

Incongruities as a source of organizational Renewal in Corporate Management of Innovation and Technology

Jens Frøslev Christensen
Department of Industrial Economics and Strategy
Copenhagen Business School, Nansensgade 19, 1366 Copenhagen K
Phone: 45-38152535, Fax: 45-38152540
E-mail: jfc.ivs@cbs.dk

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Abstract

The heydays of the central R&D laboratory as the 'dominant design' of corporate R&D in large technology-intensive companies is over. The last decades have witnessed not only downsizing of central R&D, but also ongoing experimentation and restructuring of the modes of managing corporate R&D. What is the logic behind these ongoing restructurings? This paper argues that different kinds of organizational incongruities constitute critical sources of change in the organization of R&D. One such organizational incongruity may evolve between the overall changes in the structure and strategy of the company, and the existing mode of managing and organizing R&D. Another type of incongruity relates to internal tensions between emerging new strategic objectives in the R&D organization and the existing mode of managing R&D, or between emerging new R&D structures and the existing R&D-strategy. The paper proposes an analytical framework for understanding what may sometimes seem to be a free-floating or fashion-induced experimental dynamics in the organization of R&D in large industrial corporations. This framework is used to provide a comparative analysis of two Danish technology-intensive companies, one representing a decentralizing organizational trajectory, the other a centralizing and integrative trajectory.