ANTECEDENTS AND CONSEQUENCES OF INNOVATIVENESS

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ABSTRACT

Innovativeness is an organizational trait that leads to innovations. Organizations with high levels of innovativeness develop and renew products and processes and abandon obsolete ones. While potentially contributing to long term growth and profitability, utilizing innovativeness can be difficult, time consuming, and expensive. This paper examines a contingency-theory-based model centering on organizational innovativeness, its internal and external antecedents, and its performance outcomes. It assessed the role of a learning-orientation as a moderator of the relationships in the model. The model is tested by data from 395 strategic business units (SBU) in Israel's healthcare industry. Innovativeness has added importance in the healthcare industry, because many innovations are expensive, take a long time to license and train, and require extensive organizational support. We find that overall, and, especially for high learning-oriented organizations, innovativeness mediates the impacts of risk-taking, creativity, and competitor orientation (internal characteristics), and environmental munificence (external characteristic) on performance. In contrast, innovativeness mediates only the impacts of risk-taking and creativity on performance in low learning-oriented SBUs.