

THE ROLE OF THE CULTURE IN THE INNOVATION MANAGEMENT

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ABSTRACT: *At the rhythm in which the society is advancing right now innovation seems to be the key for the survival of most companies on the market, since differentiation by cost is only a matter for the big, representative firms in most sectors. But, even so, innovation alone doesn't really help a firm if it is not linked with the client's expectations, a very important role is played here by the culture produced in that area. Thus for a company to be competitive and win market shares innovation must come not only with a sense of creativity but also in a direct correlation with the culture present in the region.*

KEYWORDS: *Culture, Innovation, Competitiveness*

JEL CLASSIFICATION: M14, O32,

1. INTRODUCTION

In 2011 the concept of economy mauve was invented to evoke the whole of the economic effects of the culture. Among these effects innovation appears on numerous occasions. The culture is a public property produced by the territories and in particular by the large metropolises which thus hope to be made gravitational. We would like to show in this article that the culture produced within a territory is also useful for the management of the innovation in the companies. We will leave the lesson of the theory of the merchant of ice to show that the companies may find it beneficial to use the culture to find other advantage competitive. We will see then that the search for new competitive advantage simplifies the existence of space forms since the culture is initially a public property. We will finish by presenting the links culture-innovations.

2. LESSON OF THE THEORY OF THE MERCHANT OFFICE

Principal teaching that we draw from the theory of the merchant of ice is that to remain competitive the companies must make innovation their priority or search a differential advantage.

2.1 The innovation like priority

The model of the linear duopoly developed by Hotelling often also called in 1929 theory of the merchant of ices provides elements of reflection to understand the need for a regime change of competition (H. Hotelling 1929; P. Aydalot, 1985). It is supposed that two salesmen of ice of the same type have competition on a beach where the bathers are also divided. In the absence of space differentiation by the costs of transport, the competitors end up having the same market shares. Differentiation by the costs (to sell the less expensive ices) or by the products (to propose original perfumes) seems the only means of gaining market shares. One owes to Mr. Porter the idea that to gain market shares the companies will carry out strategies on the basis of competitive advantage (Mr. Porter, 1985). One easily deduces the strategies suggested by Carrying model of Hotelling.

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The companies will choose the domination by the cost. They can be protected by the presence from high costs of transport their competitors, by the presence of customs duties or standards implying a cost of adaptation of the products of the competitors to the market. They will seek themselves to make important economies of scale while producing in great series of the standard products. They will be delocalized to seek least expensive possible labor. They can also choose differentiation by the products for abroad target or focusing on a narrow target. This differentiation supposes an innovation on the products or a reorganization of the chain of the value to be centered on the target with touching.

Today space differentiation does not exist anymore with the fall of the costs of transport and the development of the E-commerce one. In addition, much of markets are contestable because of the liberalization of the exchanges. Differentiation by the costs supposes devocalizations which imply losses of image in particular because the products are to re-export thereafter in the countries which underwent the delocalization. As for the economies of scale they are increasingly difficult to realize as a request which is less and less favorable to standard products. The strategy of domination by the costs is thus possible only for Titans which reign as a Master in their industry on a world level (Manor House, 2004). These Titans practice the lobbying as regards technical standards to obtain an increase in the costs of their competitors. They set up the vertical disintegration of the functions in the company to be able to be given on a world level from all opportunities from fall costs. In certain industries one then notes arise of the world degree of concentration in other words on behalf of the worldwide market held by a weak share of producers. Differentiation by the products remains a solution but taking into account the level of competition reaches and of the requirements of the request that obliges the company to innovate constantly. The innovation becomes apriority because it generates also new needs and consequently of new markets and makes differentiation almost infinite. That was always the case in the capitalist system but today the rhythm of the innovation accelerates. To innovate one must then enter a knowledge economy to collect all the possibilities of differentiation allowing in a more general way to profit from a competitiveness out-cost.

2.2. The advent of differential advantage

In the previous model the companies are made competition and behave in space-taker (P. Duez 2008). In other words, it settles in a territory to skim the whole of the local resources without taking account of the effects on this one. They use generic resources then in other words interchangeable resources between the various territories and which one can adapt to continue his own interest (P. Veltz 1993, B. Pecqueur 2008). One can thus skim them all the more easily within the framework of globalization. This behavior is appropriate perfectly for a strategy of domination by the costs and an economy where the rhythm of the innovation on the products is weak because that guarantees an easy appropriation of this one. In an economy where one gives priority to the innovation and where one seeks new competitive advantages the behavior of the companies must change. "The problem of the coordination of space of the organization and entrepreneurial resources necessary for their structuring, their mobilization and their valorization within the company" became essential (Lauriol J, Perret V, Tannery F, 2008, p 183). The company must behave more and more in "space-maker". It must put its resources correspondence with those of the territory. It must cooperate with all the actors of the territory including its own competitors to produce specific resources which will be accessible only to the actors from the territory who will have taken part in their Co-construction.

We can say that the territorial resources most specific are the immaterial resources founds on capacities of co-operation (A. Mendez, D. Mercier 2006). As immaterial resources knowledge is essentially a specific resource which will allow the differentiation of the products and the technology innovation. It will be integrated into the product like in the case of the local products. It is the assumption of the shopping cart of goods (B. Pecqueur 2001). When the consumer buys a product, it buys a practical value but also the history and the values attached to the product. It will generate knowledge and will give innovations at the local level. Indeed even if knowledge is easily

communicable, it is the assumption of the «technoglobalism», its production is very related to a dynamics of territorial anchoring (Bélis-Bergouignan M.C, Carrincazeaux C, 2004)

3. TERRITORIALIZED NETWORKS OF ORGANIZATIONS

Territorialized networks of organizations play an important role in business innovation strategy (PY Gomez, 2009; S. Coissard et al 2010; F. Picard et al, 2010). In France, the policy of clusters follows the policy of local production systems in 2005. A similar network is being developed in many countries (OECD 2007). The idea is to bring in the same geographical area research centers, enterprises, high-level training organizations to ensure the development of innovation and facilitate their development. Spatial forms taken by the search for a competitive advantage based on culture. Spatial form refers to a more or less spontaneous search for geographical proximity in cities and territorialized organization networks.

3.1. Creative cities

The culture has long been a crucial factor of the power of big cities. Some even could think that the only true culture of the city and had spread to a rather reactionary campaign to all that concerns the progress in lifestyles and habits. In some major urban projects is increasingly thought of as a source of regeneration of industrial cities in decline (Andres L. and B. Grésillon, 2011). The culture makes it possible to think the functions of the town of different way while ensuring are qualification urban. One thus believes more and more in the existence of an effect Bilbao (T. Pfirsch, B. Reitel, 2014). The cultural projects are related either on the organization of events and/or the setting in place of equipment, or with the urban renovation, or with the requalification of waste lands.

In France, the public authorities carried a certain number of projects of equipment like the installation of «Louvre Lens» and the center « Pompidou » to Metz. Somme communities presented their candidature like European capital of the culture. It is the case of Lille and Marseilles. That was each time the occasion to use the culture to renovate the city and to put in place des events. The «deindustrialisation» produced in the towns of many derelict lands which are the object of an invasion by what Florida calls the class of the talents. One speaks about the appearance of cultural waste lands which take part more and more in the development of the creativity in the cities and in its dynamism. L. Andres and B. Grésillon evoke the presence in Europe of three types of cultural waste lands (2011). There are initially spontaneous waste lands and rebels who are occupied by artists in escheat. There are regularized waste lands which are more or less tolerated by the public authorities either because they are integrated into the local cultural policies or because they were the proof of their need. There are institutional waste lands resulting from the creation of partnership between the actors having interest to re-qualify the waste land.

3.2. Territorialized networks of organizations

The territorialized networks of organizations play a significant role in the strategy of innovation of companies (P.Y Gum,2009, S. Coissard et al. 2010, F. Picardy et al.,2010). In France, the policy of the poles of competitiveness succeeds the policy of the local productive systems in 2005. The same type of network is developed in many countries (OECD 2007). The idea is to join together on the same geographical zone of the research centers, companies, high level training companies to ensure the appearance of innovation and to facilitate their industrial development. These networks exploit the geographical proximity and the proximity of values to activate collaborations and to support the innovation.

The research of a geographical proximity between the various partners of the innovation is a non-sufficient requirement (A. Rallet, A.Torre 2001) but one notes indeed in the geography of the innovation which there exists a proximity between research center and production center for some industrial activities, but which it acts of an applied research not requiring inevitably co-operation

(Bélis-Bergouignan M.C, Carrincazeaux C, 2004). The organizational proximity (to have the same trade for example) seems much more determining and especially the institutional proximity which one can define by the existence of values or attachment in a territory. The search for a differential advantage passes indeed by the co-operation between companies which can be concurrent and by the organization of the innovations which will be born from this co-operation. The problem is that supposes the installation of a specific governance.

The governance “requires moreover to set up devices allowing the confrontation and the adjustment of the systems of representations and actions of actors resulting from organisational and institutional fields different” (S. Ehlinger, V. Perret, 2009, p 4). There does not exist indeed mechanism guaranteeing to each participant in the network a return on investment where the knowledge is by nature a collective good since it is diffused and that one has much evil to exclude those which did not take part in the effort of co-operation (Suire R., Vicente J, 2008).

4. THE LINKS CULTURE INNOVATION

The innovation can be technological when the culture is integrated in industry. It can be organisational when it relates to creative competences and the specific resources.

4.1. The innovation by culture in industry

The cultural sector is a separate sector. It can be defined as a set of various activities oriented commercial exploitation of aesthetic and semiotic creation (A. Scott, F. Leriche, 2005). The sector comprises two main types of activities: those focused on entertainment (museums, cinema, literature etc.), those leading to the production of industrial goods for which the consumers want to display a social identity. These activities are well distributed in the large metropolises in which they constitute an important factor of attractiveness and an important source of employment. They are however located more and more in the rural environment where they belong to the labeled poles of rural excellence in 2006, following a call to project are based on the same principle. The 41% of the poles are concerned with the culture and the heritage (C. Alvergne and P. De Roo, 2008).

The culture becomes a factor of innovation in industry in an economy where consumption is turned towards being (R. Passet. 1966). In this kind of economy consumption related to survival and that related to comfort are less important than that turned towards the being. Consumption is turned towards the being when the consumer grants a very important place to the products having important contents in value symbolic system. If one easily admits that the culture is by nature the human activity enabling him to produce and to handle the symbols then this one becomes an increasingly important factor of innovation on the industrial good. The activity of artistic creation can be integrated directly into industry in the research of the design. It can into it be integrated in an indirect way while exploiting the origin of the products, what the géo-marketing proposes to do.

4.2. Production of specific resources

The production of specific resources depends on a particular production process. “The production of such resources results indeed from rules, habits, a culture worked out, in a space of geographical and institutional proximity starting from a form of exchanges distinct from the gone exchange: reciprocity”(B. Pecqueur 2008, p 318). It results from a territorial proximity making it possible to produce territory (A. Torre and J.E Beuret, 2012). The territorial standard will not replace the standard manager but will facilitate the relation between the actors of the territorial development. The territorial standard returns either to a logic of membership to networks of more or less formal relations or to a logic of similarity which corresponds to mental adhesion with common categories which allow to have the same vision of the world (common language, common social norms for example). The specific resource becomes a factor of very important territorial performance when it

is combined with the expected resources concerning factors of localization of the territory to produce the future resources necessary to local economic development in the long run.

The culture is a crucial factor in the production process of this resource and the economic mobilization because it exploits the proximities (E. Auclair in Maria Gravano-Barbas and Philippe Violier (to dir), 2003, S. Menu, 2010). It supports the collaboration of the tests engaged in the territorial production within activities which do not have at priority anything to see and which go in fact power to interact. It is a requirement of the setting of a commitment on the basis of production of a territorial identity. This identity can be planned by resorting either to the principle of construction or to the principle of "patrimonialisation». The construction of a monument always answers a will to mark symbolic system a territory to develop a certain vision of its history (F. Choay 1992). The monument challenges the memory by the emotion, it points out a past which is convened to make vibrate in the manner of present. The monument has a universal philosophical function since it is a "challenge with the entropy, with the solvent action which time exerts on all natural and artificial things, as it tries to alleviate the anguish of death and the destruction" (F. Choay 1992, p 15) The monument, the building is thus a crucial factor in the activation of a process of commitment of the population.

The Eiffel tower took part in the construction of the identity of Paris. It even became the emblem of France and one finds it in most restaurants. One can define the « patrimonialisation » as "a social process by which the social agents (or actors if one prefers) legitimate understand, by their reciprocal actions, i.e. interdependent, to confer on an object, a space (architectural, urban or landscape) or with a social practice (language, rite, myth etc.) a set of properties or "values" recognized and shared initially by the agents legitimated and then transmitted to the whole of the individuals through mechanisms of institutionalization, individual or collect if necessary to their safeguarding, i.e. with their durable legitimation in a social specific configuration "(E. Amougou, 2005, p 25). It well is seen the patrimonialisation is an action which makes it possible to produce the institutional proximity necessary to the commitment of the populations.

Thanks to the patrimonialisation the identity resource becomes an economic instrument of mobilization around three dimensions: a cognitive dimension (knowledge of the area), an emotive dimension (attachment with the area), a dimension evaluation (like interest to act on a regional level). One thus goes much further that in a simple territorial marketing turned towards the development from the area (E. Auclair in Maria Gravano-Barbas and Philippe Violier (to dir), 2003, S. Menu 2010).

4.3. Production of creative competences

The organizations need more and more creative competences to bring to a successful entrepreneurial process. One speaks on this subject about the existence of ambidextrous organizations (Simon F., Tellier A., 2008). The employees of these organizations are able to connect completely different elements to optimize the chain of the value and to innovate; it is there that to the ambidexterity is located. The employees of this kind of organization have imagination, creativity and the taste for danger. That enables them to more easily accept the dynamics of the change and to absorb the technology innovations more easily. These organizations profit in theory from a strategic flexibility and they are thus able to change trajectories easily.

Competences related to the ambidexterity are transmitted by imitation thanks to the presence in the vicinity geographical between the classical cultural organizations and companies. The trades of art and the culture mobilize indeed all creative competences which the employees could need to innovate. It is enough for them then to copy the creators to develop the same type of competences.

5. CONCLUSION

Culture is actually increasingly used to enable enterprises to innovate. It should contribute more and more to a knowledge economy generate incremental benefits. Cultural development projects, however, are worn by the territories and not directly by the enterprises or the creators. A cultural mediation problem (C. Gob, 2012) that obliges the creators and the mediators of the culture to justify their action more and more by evaluating the economic impact of their activity. That supposes a revolution in the ways of thinking. One speaks sometimes about critical artist in so far as a good amount of creators hold with the independence of their activity of creation. The idea that creation does not make good house hold with the marketization is a very old idea. However because of the reduction in the public budgets, it will be necessary well that it yields with this discipline unless the mediators who accommodate them can do this work in their place. They will have then to find a methodology of measurement of the impact which must largely exceed the evaluation of the direct impact on employment. The idea that the culture is likely to help the companies to manage their innovations to create differential advantages will have to thus be dug. It's particularly interesting if we think it will participate in the relocation of the creation of wealth and jobs.

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