) proposed the three mechanisms of bureaucracy, market, and clan to form an organization's control system and makes the conclusion that clan mechanism is the preferred control mechanism.

In a clan control mechanism, individuals share common values and beliefs (Büschgens, Bausch & Balkin, 2013). Those values and beliefs constituting constitute a culture of the organization that guides the individuals' actions by providing a perception of goal congruence in the best interest of the organization (Wilkins & Ouchi, 1983; Curado & Mota, 2021; Gottschall & Woods, 2020; Wales et al., 2020). By another hand, innovative behaviors of the members of an organization are often difficult to observe (Poskela & Martinsuo, 2009).

The cumulative evidence is often utilized to achieve if the relationship of between organizational culture and innovation is influenced by different types of innovation (Büschgens, Bausch and Balkin, 2013). Culture in innovation settings refers to the social and cognitive environment, the shared view of reality, and the collective belief and values systems reflected in a consistent pattern of behaviors among individuals (Jassawalla & Sashittal, 2002). In the innovation culture, the product development emerges as a collective creation of participants acting out their urges to commune with others, makes sense of their environment, define contingencies, and form a social order. Culture is the lens through which the leader's vision of a family business is manifested and helps build the climate necessary for a family business to become innovative (James et al., 2007; Elenkov & Maney, 2005; Löhde et al., 2020). The innovativeness of the culture is a measure of the family business orientation toward innovation. Hurley and Hult (1998) argue that there are various characteristics of a family business's culture, such as, an emphasis on the learning of the individuals, participative decision making, support and collaboration, and power- sharing that affect whether the family business has or not an innovation orientation.

Methodology

This study used a qualitative approach, to benefit from an in-depth knowledge of the research subjects. Indirect data collection techniques were chosen, based on the idea that these can play an important role in the conduct of research, particularly when they provide access to the narrative of different actors who describe their beliefs and experiences in the first person. When these techniques are supported by credible sources, the researcher could contact a large volume of information, thus constituting powerful tools for the generation or validation of hypotheses (Colás, 1998). In this research, sixteen interviews were conducted to with current managers and other stakeholders, namely leaders, white color workers, and others, were analyzed from a tv program – National Fabric - dedicated to Portuguese FB, aired between 2016 and 2018. Each interview lasted 25 minutes and took place at the premises of the company's concern, giving the chance to observe the actors in action in their real working context. This is certainly one of the advantages of this methodological strategy, since it gives the "ability to access directly what happens in the world, that is to examine what people actually do in real life that rather than asking them to comment upon it" (Silverman, 2014, p. 169).

Five sectors of activity were represented in these interviews, namely food, cosmetics, art supplies, ceramics, and paper. These FB are small and medium-sized enterprises that have been through several generations. Thus, the basis of the methodology were these industrial fabric factories, which are Portuguese brands who that resisted and reinvented themselves throughout the passage of time and globalization.

Analysis

After the visualization of the programs, a transcription in full was performed. Then, seeking to ensure analyst triangulation (Lincoln & Guba, 1985), a content analysis was held by two researchers and entered *NVivo* software version 12 for analysis and coding. *NVivo* is considered a good tool to help understanding understand the constructs involved, identifying the main themes, categories, and subcategories of information that result from the participants' discourse and establishing a relationship between them, developing categorical schemas, conceptual schemas, and testing their acquisition of data (Azevedo, 1998). The sentence was the unit for the content analysis of recorded chosen (Insch, Moore & Murphy, 1997).

The data analysis, through a thematic structure (Green & Thorogood, 2004), led to the identification of three major themes, around which the discourses of the various stakeholders are organized, namely, the entrepreneurial orientation, the stakeholders' engagement, and innovation. On the other hand, the discourse of the participants, related to each of these themes, points out fifteen categories. Relevance was recognized in highlighting subcategories in five of these categories, particularly important to understand how market opportunities leverage the entrepreneurial orientation of FB. Although all these categories and subcategories were presented in the interviews analyzed, some were particularly relevant, not only for the intensity with which they were described, but mainly for the volume of the speeches as well as their representativeness in the different discourses. Table 1 presents the themes, categories, and the subcategories found, it's their definition, and their frequencies in the sixteen interviews.

Table 1. Themes, Categories, Subcategories, Definitions and Frequencies

Themes	Categories	Subcategories	Definition	Frequency
Entrepreneurial Orientation	Risk Assumption	Investment in high-risk project	Development of actions to risky projects	4
		Dare to explore opportunities	Exposure to risky situations to get opportunities	20
		Carrying out financial loans	Resort a financial resource to explore new projects	2
	Proactivity	Pioneering in the introduction of products / services / technologies	Be the first to present new projects	30
		Initiatives that cause competitive reactions	Start moves that requires reaction	6
		Customer need monitoring	Constant evaluation about costumer' needs	18
	Innovative Behaviour	Investment in research and development	Applying resources to get new ideas and products	9
		Launches of new lines and products	Introduction new offers of products or services	18
		Search for different ways to develop solutions	Explore new ways of doing things and/or solving problems	18
	Competitive Aggressiveness	Search for market share	Making systematic moves to grow	9
		Monitoring of competition	Evaluating moves and reactions of competitors	9

		Efforts to eliminate competition	Making moves to decrease competition level	6
	Autonomy	Incentive to creativity and independent actions	Promoting new forms of solving problems with autonomy	4
		Autonomous teams	Developing and supporting people to explore independently new projects and ideas	6
Stakeholder Engagement	Workers		Employees or team members of the FB	28
	Clients		Customers who make acquisitions of products or services	7
	Suppliers		Main suppliers of equipment, raw material, or services	4
	Community		People or organizations who is in the boundaries of the FB - local community	17
	Other Partners		Other agents with any connection with the FB	8
	Family		Members of the owner of the FB	5
Innovation Culture	Flexibility		Capacity to develop a diversity of products or services	3
	Openness to the external environment		Concern about gathering information to get environment fit	3
	Attempted and Error Learning		Learning trough test and learning	3
	Proximity with Stakeholders		Getting close relation with all partners, clients, suppliers, competitors, employees, or agencies.	2

Based on the thematic category analysis, after a floating reading of all the transcriptions, the interviews were coded, and then it was held a categorization process (Bardin, 2013) supported, not only in academic literature, but also in the main and most significant contents emerged from the participants' discourses, such as commonalities and differences. The redundancy of information captured by those interviews was sufficient to access to the main perceptions about the entrepreneurial orientation of Family Business. Finally, an inference process was conducted, seeking to arrive at meaningful interpretations. When we performed a frequency analysis of the speeches given by the interviewees, we noticed that some of the subcategories stand out.

Entrepreneurial Orientation

Risk Assumption

When it comes to EO, the risk assumption category, namely exploring and investing in risky situations to access new opportunities is clearly highlighted by the participants.

They also refer to the need of carrying out financial loans to explore new projects, as we can see in the following sketch.

Investment in high-risk project

"It's much more than a store and before being a store it starts to be something else: the house of Claus Porto. The house where the story is told ... It will be a store and has a

transactional, selling, business aspect but it is more than that, an experience, and a discovery. This is also a big responsibility because the brand has never had stores."

Dare to explore opportunities.

"It is that this old factory, with old machines, in a dysfunctional building, may be probably the best communication tool we have and if it is, even, even old, we can call it industrial archaeology. And if we have industrial archaeology, we can have industrial tourism ... in fact we receive visits to the factory every day, practically."

Carrying out financial loans

"I often say that what often differentiates entrepreneurs from each other is risk, why? Because often, in those times of risk where there is need to invest, this is a counter cycle and what we do is often like Egas Moniz, is to put his head in the trunk and we have to go into debt, we have to go to the bank."

Proactivity

As far as proactivity is concerned, the pioneering approach to the introduction of new products, services and / or technologies emerges, followed by the constant evaluation about the costumer' needs. The innovative behavior category reveals a particular focus on launching new lines and products as well as exploring new ways of doing things and/or solving problems.

Pioneering in the introduction of products / services / technologies

"There came a time when these packages went from old to vintage, these details, these colors, this cobalt, this emerald green, this golden and all these details, all these arabesques they have, people began to be fascinated."

Initiatives that cause competitive reactions

"… biscuits were so famous that the city companies that made biscuits wanted the brand… to be a brand of the Municipality and not here of the company and they also wanted to be able to use that brand."

Customer need monitoring

"We must not forget our identity and continue to focus on contemporary pieces, but we must also reach out to the new generations, to follow the lifestyle of the people."

Innovative behavior

Concerning the innovative behavior, the importance of introducing new products or services, exploring new ways of doing things and applying resources to get new ideas, were valued by the participants.

Investment in research and development

"We had been playing with the material since 2006, we were developing things, that is, we had already done graphite watercolor with the Professor …."

Launches of new lines and products

"At this time, around the beginning of 2017, we left with a new product, with the deodorant …. It is a product to be used not only in the armpits but also in the soles of the feet by those who transpire and in the hands by those who breathe out of their hands. It was developed here".

Search for different ways to develop solutions

"The toilet paper was a taboo product we did not talk about it, with the toilet paper black, people changed, they started to have an emotional connection."

Competitive Aggressiveness

When it comes to competitive aggressiveness, participants refer to the importance of making systematic moves to grow, as well as making efforts to monitoring and eliminate

competition.

Search for market share

"We went to internationalization and abroad with Portuguese names, all our soaps have Portuguese names."

Monitoring of competition

"It was impossible to compete even with our neighbors in Spain and it was impossible to compete with the Asia that was coming into force at the time. So, we had no chance of competing in terms of price or scale with those countries."

Efforts to eliminate competition

"In the space of just over 10 years, we moved from a store space to 22".

Autonomy

Autonomy also seems to be an important element in EO. Encouraging new ways of solving problems and teamwork with autonomy.

Incentive to creativity and independent actions

"Realized that for the factory to continue, this our passion to continue, had to make the leap. So, my grandfather brought the water here, which at the time was the first place to have electricity. In the 1920s he bought a turbine to build a mini hydropower here in the brook that runs through the property. Water continues to function and continues to be a very important factor in the company's existence today."

Autonomous teams

"Sharing gives rise to ideas in an informal way".

Stakeholder Engagement

Regarding stakeholder engagement, workers and the surrounding community are the ones who are mainly present in the expression of these interviewees when compared to clients, suppliers, and the family itself.

Stakeholders Engagement - Workers

"If we can generate this social welfare properly remunerating our employees, ... what happens? It is the community itself that will take care of us, that is, the perceived value increases, the notoriety increases, so the company can sell its products better".

Stakeholders Engagement - Clients

"The company was saved by something that does not come on the swings, by the capital of sympathy and the capital of people's belief. Because? Because ... we had customers who paid us in advance, that is, before they had the product…"

Stakeholders Engagement - Suppliers

"(The company was saved by something that does not come on the swings, by the capital of sympathy and the capital of people's beliefs. Because?) Because… we had suppliers who put us raw materials and waited to receive…"

Stakeholders Engagement - Community

"…then we have a whole community that gravitates around the company, which means what? What if we can generate this social welfare, supporting the community in projects, receiving and promoting a whole series of other projects that go there, what happens? It is the community itself that will take care of us, that is, the perceived value increases, the notoriety increases, so the company can sell its products better".

Stakeholders Engagement – Other Partners

"It's very exhilarating to have this opening of the company and it's not just me. Even here the studio works a bit like this, it is a space of experimentation, where there are occasionally some artistic residences and people come here to work and have that possibility to say I would like to experience it this way."

Stakeholders Engagement - Family

"The factory was always in the same family. It is something that is being taught to the new generations. We grew up here, with the smells and noises. Me and my brothers. That is why this passion was always within us. The factory is like family. Someone who grows up with us."

Innovation Culture

Finally, in the innovation culture theme, the focus of the participants is distributed in a balanced way by the four following categories – flexibility, openness to the external environment, attempted and error learning and proximity with stakeholders.

Flexibility

"The organizational agility allows in 3 weeks to have a new product on the street".

Openness to the Environment

"Some of the shapes of almonds were suggested by students of Fine Arts of Porto on a visit".

Attempted and Error Learning

"What is good about this art, the challenge is that we are always learning something. We never know everything. It is a challenge that comes, and we must apply knowledge and learn and sometimes do it again, so it is also to learn."

Proximity with Stakeholders

"I think that this proximity of the company with the artists is an added value for both the company and the artists."

Discussion

This study aims to explain the impact of the Entrepreneur Orientation and the Stakeholder Engagement in an Innovation Culture. Barney (1986), understand innovation represents a manifestation of organizational culture. For this author, the development of a culture of its own guarantees the creation of value, thus enabling the achievement of superior performances since it is rare and difficult to imitate. Thus, solid, and clear values and beliefs represent the economic value of culture and thus determine competitive advantage (Barney, 1986).

The definition of innovation has been presented differently over time. We can, however, support ourselves in Johnson (2014, p. 18), recognizing it as "… a firm's innovation capabilities, therefore, concern the ability to come up with a test and develop ideas into new concepts and products".

From the participants' discourse, it became clear that EO develops thanks to the ability to take risks, take a proactive and innovative attitude, be aggressive from a competitive point of view and promote constant learning.

For Carmona et al. (2018), innovation represents the engine to face turbulent environments, serving as a guarantee for obtaining a competitive advantage, which is

conditioned by the ability to learn (Jimenez-Jimenez, 2011; Hult et al., 2004). The learning culture, based on obtaining new knowledge, facilitates greater speed and flexibility in innovation (Brown 1995), generating new ideas and, thus, guiding the entrepreneurial process (Wang, 2008; Huang & Wang, 2011).

According to Alegre and Chiva (2008), there is a relationship between learning capacity and experimentation. This reflects the search for new ideas for solving problems based on new methods. For Carmona et al. (2017, p.68), "… the risk propensity is characterized by tolerance to ambiguity, uncertainty, and errors", factors that, as we have been demonstrating, characterize EO.

In conclusion, the ability to assimilate and disseminate knowledge represents a privileged source of innovation (Amara et al., 2008; Wang & Huang, 2011).

Our results also showed the determining role of involvement and proximity to different stakeholders, openness to the outside world in view of the imperative of a culture of constant learning. According to us, some elements seem particularly relevant for organizations to be able to face the growing, multiple, and complex challenges, guaranteeing a culture of innovation. Among these, the establishment of networks, alliances, relationships with customers and suppliers stands out (Ren, 2015). It is also recognized that EO is related to the development of networking and strategic processes (Wang, 2008). In fact, EO supposes the mobilization of capacities that result from interactions with the different stakeholders that prove to be determinants in the development of innovation processes (Bughin et al., 2008; Smith & Lohreke, 2008; Santoro et al., 2018; Whatson et al., 2018), namely because they stimulate the entrepreneurial spirit (Golac, 2017). From an ecosystem perspective, companies help each other in building innovation. In this way, participants involved in an ecosystem are understood as potential complementors (Jacobides, 2019).

In the specific case of family businesses, the work of Nordqvist and Melin (2010) highlights that the concept of entrepreneurship can vary between different dimensions of activities or attitudes. In this work, the dimension of attitudes was followed according to the guidance of Lumpkin & Dess, 1996).

A considerable number of publications address the family history of EO, highlighting three dimensions for this: 1. The strategy of organizations, 2. The resources, 3. The organizational particularities (Bettinelli et al., 2017). This background can be cooperation networks that promote innovation, flexible planning systems, or investments in marketing that are associated with product innovation (De Massis et al., 2015).

Long-term orientation has positive effects on innovation, proactivity, and autonomy, while having opposite effects on risks and competitive posture (Lumpkin et al., 2010). There was also a positive relationship between the willingness to innovate and the varied composition of the family business management team and an opposite effect when this does not happen (Kraicy et al., 2014).

Despite some contradictory results, some studies find positive relationships between Research & Development and dynamic capabilities (Gomez & Megia, 2014).

Regarding the organizational structure of family businesses, there is some consensus on the propensity for learning, the stage of the company's life cycle, and its positive relationship with EO. In turn, the more decentralized and less formal organizational designs of these companies, prove to be stimulating for innovation De Massi et al. (2015), understand that in family companies the innovation process is less structured compared to non-family companies. However, later works by this author reveal other associations in the innovation process, such as the existence of new product development departments. Family businesses are not very likely to invest in R&D. In contrast, they have organizational flexibility that leads to high levels of innovation in the process of developing new products. OE could limit strategic choices and management processes (Lumpkin & Dess, 2001), particularly the

propensity to innovate (Wang, 2008; Huang & Wang, 2011). Likewise, taking advantage of opportunities is dependent on the intensity placed on the EO (Eggers & Kraus, 2012).

Conclusions

Concluding, we can say that these FB were forced to evolve and innovate, both by vicissitudes of history such as changes in consumer habits, constituting cases of companies that show a good performance in way of dealing with the risk, making use of the know-how and value of employees and the external community, developing new products, inventing new solutions to solve problems, through a flexible trial and error learning strategy.

The main contribution of the present research is to prove qualitatively the dimensions of entrepreneurial guidance and engagement for the culture of innovation. The qualitative methodology used fewer common sources in terms of data collection. Entrepreneurial guidance, in conjunction with stakeholder involvement, shows that they can have an organizational capacity for the development of a culture of innovation. The study in question is of particular interest namely because it focuses in on some relatively exploited links, such as the impact of stakeholder engagement on innovation. Although this is based on one of the main theories of organizational strategy - Stakeholder Theory - there are still very few publications that cross these factors. Although this work has been conducted based on indirect data collection, the source is credible and provides information directly by the different stakeholders of the companies involved. However, it would be interesting not only to increase the volume of cases, but also to have the opportunity to make direct contact with the current managers of the companies involved, validating the model.

The different categories of entrepreneurial orientation were of different importance to the concerning companies analyzed, and it was found that this orientation had an influence on the development of a culture of innovation. These findings confirm theoretical assumptions of the multidimensionality of this concept (EO), presented in the work of Lumpkin and Dess (1996). On the other hand, the results show the importance of the involvement of internal and external stakeholders and the culture of innovation (Freeman, 1984; Ayuso et al., 2011; Hart & Sharma, 2004; Holmes & Smart, 2009).

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