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The Subjectivity of Failure

A qualitative study about (innovation projects') life and death

Authors:

Malin Lundin 940525-0706

Erik Wictorin 950910-4593

Supervisor:

Anna Jonsson

Abstract

Title:	The Subjectivity of Failure
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Authors:	Malin Lundin, Erik Wictorin
Advisor:	Anna Jonsson
Key words:	Failure, Innovation, Culture, Identity, Product/Process
Purpose:	This paper aims to deepen the understanding of managers perceptions of failure, and how it influences innovation projects.
Methodology:	The study is conducted with a qualitative research method, based on an abductive research approach.
Theoretical perspectives:	The theoretical background starts off with addressing literature on failure to show what different perceptions that exist. Thereafter, Innovation, Knowledge and Learning are presented in order to give an understanding of the context. Lastly, culture and identity are explained as factors affecting the view of failure.
Empirical foundation:	The empirical material was conducted through ten semi-structured interviews with managers at Buxus (an anonymized organization), within the paper packaging industry.
Results:	The study shows that managers' view on failure is defined and understood differently. The managers either see innovation projects as a product, meaning that they focus on the end product of the project. On the other side managers see innovation projects as a process, meaning that they value the process and outcomes such as learning even if the end product does not become successful. The different views can be explained by the

organizational culture and the manager's identities. Lastly, managers' view on failure influences their perception of innovation projects, increasing the subjectivity in decision-making when it comes to deciding to abandon projects or not.

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Erik Wictorin & Malin Lundin

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1. Introduction

It is said that Steve Jobs, the founder and former CEO of Apple once said: *innovation is the only way to win*. One could argue that he also did create a successful company. A similar but not as drastic view is shared in the literature. It is a crucial factor for organizational survival, according to Daft, Murphy and Willmott (2017), to get and maintain a competitive advantage compared to external competitors on the market. To get a competitive advantage, and stay ahead of others, innovation becomes a crucial skill in order to learn how to do things differently (Daft, Murphy & Willmott, 2017). Already back in the 1980's Tushman and Nadler (1986) addressed the importance of innovation to stay competitive in the market. There are several definitions of innovation, however, we have chosen to adopt the the definition of Damanpour (1991) which explains innovation as *adoption of an internally generated or purchased device, system, policy, program, process, product or service that is new to the adopting organization* (Daft, 1982; Damanpour & Evan, 1984; Zaltman, Duncan & Holbek, 1973, as cited in Damanpour, 1991), as it is a wide definition it shows the complexity and variety of how innovation can be conceptualized.

The importance of innovation has led to an upstream of research regarding the topic, and there has not least been a lot of research on innovation and the factors for success and failure. There are, according to Van der Panne et al. (2003), several factors that have the potential to determine whether innovation projects are seen as a success or failure. However, they all have to do with if the innovation projects are technically and commercially viable (Van der Panne et al., 2003). Furthermore, the factors that have to do with technical viability are related to the firm and the project, such as the culture of the firm, the existing experience, management style, management support etcetera. Furthermore, Van der Panne et al. (2003) argue that the factors deciding if projects are commercially viable are factors related to the product and the market, such as price, quality, innovativeness, timing to market etcetera. However, Van der Panne et al. (2003) do point out that the perceived relevance of the factors vary in the literature.

On the other side of success there is failure which seems to be an inevitable part of innovation. There are different views on why many innovation projects fail, however, most research agrees that the failure rate for innovation is between 50-90%. (Andrew & Sirkin, 2003; Cierpicki, Wright & Sharp, 2000; Heidenreich and Spieth, 2012; Sivadas & Dwyer, 2000). Even though failure within innovation is frequently researched the definition of failure in the literature varies and there exists several definitions of the notion (Marzocchi & Ramlogan, 2019; D'Este, Amara & Almos-Peñuela, 2015; Heindreich & Spieth, 2012; Liao & Cheng, 2012; Tian & Yue Wang, 2014; Van der Panne, van Beers & Kleinrecht, 2003; Cannon & Edmondson, 2001; Cozijnsen, Vrakking & van IJzerloo, 2000; Linberg, 1999). There are also different views on if failure is solely negative or if it can have positive outcomes as well. For example, Cyert and March (1963) argue that organizational learning is more likely to occur because of failure than of success. On the other side, Cannon and Edmondson (2005) mean that the idea of learning from failure has a lot of support but that organizations rarely systematically learn from it.

Furthermore, this corresponds with Buamard and Starbuck's (2005) study, on large organizational failure, they found that individuals rarely learned from these failures since managers usually blamed it on other factors that they could not affect, such as society (Baumard & Starbuck, 2005). Furthermore, the authors found that managers had a hard time seeing connections between previous failures and current failures even though they had a lot in common. When it came to small failures managers explained these by saying that employees deviated from the core values and that it was a foolish act. When this explanation was not applicable they instead explained the failure as something they did expect to happen (Baumard & Starbuck, 2005). What those examples show is not only that there is a deviation regarding the assumptions of failure, but that there is a deviation regarding how individuals make sense of failure.

Marzocchi and Ramlogan (2019) also did a study in the individual perspective when it comes to failure within innovation. When it comes to small failures that occur when working with innovation it affects innovation strategies and can both reverse and reinforce existing behaviors, thus failure seems to affect innovation. Furthermore, individuals' fear of failing can have effects on innovation. Huy and Vouri (2015) studied the downfall of the Finnish cell phone manufacturer Nokia. What they found was that top management became afraid of stakeholders and competitors

which affected the middle managers. In return this led to that there was fear from the middle managers to share negative information with management, since they sensed the fear from top management. According to Huy and Vouri (2015) this led to that management had a false picture of that Nokia was doing better than they actually were (Huy & Vouri, 2015). Thus, the individuals' view on failure and in this case fear of failure, seems to affect the outcomes of innovation. Another example that highlights different views of the same project in different ways is a study made by Linberg (1999). Linberg studied an organization where management saw a project as a success, while the software developers viewed the same project as a failure. This shows the different perceptions of failure within an organization. Furthermore, failure can be seen as socially constructed and according to Linberg (1999) it might be possible to change the perception of failure. Based on these three studies, the individual perspective is important to understand as it seems to affect their behaviors and actions and thus the perceptions might have effects on innovation projects.

With the previous research in mind, failure and the perceptions of it appear ambiguous and the definitions vary. The different definitions of failure in the literature shows that there is no agreed definition on what failure within innovation actually is which might mean an increased probability that it is the same case within organizations. Research regarding failure and innovation has been done (Marzocchi & Ramlogan, 2019; Linberg, 1999; Andrew & Sirkin, 2003; Cierpicki et al. 2000; Heidenreich and Spieth, 2012; Sivadas & Dwyer, 2000), however, most of the research deal with what causes failure within innovation and how management can cope with it.

Failure within innovation is important to research not only because of the research that has been done on the subject but also for the high failure rate that innovation seems to have (Andrew & Sirkin, 2003; Cierpicki et al. 2000; Heidenreich & Spieth, 2013; Sivadas & Dwyer, 2000). However, there seems to be missing research on an individual perspective of failure within innovation and what those perceptions might influence when it comes to innovation projects. Furthermore, even if there does exist research on failure within innovation, there is still a lot more research on the success of innovation and many times failure is left out (Cohen, 2010). Also, most of the research which is done within the area focuses on the software and IT industry, such as

Linberg (1999), Al-Ahmad et al. (2009) and Vuori and Huy (2015). Lastly, many of the studies done on perceptions of failure within innovation are quantitative.

Some similarities between our study and Linberg (1999) can be drawn. Linberg (1999) did conduct a study on the perceptions of failure on innovation projects. However, in comparison to our study, it was made within the software industry, it did focus on specific projects and it did not touch upon how the perceptions of failure influenced the way innovation projects are seen in general. Furthermore, it was a quantitative study meaning that it did not go into depth and capture nuances on how individuals perceive it. In this study we focus on managers within an organization, how they view failure and how it might influence their perception of innovation projects. The managers' views are of interest as managers have more influence within the organization than other employees.

Based on our introduction, it is important to innovate for organizations, failure seems to be a central part of innovation, there seems to be different views on failure and people tend to act according to failures. This in combination with that there are few qualitative studies on failure within innovation and how individuals' perception of failure influences innovation projects leads us to our aim. Consequently, our aim is to deepen the understanding of what definitions and perceptions individuals might have of failure within innovation within an organization. With the help of a qualitative study we will be able to reach a more nuanced picture of the perceptions of failure that exist. Moreover, we want to deepen the understanding of how these perceptions might influence the way the managers view innovation projects as a whole. This aim leads us to our research question which will be presented in the next section. By doing this with a qualitative method it will give us a more nuanced view of the individuals' perceptions.

1.1 Research question

- How are failures defined and understood?
- How do managers' view on failure influence their perception of innovation projects?

In order to answer these questions we found it suitable to conduct the study at an organization where innovation is deeply integrated in the core business. The organization studied is a Swedish company called Buxus in this thesis (anonymized company), in the paper packaging industry. Furthermore, the study will be based on managers working with innovation within this organization as they usually have more influence within the organization and thus more influence on the innovation projects.

1.2 Outline of thesis

In this chapter, **Chapter 1**, the scene has been set, background, purpose and aim has been explained and motivated, and two research questions have been stated. In the following chapter, **Chapter 2**, the theoretical background will be explained and presented in order to give a good background and a deeper understanding of the analysis, discussion and conclusion. **Chapter 3** explains the methodology used to conduct this study and the studied organization is described. In **Chapter 4** the analysis is presented and quotes from the interviews are analyzed. **Chapter 5**, Discussion, discusses the analysis together with the theory and findings. The empirical data together with the theoretical background enables the discussion to go deeper and discuss new findings. The conclusion of the thesis is found in **Chapter 6**.

2. Theoretical Background

In the following chapter the theoretical background will be elaborated. The purpose is to generate a literature review of the topics that will be further analyzed and discussed throughout the paper. Initially, failure and the wide variety of definitions will be addressed. Thereafter innovation in combination with knowledge will be elaborated in order to set the scene for how different individuals understand what knowledge is. Lastly, theories affecting the perception of innovation projects will be presented.

2.1 Definitions and perceptions of failure

Since our aim is to look upon how failure within innovation is perceived and how these perceptions can affect innovation projects we have drawn upon previous research on perceptions of failure. Since our study is about perceptions of failure within innovation we will elaborate on an organizational study on how failure is viewed within innovation projects and lastly we will look deeper into what effect views on failure might have.

According to Holt (1966) when growing up, we learn that failure and being wrong is not socially accepted and adapt to this, thus we learn what failure is and then try to avoid it. Byrne and Shepherd (2015) also mean that failure triggers sense making. According to Al-Ahmand et al. (2009) when making sense of the ambiguity that exists of the notion failure one can explain it as subjective judgements. In addition, according to Cannon and Edmonson (2005), many organizations punish failure which often leads to people not being able to identify failures. However, even organizations which are more tolerant towards failure, rarely reward failure, which also makes it hard for the employees to identify it (Cannon and Edmonson, 2005). In the cases where managers actually bring failure up for discussion they often have a hard time handling the strong emotions that occur, related to failure (Cannon and Edmondson, 2005).

That individuals have a hard time identifying failure within innovation does not only seem to be an empirical difficulty, in the literature on failure within innovation there are many different definitions of failure. To give an overview, we have put together a table (Table 1) at the end of this

section. For example, Heindreich and Spieth (2012) study why organizations are hindered to successfully adopt innovation. They argue that what hinders organizations in doing so can be employee resistance and misinformation within the organization, not being able to determine the market, Heindreich and Spieth (2012) also mention organizational obstacles such as coordination, centralization, and bureaucracy. Furthermore, Heindreich and Spieth (2012) mention that when innovation is adopted by the organization's members it leads to competitive advantage for the organization. Based on this they mean that failure is when an innovation is not adopted by the organization's members.

In contrast to this, Marzocchi and Ramlogan (2019) separate failure to innovate from failure in the innovation process. Failure to innovate means that the project has such negative outcomes that it has to be cancelled. By failure in the innovation process they do not give one definition but elaborate on existing definitions and that there are disasters and small failures. Small failures are failures which usually occur at an early stage of the process and which make the people involved to make decisions on the innovation project. In their paper they look upon small failures and see them as an organic process of the innovation project.

Furthermore, in Linberg's (1999) study, he discovered that software engineers at a software organization had different definitions of what failure was, and that these definitions also differed from the software industry's definition. Linberg (1999) found out that the software developers' definition of failure when working with innovation was if a project was completed, that it had not fulfilled quality expectations and if it was cancelled, that they had not learned anything. At the same time, the management in this case based their view on failure in terms of following the schedule and the project's earnings.

In contrast, other authors focus more on the end product. According to van der Panne, van Beers and Kleinrecht (2003) an innovation failure is when a project is not technically or commercially viable. Liao and Cheng (2012) also focus on the end product, they mean that there does not exist any definition of product innovation failure. However, when looking at how innovation failure affects brand equity they define product innovation as failing to meet the consumers' expectations in relation to the product's function and performance.

Some authors focus more on the goals and milestones of the innovation project. An example of this is Cannon and Edmondson (2001) who define failure within innovation *as deviation from expected outcomes* (Cannon & Edmondson, 2005, p. 300). This is similar to Tian and Yue Wang (2014) who look upon failure when investing in start-ups and go deeper into how investors act based on how the ventures perform. There, the authors define failure as when a project (venture) does not meet the milestones that were set up. In addition, Cozijnsen, Vrakking and van IJzerloo (2000) share a similar view, where they say that there is no clear criteria for evaluating what a successful innovation project is. However, they define a failure as not meeting the objectives that are defined for that project.

Lastly, D'Este, Amara and Almos-Peñuela (2015) look at if innovation novelty and innovation failure are connected. They define failure as abandoning the innovation project and they separate the failure into two types, abandoning the project at the development stage or at the conception stage.

Author(s)	Definition
Cozijnsen, Vrakking & van IJzerloo (2000)	Not meeting the objectives for the project
D'Este, Amara & Almos-Peñuela (2015)	Abandon innovation project
Heindreich & Spieth (2012)	Innovation is not adopted by organization's members
Liao & Cheng (2012)	Failing to meet consumers' expectations
Linberg (1999)	Not learning, not meeting expected quality, not meeting time plan, or the project not beeing profitable
Marzocchi & Ramlogan (2019)	Failure to innovate, a chatostropichal failure, or a small
Tian & Yue Wang (2011)	When a project (venture) does meet the milestones
van der Panne, van Beers & Kleinrecht (2003)	When a project is not technically or commercially viable

Table 1, *Definitions of failure within the innovation literature.*

If looking back at our aim, it can be interesting to draw upon Linberg's (1999) study since it also looked at the perception of failure within innovation (product development) at an organization. Linberg (1999) conducted a study and looked at a software development project in an organization and how the software developers' viewed the success and failure of this. In Linberg's (1999) article, a quality product was developed but, from the software developer's perspective, it was seen as an organizational failure. The product was too late, exceeded the budget and the software developers did not think they learned anything, therefore the software developers viewed it as a

failure. According to Linberg (1999) project success is too narrowly defined which makes failure more common (Linberg, 1999). Linberg means that projects are seen as failures more often than they have to. The author moreover argues that people in the software industry have to have a broader definition of what success is. In this case Linberg noticed that the people involved in the project had a set way of thinking which affected how they perceived failure and success. Linberg (1999) suggests that to solve this, it is important for leaders to first identify the different perceptions of success and failure that exist and then make sure that realistic and similar expectations are set within the organization. This study shows that software developers may create a successful product in the eyes of management and customers. However, since they did not meet all the expected requirements they, themselves, saw it as a failure. This shows the different perceptions of failure within an organization. Furthermore, failure can be seen as socially constructed and according to Linberg (1999) it might be possible to change the perception of failure.

When looking at research on what influence perceptions on failure might have, March (1994) argues that organizations set the scene for success and failure and how individuals perceive success and failure determines how they see risk which is what they base their decisions on. Furthermore, Pettigrew (1985) argues that it is the contextual drivers in combination with individuals' perceptions of what is happening around them that decides in what direction the organization is moving.

2.2 Innovation, Knowledge and Learning

In the following section theories regarding innovation, knowledge and learning will be presented. The theories are chosen as they contribute to the understanding of how managers perceive failure, as knowledge and learning are closely related to innovation projects (Darroch, 2005). Consequently, some previous research regarding innovation and failure relates to theories of knowledge and learning (Cyert & March, 1963; Cannon & Edmondson, 2005; McKee, 1992).

As mentioned in the first chapter, innovation is argued to be vital for organizations in order to stay competitive on the market (Daft, Murphy & Willmott, 2017) Furthermore, innovation is viewed

as something that often fails (Andrew & Sirkin, 2003; Cierpicki et al. 2000; Heidenreich & Spieth, 2013; Sivadas & Dawyer, 2000). Amabile (1988) discusses creativity and innovation, and defines creativity as: *creativity is the production of novel and useful ideas by an individual or small group of individuals working together* (Amabile, 1988, p. 126). Furthermore Amabille (1988), based on the definition of creativity, defines organizational innovation as: *Organizational innovation is the successful implementation of creative ideas within an organization* (Amabile, 1988, p. 126). Those two definitions show how innovation and creativity are linked together, and it further emphasizes how innovation could be argued to be creativity on a collective level, implemented in an organization. Innovation can also be explained as *adoption of an internally generated or purchased device, system, policy, program, process, product or service that is new to the adopting organization* (Daft, 1982; Damanpour & Evan, 1984; Zaltman, Duncan & Holbek, 1973, as cited in Damanpour, 1991). This definition shows the variety in conceptualization and understanding of the topic of innovation. Furthermore, in order to perform better, Darroch (2005) argues that knowledge management can help organizations to be more innovative, as it works as a coordinating mechanism.

The topic of knowledge has increased a lot in popularity (Alvesson & Kärreman, 2001), and according to other researchers it dates back 30 years (Swan & Scarbrough, 2001). According to Bell (1973) the post-industrial society has taken over the manufacturing society, making knowledge and information more important aspects of industries and demanding more abstract and theoretical knowledge. The importance of knowledge is further motivated as it is argued to gain a competitive advantage in accordance to others (Davenport & Prusak, 1998; Jonsson, 2013). In addition, to underline the importance, Ipe (2003) states: *Knowledge is now being seen as the most important strategic resource in organizations, and the management of this knowledge is considered critical to organizational success* (Ipe, 2003, p. 337).

Epistemology is the philosophy of the nature of knowledge (Hislop, 2013). According to Schultze and Stable (2004) knowledge is hard to define, as it depends on how one views the nature of knowledge, the epistemology. Additionally, Nonaka (1994) explains epistemologies as knowledge can be divided into explicit and tacit knowledge. Explicit knowledge is transmittable and possible to codify, whereas tacit knowledge demands a context and needs to be experienced in actions,

which is harder to communicate (Nonaka, 1994). Depending on which epistemology one applies, one can see knowledge as either an object or a process (Cook & Brown, 1999). The objectivist perspective sees knowledge as something you can possess, and is labeled by Cook and Brown as the epistemology of possession. They argue that this view emphasizes explicit knowledge, however, they extend the concept, arguing that it can still be of tacit nature as well as possessed by a group (Cook & Brown, 1999). The epistemology of practice, Cook and Brown (1999) explain as knowing instead of knowledge. Cook and Brown (1999) draw upon the example of riding a bike, arguing that knowing how to ride a bike is a process that cannot be transferred the same way as explicit codified knowledge, as it is more tacit and has to be experienced. The difference between the epistemologies in regards to knowledge and knowing is further explained with an example of engineers. The knowledge that an engineer possesses does not necessarily reflect his or her work as an engineer. To excel in the profession one needs to know how to use the knowledge in the process of work, which is referred to as knowing (Cook & Brown, 1999).

Knowledge management and learning are two interrelated topics (Hislop, 2013), which makes these theories relevant as failure is likely to lead to learning (Cyert & March, 1963). Learning is hard to define, and how to define it depends on how the phenomenon is understood. However, one interpretation of learning could be understood as changing what you know, creating a new reality, on either individual, group or organizational level (Hislop, 2013). The concept of organizational learning dates back to the 1960's (Cyert & March, 1963; Cangelosi & Dill, 1965). Cangelosi and Dill (1965) wrote their article *Organizational Learning: Observations toward a Theory* in 1965, where they saw organizational learning as *a product of interactions* (Cangelosi & Dill, 1965, p. 175), while at the same time discussing different phases of it. Already back then the question of product versus process was discussed, and Cangelosi and Dill put emphasis on learning as *sporadic and stepwise rather than continuous and gradual* (Cangelosi & Dill,1965, p. 175). Following research on the topic has had a large variety in regards to what learning consists of, however several authors put emphasis on learning as a process (Carroll et al., 2006; Ron et al, 2006; Styhre et al., 2006, as cited in Hislop, 2013)

2.3 Factors affecting the view of failure

In this section we will describe the factors which might affect individuals' perception of failure. First we will start by elaborating on knowledge intensive firms and workers as the interviewees of this thesis will later be identified as this. After that we will go through theory of identity, culture and sense making as we will later argue that these factors might affect how failure is perceived and therefore also explain why failure is perceived in a certain way.

2.3.1 Knowledge-intensive firms & workers

According to Carleton (2011) the use of knowledge in organizations has increased and today it is a competitive advantage for many organizations. However, there is no universal definition of a knowledge-intensive firm. Alvesson (2002) refers to knowledge-intensive firms as *companies where most work can be said to be of an intellectual nature and where well-educated, qualified employees form the major part of the workforce*. (Alvesson, 2002, p. 1101). Moreover, He and Wong (2009) identify engineering services as knowledge intensive firms.

Because of the importance of knowledge in organizations, a new type of worker has emerged, the knowledge worker. According to Reich (2010), a knowledge worker typically works with research and product design, marketing and consultancy, and finance/banking. All of these occupations have to do with problem-solving, problem identification and problem brokering (Reich, 2010). Just as with knowledge-intensive firms, there is no universal definition for knowledge-intensive workers, however Hislop defines it as *Someone whose work is primarily intellectual, creative, and non-routine in nature, and which involves both the utilization and creation of abstract/theoretical knowledge* (Hislop, 2013, p. 71). For example, according to Huang (2011) scientists and engineers qualify as one type of knowledge-intensive workers.

2.3.2 Identity

Identity and knowledge intensive firms are of great interest as identity can help control and manage knowledge-intensive organizations (Alvesson, 2004). The concept of identity is often referred back to studies in psychology and sociology, and the term of organizational identity was first formed and defined by Stewart Albert and David Whetten. They defined it as the elements that are central, enduring and distinctive within an organization (Albert & Whetten, 1985). Since then researchers have come to question the enduring part, as they argue identity to be ever changing, or fluid, in a

more contemporary world (Alvesson, 2004; Gioia et al., 2000). Alvesson (2004) talks about identities mainly from an individual perspective rather than a collective organizational identity, and addresses the questions of *Who am I, by implication, how should I act?* (Alvesson, 2004, p. 189). The answer to those questions can change over time as he does not see identities as fixed. Looking closer at identity enables the possibility to study how individuals relate to their surroundings and how their surroundings relate to them. Moreover it can deepen the knowledge of how people make sense of themselves and how they are seen by others. It can help explain roles in organizations as identity is formed socially by interactions with others (Alvesson, 2004).

Furthermore, Alvesson highlights the connection and importance of acknowledging identities in working life and organizations in general and in Knowledge-intensive firms particularly. The reason it is of great importance is due to the ability to create loyalty, control, security and image management. Alvesson motivates the importance of identity particularly in knowledge-intensive firms as it helps to manage and control how individuals act, as these individuals have a wider role *to act based on their understanding* (Alvesson, 2004, p. 191). In general, knowledge workers have more varying and complex work tasks and have less hierarchy controlling their way of doing things, however they tend to act according to the expectations others and themselves have on them, formed by their identity, as well as organizational culture (Alvesson, 2004). Furthermore, according to Alvesson and Kärreman (2004) who did a study at an IT organization they discovered that the workers usually felt comfortable with and were expected to use their own judgement even though procedures existed since the procedures gave room for that.

Ashforth and Mael (1989) researched the topic of identity in relation to social identity theory to *offer a fresh perspective on a number of critical organizational issues* (Ashforth & Mael, 1989, p. 35). They argue that the identification with an organization gets stronger with *perception of oneness, prestige of the group* and *stereotypical perception of self and others* (Ashforth & Mael, 1989, p. 20). In extension Alvesson and Sveningsson (2014) express that lack of identity of the organization might lead to identification to other aspects, such as specific projects or departments within an organization (Alvesson & Sveningsson, 2014).

Identity and sensemaking are two interrelated topics (Weick, 1995). According to Weick (1995) sensemaking is *about things as placement of items into frameworks, comprehending, redressing surprise, constructing meaning, interacting in pursuit of mutual understanding, and patterning*. (Weick, 1995, p. 6). Furthermore, Weick (1995) argues that people perceive their roles within the organization subjectively. The author also argues that sensemaking is making something sensible and should not be mixed up with understandings and interpretations. Furthermore, what is characteristic for sensemaking is that it is *grounded in identity, retrospective, enactive of sensible environments, social, ongoing, focused on and by extracted cues, driven by plausibility rather than accuracy* (Weick, 1995, p. 17). Weick (1995) also states that sensemaking has a strong connection to identity, whereas people make sense out of things based on how they see themselves. Weick (1995) argues that people make sense of events based on what the implications of the events will be for how that person will be seen and sees oneself. This means that how the situation is seen by the person depends on how the person thinks s/he will become while dealing with it or who s/he represents while doing so.

2.3.3 Organizational Culture

Originating back to the 1970's and 1980's, organizational culture started to appear in academic writings and analyzes (Alvesson & Sveningsson, 2016). Since then the concept has grasped more and more attention. Organizational culture is linked to several other interrelated topics such as commitment, motivation (Alvesson & Sveningsson, 2016) and identity (Alvesson, 2004). Despite, or maybe because of, its vast amount of interest and attention, several definitions exist. However, Alvesson and Sveningsson conclude that the definitions of culture often exist of *shared meanings, interpretations, values and norms* (Alvesson & Sveningsson, 2016, p. 41). Daft, Murphy and Willmott (2017) explains organizational culture as the *largely unwritten, feeling part of the organization* (Daft, Murphy & Willmott, 2017, p. 375) The authors further draw the parallel to an iceberg. Some elements of the culture are visible, such as how one dresses, however the culture also contains values and meanings under the surface that one needs to experience and be part of to understand. The shared meanings and beliefs of a culture are usually hard for outsiders to experience or see, and can reinforce and give its members a stronger identity (Daft, Murphy & Willmott, 2017). Alvesson and Sveningsson (2016) also contribute with a more critical perspective on the use and talk around organizational culture. They argue that it often gets used in a superficial manner in order to portray and market organizations and their cultures as unique and special, while they in reality are rather similar and standardized (Alvesson & Sveningsson, 2016).

Furthermore, according to Alvesson, *knowledge intensive workers rely on corporate culture* (Alvesson, 2004, p. 212). This means that the knowledge intensive firms are controlled everywhere since the ones exercising the control are everywhere and the persons are observed by others and themselves. The culture then forms the identities of the members of the culture, so in that way the culture does not only control the individuals but it does also guide and support them in constructing how they see themselves (Alvesson, 2004).

Organizations with an overarching organizational culture can also have subcultures (Daft Murphy & Willmott, 2017). As organizations grow large there is often a tendency of subcultures appearing among departments as one department's problems and challenges can be specific for them and not others, creating a common bond and culture that unites them but not others. Too strong subcultures can clash with the overarching culture, creating confusion and loss of control. However, subcultures can also enhance the subgroups performances and contribute to a strong organizational performance (Daft, Murphy & Willmott, 2017).

3. Methodology

In this chapter the methodology will be explained in order to be transparent with how the study was conducted. We have conducted a qualitative study, with the aim of deepening the understanding of how managers perceive failure when it comes to innovation, and how that might influence their view on innovation projects. A qualitative approach enabled us to understand the individuals and their perceptions within the organization that we studied. A literature review was conducted of relevant topics, and empirical data was gathered via interviews at the organization. The theory as well as the empirical data was somewhat collected in parallel as our abductive approach enabled us to adjust theories along the way. Later on, the empirical data was analyzed and discussed with the literature review in mind.

3.1 Research approach

The study aims to understand individuals and their perceptions of failure within innovation and how these perceptions affect their view on innovation projects. With that in mind, we chose an interpretive tradition to approach this paper. The interpretive traditions takes human interpretation as the starting point for developing knowledge about the social world (Prasad, 2017, p. 13). Furthermore, the tradition assumes that interactions between people constructs their reality (Prasad, 2017). As a subcategory of interpretive traditions, symbolic interactionism was used. The approach gave us an understanding of how the employees interacted and created their self-identity (Prasad, 2017). We asked questions such as “How do you define…?” or “Do you look upon yourself as…?”, in order to get a view of their self-identity and reality. Understanding the individuals’ reality enabled us to understand both them and the organization.

Additionally, when conducting this thesis, an abductive research approach was used. An abductive approach, meaning that a combination of an inductive and a deductive approach was used and it enables obtaining the benefits of both approaches (Bryman & Bell, 2018). When we started the project of this thesis, we first looked at the phenomenon of failures within innovation and related theories such as knowledge, identity, culture and sense making. We did have prior knowledge of theories within the area, and in some sense we might have had a deductive approach. However,

we wanted to keep an open mindset about possible outcomes in order to increase the possibility to discover an interesting phenomenon in regards to the empirical material, and in that sense we used an inductive approach. Utilizing both approaches enabled us to adapt the theoretical framework depending on the empirical findings. In other words, the approach gave us the possibility to go back and forth between empirical data and theory continuously (Bryman & Bell, 2018).

3.2 Collection of empirical data

In order to conduct the study, and collect empirical data, an organization was studied. We reached out to two organizations that we found of great interest. Both were knowledge-intensive firms where innovation and creativity is a central part of their business. In the end, the choice fell on the organization Buxus due to their ability to adapt and coordinate interviews despite the current situation of COVID-19. Interviews had to be held online via Skype as both Buxus and Lund University were recommended to work from home (Folkhälsomyndigheten, 2020). Despite the physical distance we found Skype as a viable tool which due to the circumstances worked out well. We chose to hold all interviews with managers, most of them at senior level. We found this of interest as one could assume that the perception of failure among managers can have effects on the rest of the organization.

The interviews were held in Swedish since that was the native language for both the interviewees and interviewers. We conducted 10 interviews and they were all between 45-60 minutes long. We found semi-structured interviews relevant as it enabled the interviewed persons to elaborate on personal perceptions and practical examples, creating a picture of how they interpret their reality (Bryman & Bell, 2018). Furthermore, the structure enabled us to highlight certain topics in order to compare the different interviews and create a coded foundation to structure our analysis upon (Rennstam & Wästerfors, 2018). In order to increase the honesty as well as the privacy of the interviewees, all interviewees were informed that they, as well as the organization, were to be anonymous. Further information regarding Buxus was conducted from their webpage in order to be prepared for the interviews, such as understanding their official structure of business, history etcetera. The interviews were recorded and later on transcribed. Details regarding the analysis of the empirical data will follow in the next section of the methodology.

3.3 Analysis of the empirical data

The interviews we held were recorded and during the two weeks that we held the interviews we transcribed the recordings ongoing. According to Gubrium and Holstein (1997, as cited in Rennstam and Wästerfors, 2018) it is important to not only note what is said but to also note how things are said. That is why, when we transcribed, we also added pauses, laughs, sighs and other ways in which the interviewees expressed themselves in order to take that dimension into account as well.

When all the interviews were held we started thinking of what themes we thought were frequently talked about and things that were contradictory during the interviews and wrote these in an excel sheet. According to Rennstam and Wästerfors (2018) the most common way of sorting is to base it on content, for example what people talk about and the material that keeps recurring. After that we started going through the transcriptions and sorted quotes into the different themes. We read through the transcripts carefully as Rennstam and Wästerfors (2018) argue that all different content should be highlighted. If we discovered new themes while going through the transcriptions we added these to the sheet. According to Rennstam and Wästerfors (2018) sorting is needed since the material from a qualitative study usually is disordered and therefore needs to be sorted. Furthermore, while sorting into different themes we had an open mind and let the material guide us to what was interesting and surprising, since it is important to be open to things that are new and not as obvious (Rennstam & Wästerfors, 2018).

When we had sorted the material into themes we needed to reduce it and choose what to focus on. According to Rennstam and Wästerfors (2018) we are unable to investigate all material since it is usually not manageable. The interviews focused on the interviewees' view on failure within innovation and how they work with innovation, however, we found empirical material that the views on failure seemed to influence the interviewees view on innovation projects. As we found this interesting, recurring, talked about, and also less researched we chose to narrow the material down to that instead. This meant that we changed the research question during the process. According to Rennstam and Wästerfors (2018) there are several reasons for not choosing

categories and it is up to the authors to decide. When we had narrowed our categories down we went through all the transcriptions again to see if there was any material we had missed which would add value to the themes.

When we had decided on what themes to use in our empirical data we started doing additional literature research in order to see what had been previously researched in that area. According to Rennstam and Wästerfors (2018) the researcher argues with the help of the empirical material that there is a theoretical contribution. By doing our literature research we were also able to identify how our material agreed with previous research and in that way we were able to argue that our findings contribute to the existing literature. Before we started analyzing the empirical material we translated the quotes from Swedish to English. Lastly, we have made the interviewees gender neutral since gender will not be considered in this thesis, as we found it irrelevant in regards to our research questions.

3.4 Quality and reflexivity

This section of the method aims to take a critical stance regarding the quality and reflexivity of this study. The study aims to be objective and to give an honest picture of the experienced reality at Buxus, however we do understand that there are limitations.

First of all, this study was conducted during the COVID-19 pandemic. The most direct effects regarding the study's methodology was that the collection of the empirical material had to be done online with the help of Skype, as meeting in person was not to be recommended regarding to the Swedish Public Health Authority, Folkhälsomyndigheten (Folkhälsomyndigheten, 2020). Our initial plan was to conduct the interviews at the site of the company in order to get closer to the interviewees and experience the surroundings and culture around the office. We think that Skype was the best way due to the circumstances, and despite missing out on meeting the interviewees in real life, we had the opportunity to have good and thoughtful discussions online. However, it would have been even better to be at the organization and observe over time, as that would have given even deeper relations and understanding of their reality (Bryman & Bell, 2018).

When it comes to qualitative research, issues are expressed that it can create a subjective picture of only a few individuals (Bryman & Bell, 2018). We interviewed 10 employees with semi-structured interviews in order to reach a more objective picture and deeper understanding. However, 10 can still be considered to be too little to reach empirical saturation. The aim should be to interview until empirical saturation is reached, in order to reach a more objective view (Bryman & Bell, 2018). The limitation from our perspective was the timeframe given for the thesis, if more time was given it might have been possible to reach an even more objective and trustworthy picture of their reality.

Furthermore, the interviews were held in Swedish as that was the native language for us as well as the interviewees at Buxus. To hold the interviews in a language of comfort enables better understanding and vocabulary. We did however have to translate the quotes from the interviews to transfer them to our analysis. The translation might affect and change nuances of meaning, however we found this as the most natural solution as holding interviews in English between Swedes would have felt limiting according to comfort and vocabulary.

The interviewees, as well as the organization, were held anonymously throughout the process. This enabled the participants to elaborate their thoughts further, compared to if they had to stand accountable for all statements and thoughts. There might still have been thoughts left out and examples not given due to confidentiality, however we designed the process in this way to increase the likelihood of openness.

3.5 The organization

The following information on the organization that we have studied is collected from the company's website and an internal Power Point presentation. This study is conducted at Buxus (anonymized organization) which is a Swedish organization within the paper packaging industry. The organization is a merger between two well established Swedish companies in the packaging industry that took place in 2012. Developing from this merger, Buxus has more than 150 years of experience in the paper industry. Buxus mainly produces pulp and paper for paper packaging. In 2018 their net sales were 2.3 billion euros and they had an operating profit of approximately 200

million euros. The company has been listed on the Swedish stock market since 2001. Buxus has around 4500 employees and a total of eight production units, whereof six are in Sweden, and two are in Europe. They have three divisions, which are divided based on the different business segments.

The company's mission is to challenge conventional packaging in order to create a more sustainable future. To reach this they have four strategic priorities, which are to drive performance, drive profitable growth by creating customer value, accelerate the speed of innovation and expand in the value chain. A key success factor to deliver on the mission are the employees, which is why continued development and training of the organization is important.

Driving performance Buxus explains as having to have a stable and safe production, being cost efficient, having clear roles and clear processes, lower climate footprint and competitive wood supply in order to be able to invest in capacity, innovation and packaging solutions. Driving profitable growth means that in order for Buxus to have profitable growth they want to maximize customer value and they do this by understanding the customer's needs and being able to develop niche products, a wider product mix, better production capacity and services and solutions.

If looking closer into the strategic priority, accelerate the speed of innovation, Buxus wants to increase the speed of the process of innovation in order to make a faster market launch, which is said to be a necessity in a fast moving world and to follow new macro trends. Buxus' goal is that 15% of their sales should come from their new products, which is measured on a quarterly basis. Furthermore, Buxus state that they chose their flagship projects with care and that they involve customers, brand owners and strategic partners from the beginning of the projects in order to make them commercially viable. A flagship is a project which is considered strategically important and thus always will be provided with sufficient resources.

Lastly, by expanding the value chain Buxus wants to grow in the packaging solutions and services area and they want to do this both organically and through acquisitions. This strategic priority

differs for the three different divisions. For the division solutions this means focusing on holistic solutions for the customers, while, for the other two divisions it means focusing on identifying new applications and maximizing the use of existing material.

As mentioned earlier, the base of Buxus' strategy is *Winning With Our People* and they say that their employees are their most important resource. Their four core values are: Think New, Feel Responsibility, Cooperate and Create Value. On their website they highlight things such as the importance of having fun at work, to thrive, to have a work-life balance and to have a safe working environment. Furthermore, they say that they encourage communication and feedback. Buxus values sustainability and they have quite recently implemented a new leadership concept which they call Sustainable Leadership and explains what Buxus expects from their leaders to offer their employees. They expect their leaders to care and lead a safe work environment, to drive change and performance, to engage and unlock potential and, to communicate effectively. The following quotes from the interviews are used to explain the culture of Buxus further.

Eriksson explains Buxus as a kind company, he says:

> I hear that we are a relatively kind company, I think it is a kind, maybe Swedish working environment. We are not used to pushing up people against the wall or pillory people. (Eriksson)

Eriksson explains Buxus' culture as kind and maybe Swedish and that no one gets punished. This view is shared by Carlsson: *I experience it as an extremely good culture to work in and I have had the trust from my managers and I have had no reason to be afraid*. (Carlsson). Carlsson also mentions that he feels as his/her managers trust him/her. S/he elaborates:

> It is very open and allowing, some might say it is too allowing but I think it is very positive for the culture and that we have managed to develop our business so well the past years. Which we had not done if we had struck down on failures, because I do not think that we have done that. (Carlsson)

Carlsson continues by mentioning that the organization is allowing and s/he even thinks that it might be a reason for why they have been able to develop their business as they have. Fredriksson mentions the fact that s/he thinks the organization is optimistic: *We have a culture which is very*

optimistic. We have high targets and small buffers in our time plans in case something would happen. (Fredriksson). Fredriksson thinks the organization is optimistic since they usually set high targets and have small buffers time wise. Lastly, Gustavsson mentions Buxus' identity:

> One thing that is good with Buxus that might be harder in other companies, is that we have a really clear picture of who we are. [...] So it feels good and it is a clear idea so we do not have to think "Maybe we should do something completely different?" [...] (Gustavsson)

To summarize, the interviewees seem to perceive the culture as kind, allowing, optimistic and they seem to feel safe in the environment. Furthermore, they seem to see as they have a clear picture of who they are which might help them move forward.

4. Analysis

In this chapter we will present the empirical material with a parallel analysis of it. The quotes from the interviews have been divided into the following sub-categories: Definitions of Failure, Fear of Failure, Fail More/Fail Less, General Talk About Failure, Processes and Routines, Support From Management and To Cancel Projects. These categories were chosen since we discovered that the individual definitions differ and perceptions and opinions on if there is a fear of failure, how failure is talked about and if it is positive or negative also mostly differs. Furthermore, we will end the analysis by looking at how they work with processes and routines and if they are followed and lastly we will look at how the interviewees view cancellation of innovation projects in order to see if their view on failure can explain their view on cancelled innovation projects.

To get an overview of the interviewed managers we have provided a table with what level and divisions the managers belong to within the organization. Here Ivarsson and Eriksson are on executive level, Bengtsson, Davidsson, Gustavsson, and Hansson are on senior level, Andersson, Carlsson, and Johansson are on middle level and Fredriksson is on group level. By executive level we mean that the managers are on top management level and reporting to the CEO of the company. By senior level, we mean managers one level below, who reports to the executive managers. Middle level managers are the managers reporting to the senior level managers. Lastly, group level managers are the managers reporting to the middle level managers, not having any direct reports but leading groups. Furthermore, we have provided an overview to what functions and divisions the interviewees belong to, we have divided them based on if they belong to the same division or function. However, we have chosen to call them divisions in this thesis in order to make it easier to follow for the reader and for the sake of anonymity for the interviewees. Together there are 10 teams in total and we have gotten the opportunity to interview managers at three of these. To get an overview, see table 2.

DIVISION	Division 1	Division 2	Division 3
HIERARCHICAL LEVEL			
Executive		Ivarsson	Eriksson
Senior	Davidsson	Bengtsson Hansson	Gustavsson
Middle		Andersson Carlsson Johansson	
Group	Fredriksson		

Table 2, *The positions of the interviewed managers.*

4.1 Definition of failure

The analysis starts by examining how the employees working with innovation at Buxus define failure within innovation. Eriksson, the executive of division 3, starts out by defining failure:

> On one hand, one can say that it [failure] is when projects do not lead to launch, because our aim is to do that. Or it is projects that we have invested a lot in and then cancel and do not gain any knowledge to do it better next time. (Eriksson)

Eriksson defines failure as when a project is not launched. However, s/he also mentions another aspect, that failure is a cancelled project where there is a lot invested in and at the same time there is no gained knowledge. Andersson, a middle manager in division 2, has a somewhat similar view on failure, however s/he also includes the financial part: *A failure is when it [the project] has not become a cash cow … But then, one can also fail in the development process* (Andersson). Andersson mentions that a failure is a project that does not become a cash cow, which means that a project which does not become profitable for a long period of time is a failure. However, s/he continues by saying that a failure can also occur in the development process, which can be seen as that a project can be a failure at an earlier stage, never making it to launch. Ivarsson, the executive of division 2, continues on the financial view of failure, s/he elaborates:

> To fail is to not make business out of the project. You can still have positive outcomes from a failed project because you learn, which can help you in your future work. That [what you learn] can be both technological competence and experience of the market. (Ivarsson)

Ivarsson mentions that a failure is when an innovation project does not become business, in other words not making money. S/he does also mention that there can be positive outcomes from failure,

such as learning, however, the project is still a failure. Fredriksson, a group manager in division 1, also includes the learning from failure as a positive outcome, s/he defines failure: *To not reach the goal in time, time is crucial ... To fail is also to succeed, you learn a lot through failure* (Fredriksson). It seems as Fredriksson thinks that learning can have such positive outcomes that failure becomes success. However, a failure, according to her/him is to not reach the goals in time. The view of not reaching the goals is shared by Hansson, a senior manager in division 2, and Johansson, a middle manager also in division 2, however they exclude the time aspect, Hansson puts it: *It is when you do not reach the goals that you set up, what you tried to achieve when you started* (Hansson). Johansson says: *It is hard, but to fail is to not reach the goals* (Johansson).

Davidsson adds another perspective on failure, for him/her, failure is when the trials, in other words the testing of the products, do not have expected outcomes: *Usually when it is a failure it is about trials not going as we thought they would* (Davidsson). However, Davidsson continues: *You can also fail in terms of time. When I started at Buxus we had 50 ongoing projects, I think ... 50% of them were late* (Davidsson). Here Davidsson also picks up on the time aspect and not delivering in time being a failure, as Fredriksson, in the same division, also mentioned earlier. Bengtsson's view, a senior manager in division 2, on failure is in line with Davidsson and Fredriksson, s/he says: *It is when you do not deliver according to the plan, neither sales nor timewise* (Bengtsson). Beyond not meeting the time plan Bengtsson, just as Davidsson and Fredriksson mention, s/he also mentions a financial perspective as s/he brings up sales, similar to Eriksson, Andersson and Ivarsson above.

In contrast to the quotes above, when Gustavsson, a senior manager in division 3, is asked how s/he defines failure, s/he does not have a clear answer, Gustavsson says:

> I do not think we have a definition of failure. I guess it is something psychological, we encourage each other that it is worth trying out ideas to later realize that it does not work or needs to be adjusted. (Gustavsson)

Gustavsson seems to think that they do not have a definition of failure. By "we" one can suppose that he/she either means the organization or his/her division. However, when Gustavsson is asked to give an example of a project that s/he perceives as a failure s/he says: *I have to think about a project that we really have closed* (Gustavsson). Based on this, it seems as Gustavsson defines

failure as a project which has been closed even though, at first, s/he did not have a definition of failure. The view that a failure is a closed project seems to be shared by Johansson:

> Usually you take a different path and then it is not really a failure, like "Damnit, this did not work then we will do it like this instead". But if it is a dead end then maybe it is a failure. (Johansson)

Johansson seems to think that failures do not occur that often since if they encounter a problem they usually try a different way and make it work. However, s/he says that if it is a dead end it is a failure, a dead end seems to be if there are no other ways and because of that the project is closed.

The views on failure within innovation projects are fragmented. Some interviewees see it as solely financial and if they do not make money out of it, it is a failure. Some mention failure being when the goals that are set up are not reached and others mention failure not being finished in time. One interviewee even sees failure as success since it can lead to something positive. Lastly, some see failure as when projects are closed.

4.2 Fear of failure?

Looking closer upon the question whether the interviewees are afraid of failure, the answer differs a lot. Gustavsson, the senior manager in division 3, was very clear, and answered firmly: *No, absolutely not. I do not even think about it in that way* (Gustavsson). The statement indicates that s/he does not even think about fear in regards to failure, and that s/he is not afraid to fail at all. Likewise Fredriksson, the group manager in division 1, answers the same question in a firm way:

> No, definitely not [...] If I was scared I would not do anything. You cannot be afraid of failure. You have to dare, otherwise you will not achieve anything. If you do something wrong, it means you have tried. (Fredriksson)

Fredriksson underlines what Gustavsson said and adds the aspect that you have to dare to achieve something. Andersson, a middle manager in division 2, also mentions the importance of daring in his statement: *To achieve something, you have to take risks. But there are others, whose names I will not mention, that are very risk averse* (Andersson). What Andersson adds to the analysis is that there are others in the organization that do not like to take risks. In comparison with Gustavsson and Fredriksson, Bengtsson, a senior manager in division 2, answers the question regarding if s/he is afraid of failure as follows:

> Yes of course, I do not want to fail. But I am not afraid of being portrayed, I am not afraid to lose my job or to be yelled at. (Bengtsson)

Initially, Bengtsson states that s/he is afraid, and does not want to fail. However, s/he elaborates that it is not due to external judgement such as being yelled at or portrayed in a bad way. Similar opinions regarding the lack of fear from external judgement as Bengtsson expressed was stated by others at Buxus, such as Carlsson, a middle manager in division 2: *I feel that we have an extremely good culture to work in and I have had my managers trust and I have not had to worry* (Carlsson). Carlsson indicates that the managers' approach at work enables a culture where s/he does not have to worry and s/he continues:

> What has been extremely positive is that they [the organization] have been willing to invest both time and money in projects and ideas which I and others have had. And we have not been fired afterwards because it has gone wrong. (Carlsson)

Carlsson continues to put emphazis on the support from the organization with the willingness to invest in projects despite the fact that they might fail, and no one will have to worry about getting fired because of failing. However Carlsson underlines that failure is something that s/he is not fond of: *Sometimes it [failure] feels like a waste of time, it is frustrating, but it is nothing that I am afraid of* (Carlsson). Another manager who talks about the managers approach is Gustavsson, who is in another division and other level than Carlsson: *No, I do not want to fail but I have good relations with my managers* (Gustavsson). Gustavsson highlights what Carlsson said, which shows that managers' approach to failure is experienced at more parts of the organization. The same is experienced by Hansson, the senior manager in division 2, who says: *There is absolutely not a culture of punishing failure, I personally do not think so. Rather, I would say that there is a culture of understanding* (Hansson). Once again the culture of understanding is emphasized. However, Andersson, a middle manager in division 2, has a slightly different understanding of this while discussing how the organization acts when facing failure:

> I would argue that it depends on where you are. There is no overall culture in the company. But, the ones I work with, we have wrestled with this a lot. (Andersson)

Andersson argues that there is no overall culture and that his/her group at work are wrestling with how to approach failures. Moreover, Andersson expresses his/her feelings in regards to failure as follows:

> I do not like to fail, absolutely not. It is probably the worst thing I know. But I try to keep it objectively "this is not on me, it is a project I am working on". (Andersson)

Andersson, just as Gustavsson, Carlsson and Bengtsson, does not want to fail. However, Andersson tries to not take failure personally. In extension, Andersson talks about the organization's approach to failure:

> It is not stated that "damnit if you fail with this then you have planted your last potato!". It is rather people in the organization who do not like to fail who create this. (Andersson)

Andersson underlines that people in the organization do not want to fail, which corresponds with the quotes above. Furthermore, the forgiving approach from the organization is stated again. In contrast to several of the prior statements, Eriksson, the executive of division 3, expresses his/hers opinions as follows:

> Sometimes the people involved [in the projects] stand there with "silly hats" after cancelling a project because they have not done it well enough. Then we have to pick these people up in a good way. You can also celebrate a project that has not reached all the way. (Eriksson)

Interestingly, Eriksson expresses that individuals sometimes feel ashamed after their projects get cancelled. Again, it indicates that some individuals really do not want to fail. Furthermore, there seems to be a focus on taking care of the ones feeling ashamed of failure. Once again, this shows evidence of a caring and forgiving organization. Another example regarding the fear of failure is expressed by Johansson, the middle manager in division 2, who says that s/he is not afraid of failing, and continues: *No, but we are told to try first, and ask afterwards. It enables "high ceilings", but I think it differs between the departments* (Johansson). In one sense Johansson agrees with the others as s/he thinks the approach to failure enables an environment where one does not have to be afraid of expressing one's opinion, since they are encouraged to try things out first, but also underlines that it differs within the organization. Ivarsson, the executive of division 2, follows up on the topic of trying with his/her statement: *One knows that if you do not take risks you will not move forward. You cannot expect to make a career sitting on your hands* (Ivarsson). Ivarsson indicates that a culture of sitting on one's hands is not trying, however, trying is necessary in order to reach new grounds. Overall the answers differ regarding if they are afraid of failure. However, in general there does not seem to be a fear of failure but an unwillingness to fail. This could be

understood as a performance culture. In extension there seems to be a common picture of a supporting and forgiving organization.

4.3 Fail more or fail less?

Even if many of the interviewees at Buxus do not seem to want to fail, some of them think that there needs to be more failure within the organization. For example, Davidsson, the senior manager in division 1, was asked if s/he thinks failure is needed when working with innovation. S/he replies:

> Yes, it is absolutely the most important thing and it is accepted to fail. That is what we are working on with the 5% innovation culture. It is allowed to fail and you should dare to fail, failure is something positive. (Davidsson)

Davidsson sees failure as something positive, and sees it as important for innovation. S/he elaborates: *You are allowed to fail because failure is what leads to new ideas* (Davidsson). The reason that Davidsson sees failure as something positive is that s/he thinks it leads to new ideas and in that way it leads to more ideas. This view is shared by Gustavsson, the senior manager in division 3, who says: *I think that we need more projects to fail, to start up more ideas in order to come up with ones that have a lot of potential* (Gustavsson). Carlsson, the middle manager in division 2, also shares the view that there needs to be more failure, however, s/he has a different reason for thinking so, Carlsson formulates it as: *Sometimes, it is not a bad thing to fail ... so that you do not invest a lot of time, a failure can be the cheapest thing you do* (Carlsson). In this case Carlsson mentions the financial perspective of failure, s/he agrees that more failures should be done but for the reason of not risking too much money on something which will not work. In this case, Carlsson seems to see failure as cancelling a project.

In contrast to managers who think they should fail more there are interviewees who are more critical. Ivarsson, the executive of division 2, expresses:

> If we lack structure, then it becomes too much like picking up a shotgun and firing wide, and then hoping you hit something. Instead we want to try to create a sniper rifle in order to hit the target and succeed with our projects, milestones, or processes so that we know what to do on all the steps along the way. (Ivarsson)

Ivarsson uses an analogy of weapons in order to explain his/her opinion. S/he means that structure is needed in order to avoid approaching innovation like a shotgun, using resources and trying everything with hope that something will succeed. Instead Ivarsson wants Buxus to be more like a sniper rifle, aiming and hitting the target and succeeding. His/her opinion emphasizes structure in order to know what to do next and avoiding unnecessary work.

4.4 General talk about failure

Until now we have had a more individual perspective of how the interviewees define failure, how they feel about failure and if they think there should be more or less failure. It can therefore be interesting to move towards the organization and see how the managers perceive that failure is talked about within the organization. Davidsson, the senior manager in division 1, sees failure as something positive and wants to encourage this, s/he says:

> We have introduced a 5% innovation culture. And there we will have a prize for "failure of the year", just to raise the ceiling and dare to think in new ways, dare to fail. (Davidsson)

Davidsson talks about a 5% innovation culture which has just been implemented in the organization where employees get to have 5% of their working time to spend on an innovative project of their choice. Here failure will get attention as it will have its own prize and it seems as something that the initiators of the 5% innovation culture wants to bring forward. Fredriksson, the group manager in the same division as Davidsson, has a feeling already that it is okay to fail, s/he says:

> We have a culture which is very optimistic. We set high goals and do not have any big buffers in our time plan if something would happen. So we are quite used to failing … there is a lot of understanding of why one can fail, they [the managers] understand and that is positive. (Fredriksson)

Fredriksson perceives it as they do fail often and at the same time s/he feels as his/her managers have an understanding for that which s/he finds as positive. This view is shared by Andersson:

> There are people in our organization who say things like this: "if you never fail then you have never taken risks or aimed high". I think that statement is quite good. It is good if you have a manager who says that and urges people to take risks. (Andersson)

Furthermore, both Andersson, the middle manager in division 2, and Bengtsson, senior manager in division 2, refer to a speech which the CEO held quite recently:

> S/he [the CEO] told us at one point, as s/he was talking about innovation, that you need to be allowed to fail. If you do not fail, or if there is a fear of failure, then it will hold people back. It is good that someone from the top of the organization expresses that. (Andersson)

Andersson does not only think that the managers talk about failure but also the CEO encourages people to fail which s/he sees as something positive. Bengtsson also refers to the speech by the CEO:

> We actually have a new acting CEO, as I am sure you are aware of. When s/he presents to us, s/he tells us to dare, dare to fail and that it is okay as long as you learn from your mistakes. That is positive but to actually make it happen, well that takes continued work on many different levels. (Bengtsson)

Bengtsson mentions that the CEO encourages the employees to fail more and to dare to fail when working with innovation. This is more evidence of that failure is talked about in the organization. Bengtsson seems to see it as a positive thing, however, s/he also seems to think that more has to be done in order to implement this way of thinking in the organization.

The view that failure is frequently talked about is, however, not shared by everyone. Davidsson continues by talking about how failure is talked about in the organization:

> We do have conferences with the whole group where we share our projects and the results of them. However, it is not common that we discuss failure at those conferences, it is more about sharing the positive results. (Davidsson)

In Davidsson's division failure does not seem to be so frequently talked about, at least not on the conferences where they share experiences from their projects. Furthermore, Davidsson also explains how she talks about failure with his/her employees:

> I often feel like others might react more positively if you tell them that you are pausing it [the project] , that we are not ready right now, but there might be future solutions where we can bring it back. So that no one feels that they did it for nothing. It is more pedagogical, and leadership, to say that we do put the project on pause for now, and it feels better for the ones who have put down a lot of effort in it. (Davidsson)

Here it seems as Davidsson does not usually mention failure to his/her employees, instead s/he tells them that the project is on pause since s/he thinks it makes them feel better in regards to all the time and effort they have put into the project. This contradicts what Davidsson said earlier, where s/he thought that failure should be noticed and that the prize of "failure of the year" was handed out. This view is shared by Gustavsson, the senior manager in division 3, s/he says:

> I do not think that we use that notion [failure]. Instead we say "okay, we chose not to continue with this or we do not prioritize this".[...] It is probably rather that we do not prioritize a project and stop doing activities related to it, we do not lock it and throw away the key. (Gustavsson)

Gustavsson agrees that they do not mention failure, instead they say that they do not prioritize the projects. Furthermore, the view that failure is not talked about frequently seems to be shared by Bengtsson, the senior manager in division 2, on the question how s/he thinks failure is treated in the organization s/he says:

> I would say a bit too much with silence. When I created an innovation strategy … A clear element in that strategy was that we have to acknowledge failure. A cultural aspect to show that it is okay to fail and that you have to try to learn and move on instead of just wiping it under that carpet and forgetting it. But I wish we could do it in a more systematic way. (Bengtsson)

When Bengtsson elaborates on why s/he thinks the response to failure usually is with silence s/he says:

> I think, on one hand, it is an unwillingness to dig into old garbage, you rather move on. Then there is a fear that it all becomes a blame game. Like, "Damnit, we are going to expose Bengtsson because of that...", But there are not only bad things coming out of it. It could be one of those cultural things… Swedish culture regarding failure. (Bengtsson)

The view on how the managers perceive how failure is talked about is also different, some think it is frequently talked about by managers and a natural part of their work and others think that they do not talk about it. Some also think that it needs to be talked about more but that there is an unwillingness to talk about it.

4.5 Processes and routines

The interviewees were asked if they, while working with innovation, worked with processes and routines. Once again the answers differed, and opinions regarding to what extent it is necessary was expressed. Johansson, the middle manager in division 2, states: *We work after a routine which is in our spine but all projects are a bit different* (Johansson). The statement indicates that they do have routines, however is it dependent on which project it is. Addressing the same question, Bengtsson, the senior manager in division 2, says:

> No, not enough. We are just about to finish a strategy project where we more carefully will define what has to be true before we start a project, such as more gates to go through. We will need more. We will need to be more process driven and have a framework in place, in order to make the right priority and reach the growth we are aiming at. (Bengtsson)

Bengtsson wants more processes and routines, and thinks that it is not enough as it is today. S/he thinks more gates and frameworks will enable a better foundation for what projects to start and prioritize. Bengtsson continues: *The others have more stringent processes and decision points for their projects [than our division]* (Bengtsson). With this statement Bengtsson indicates that other divisions have more rules regarding their projects, something Bengtsson wants for his/her own division. It indicates that the divisions, to some extent, have their own frames to work according to. Eriksson, the executive of division 3, continues on the same track as Bengtsson:

> We try to create routines and processes, in order to create a more robust organization, working systemically with innovation.[...] There are still a few key individuals that are of great importance to succeed with innovation. However, we try to create an inner organizational machinery to drive innovation. (Eriksson)

Eriksson also indicates that they try to create more routines in order to build a more robust organization. However s/he sees a few individuals as key-players in order for them to succeed with innovation. There are others in the organization that are a bit more critical towards processes and routines compared to Bengtsson and Eriksson. Andersson, the middle manager in division 3, says:

> My opinion is that there is a tendency when you are doing things within a big company,that it has to be explained right and left, how it should be done, should be controlled and what

> reports we have to write. I think it can inhibit innovation sometimes. Because a person who tries to think outside the box, typically does not like to be controlled in that way. I do not think that an innovator is an administrator, it is rather a person who bursts ideas and tries things out. (Andersson)

Andersson takes a critical stance towards routines when it comes to innovation. S/he questions the relation between being told what to do and being innovative. One who comes up with new solutions might not like to be controlled. Andersson explains that it might inhibit innovation. Andersson continues:

> I am a bit allergic to when someone says "you have to write reports and process maps and so on", I start itching, it is not really my thing. But I do have a role as a manager so I do understand that there has to be a certain structure and you have to share information and you have to communicate internally and externally. So I guess you have to balance, because if you are too administrative and are to explain everything in process maps then you are not an innovator or an entrepreneur. (Andersson)

Yet again, Andersson takes a critical stance towards routines, however, this time s/he emphasizes that a certain structure is needed. Andersson expresses that there is a need for communication and structure and referring to his/her own seniority as a manager, s/he sees the bigger picture. Andersson continues to elaborate that a certain balance is needed, indicating that this matter is not black or white. Another manager, Eriksson, elaborates on the topic as follows: *We do not have that systematic approach that I can say that we approach it the same way all the time or have a plan B. It is case by case* (Eriksson). The statement indicates that there does not seem to be routines which apply for all projects but that it is different for every project. Building further on Andersson's balance expressed earlier, sometimes more routines are needed, sometimes less. Gustavsson, the senior manager in division 3, expresses his/her thoughts:

> It is not a very strict set of rules. It is not extremely controlled by the toll-gate structure, and the reason for that I believe is that projects differ a lot ... We try not to build structures that consist of " fill in this form now we have reached this check-point". (Gustavsson)

Gustavsson also talks about how the projects vary a lot, arguing that is one of the reasons there are no strict set of rules. Gustavsson states that they try not to build structure, which is the complete

opposite to Eriksson's previous statement. In this part of the analysis, as stated in the beginning, the answers vary depending on who you ask. Some want more processes and routine and others want less, and Andersson argues that a balance between these are needed.

4.6 Subjectivity from the top

How decisions on innovation projects are taken seems to some extent have to do with the top-management's approach to the projects. Andersson, the middle manager in division 2, expresses what s/he think is necessary:

> It is at that time you need people in charge of the development process that are not emotionally attached to the projects, and have an objective point of view, and dares to take the decisions necessary. (Andersson)

Andersson argues that the ones in charge need to adapt an objective approach to development projects, not being emotionally attached. Gustavsson, the senior manager in division 3, continues:

> Let me put it this way. You might have heard about it before. We have an idea, and it gets top priority. As in many other organizations the priority depends on the absolute quality, but it does also depend on who is in charge … To prioritize projects is not a completely objective process. (Gustavsson)

Gustavsson indicates that the priorities of projects do to some extent depend on an objective evaluation of quality, but it also depends on who is in charge, making it subjective. An example of a project that caught special attention from top management is the following example brought up by Carlsson, the middle manager in division 2:

> He [the previous CEO] was very curious, which led him to wanting to drink his beer at the next European Football Championship from this bottle. It led us to the development of such a solution, in cooperation with [company name] and [company name]. We are not there yet, but the project exists because of his vision, and that has led the priority of funding and resources towards that project. (Carlsson)

The examples indicate how a genuine interest from someone in the top management started off a project. The story itself does not determine whether the project has or will become a success, it does however show that processes are not strictly run by objective processes, but also subjective opinions. Another similar example was portrayed by Eriksson:

> I was in the top management team during that time, and there was also a very engaged business manager who felt the same [...] It was his pet-project, and it was of importance to get the organization to dare and take on the risk and insecurity. It started with [person 1], owner of [company 1] and [person 2] from [company 2], standing up during a dinner and saying "YES, this is what we are about to do, together." It all led to both organizations putting their effort in and going through with it, together. (Eriksson)

This example once again shows how leaders have their pet-projects that they want to protect and run based on personal interest rather than rational objectivity from the organization. All in all, this section of the analysis indicates that decisions on what projects to prioritize might be affected by subjective opinions from the top.

4.7 To cancel projects

What was discovered when having the interviews was that many of the managers brought up that they think they have a tendency to run projects too far instead of abandoning or pausing them. Hansson, the senior manager in division 2, says: *I think that some [people] want to run it [the projects] a little far and maybe do not realize why we are doing this* (Hansson). Carlsson, also a middle manager in division 2, shares the same view as Hansson and says: *It is better to fail fast than to wrestle with something that does not have potential* (Carlsson). Both Hansson and Carlsson share the view that some projects might be run too far. Carlsson elaborates: *Sometimes it is not a bad thing to fail ... so you do not invest a lot of time, a failure can be the cheapest you have done* (Carlsson). Carlsson points out that if they fail, in other words cancel the projects earlier, it can lead to saving money. Bengtsson, a senior manager in division 2, agrees on that many projects are run too far, s/he says:

> We need tighter tollgates. In this organization there is a tendency that projects just go on and on. "It will get better, it will get better next year…" No one wants to or dares to pull out the plug… There are too few projects that are cancelled, no I am not talking about personal failures but more about mediocre projects that never deliver. It is better to close and invest in better things. (Bengtsson)

Hansson shares this view:

> One could say that failure, when one sees that it is going in that direction we might give it too much time and energy instead of accepting that "yes that was a failure, let us move on and focus on where we can actually make a difference". It is easy that all resources are used to extinguish fires or where it is a problem rather than to boost what is going well, and resources are usually something that are limited. (Hansson)

Both Hansson and Bengtsson see the advantages of closing projects that are not going well in order to put all resources and efforts on the projects that are more likely to succeed. Bengtsson talks about how no one wants to be the one actually doing it. Hansson thinks that when running projects too far and not accepting failure it leads to that they use resources on something that will not work instead of using them on things which are going well and can get even better. Bengtsson continues by explaining why s/he thinks that the projects are run too far:

> It is a hard psychological question, for me at least. I have been trying to explain this for a long time, and it is that partly there is a project leader bias, you become a bit religious if you have had the opportunity to come up with an idea, start a project and lead it. You do not want to give up the thought that it shall succeed and the sunshine gets postponed all the time "it will be better next year..". (Bengtsson)

Bengtsson includes a psychological perspective, where s/he feels that people, who come up with ideas, have a hard time giving up on them because they become attached and have a hard time seeing their projects objectively. Andersson, a middle manager in division 2, continues on the same track as Bengtsson:

> I think it has to do with that if a person works with something for a two-year period, exclusively it becomes one's baby. You nurture it and it is your whole existence in your profession. You identify with it and it more or less becomes you. It is hard to keep the objectivity when someone comes and says "Hey you, do you really believe in this? Now you have worked with this for two years and I feel like it has had its chance". Spontaneously it [the answer] is not: "Yes, you are right, let's skip this". It probably also has to do with that people do not want to fail. (Andersson)

Andersson does also mention the psychological perspective, by saying that the projects become "one's baby" and "one's whole existence in the profession". S/he seems to point at a strong attachment to one's project and that people therefore have a hard time separating from it. Moreover,

Andersson, again, mentions the fact that people do not want to fail and that it is also a reason for projects being run too far.

Additionally, Gustavsson, the senior manager in division 3, also points out the psychological aspect of not continuing with projects:

> And it requires to be a bit more brave when it comes to technology, "Well, this will never work". It is extremely hard to do for the one having the idea [...] If you then say "I do not think it works, let's not do it" but sometimes that is maybe what one should need to do sometimes, but one understands that it is hard of course. (Gustavsson)

Here Gustavsson also stresses the fact that the one coming up with the idea will rarely be the one who says that the project will not work out and that it is also hard for people to say that to the person having the idea. However, s/he seems to think that, that is what actually needs to be done. This view is shared by Carlsson who tells about a situation where him-/herself encountered this type of situation:

> Once I said to the CEO at that time, we were doing a project where we did not make it all the way. I said that I am not sure I will be the one seeing if it is right, in other words when to stop. I will keep going and the team will keep going and then we will have to help each other when we do not believe in it anymore. It is easily that you refuse to give up and you have to see when it is the right time … It is important to have people by your side who can be the devil's advocate. (Carlsson)

Carlsson also talks about how it is easy to refuse to give up since you really want to succeed with the project and shows that s/he has encountered this him-/herself. Ivarsson, on executive level in division 2, confirms the sense that it might be hard to cancel projects, s/he says: *It depends on what project it is and how far it has come. Of course, the more you have invested the more it hurts* (Ivarsson). This, again, brings in a financial perspective and states that the more they have invested in projects, the harder it might be to cancel them.

However, some of the managers have the opinion that sometimes they give up on projects too early. Davidsson, a senior manager in division 1, talks about the importance of not giving up too fast:

> This is a strategically important project, we believe in it in the future. A risk is that we miss out on innovative products that do not have big volumes in the beginning. You have to be watchful to not down prioritize innovative ideas just because you do not see the volumes from the beginning. (Davidsson)

Davidsson mentions the risk of giving up too fast on projects if you do not see the volumes right away. According to Davidsson some projects are strategic and it is important not to miss out on those since they can have a lot of positive outcomes for the future. Carlsson has a somewhat similar view on the innovation projects:

> Another challenge is that you can kill innovation by having too high requirements too soon or as soon as you confront a problem you think that it will not work. You kill things too fast because you think you encounter too many problems. (Carlsson)

Carlsson talks about the risk of giving up on projects too soon because you encounter too many problems and therefore give up too fast instead of continuing to fight. However, Carlsson did also mention earlier that sometimes failing can be the cheapest thing to do since you do not invest time and money in something that will not work and that him-/herself have had previous problems of knowing when to give up on projects and maybe going too far. Lastly, Gustavsson has the opinion that they are good at closing projects in time, even though he mentioned earlier that he thinks it can be hard to know when to close a project. S/he says:

> I think that we are usually quite good at saying to ourselves "it was good that we closed this, it was good that we had the energy and power to say no, despite all we have invested we did not continue, we will close this". (Gustavsson)

Lastly, this chapter shows that there are different views on how far the projects are run. Some think innovation projects are run too far and that they should be closed at an earlier stage in order to be able to spend resources on projects that are going well. However, at the same time some say that they sometimes give up innovation projects too early and that there is a danger that you might lose some good projects just because they are not going well in the beginning. Lastly, one interviewee thinks that they are good at closing projects at the right time.

4.8 Chapter summary

The analysis has shown several interesting findings. Firstly, the managers' definitions of what failure actually is differ. Some managers define failure based on financial results, whether the product delivers on the market or not. Other managers define failure based on time aspects and the pre-set goals along the way. There are also managers who base their view on failure in regards to if they have learned anything during the process. Secondly, most of the managers are not afraid of failure. However, failure is something they want to avoid. In extension, there is a common picture of an forgiving organization in regards to failure, and the managers feel that they have the organization's trust. Thirdly, some managers want innovation projects to fail more as the lost attempts can still create new ideas, while others want to fail less as failure is seen as a financial loss.

The general talk about failure also varies, as they look upon how the organization handles failure differently. Some of the managers want to highlight failure and talk about it more, seeing it as an opportunity for learning. While others experience the talk about failure as neglected and not prioritized. Nevertheless, there is a common understanding that talking about it more would be beneficial. Furthermore, the views on processes and routines are also different. There are managers who think they have a lot of processes and routines, and there are others who think there are not enough. Some of the managers mentioned that too many processes and routines could inhibit innovation and that a balance is needed. Other managers mention that more processes are needed, as organizing the innovation processes more is crucial for such a big organization. What is of interest, despite the objective processes and routines, is that there is subjectivity from the top regarding what projects to prioritize. Some managers argue that there are pet-projects initiated from the top that get more priority than others based on who came up with the idea.

Lastly, the view on how far projects are run before they eventually are shut down, once again, differ. Some managers argue that they are run too far and therefore become too costly. Others think that projects are canceled too early, not finding out what might have been achieved. It is also expressed that there might be other learnings within canceled projects that can be beneficial for future innovation projects.

5. Discussion

Just as the definitions of failure within innovation varies in the literature, the definition of failure within innovation also differs among the interviewed managers at Buxus. In the failure within innovation literature, failure is everything from abandoning innovation projects, not meeting goals, not creating a viable product, not learning anything, to some seeing failure as a natural part of the innovation process (See Table 1). Within Buxus the different definitions of failure include not meeting the goals, not being profitable, not learning and abandoning projects. Furthermore, the views on if there should be more or less failure within the organization also differ. There are also different views on if failure within innovation is talked about or not.

There does not really seem to be a general fear of failure at Buxus, however, there seems to be an unwillingness to fail since no one wants to fail, in other words, a performance culture. This could be explained by Holt (1966), who means that we learn what is socially wrong and then try to avoid it. Furthermore, the fact that the definitions of failure differ and are personal goes hand in hand with what Al-Ahmad et al. (2009) argue, that failures are subjective judgements. The reason there are many different views on failure within innovation can also be explained by the fact that the managers have a hard time defining it. For example, one of the managers had a hard time answering the question and said s/he did not think that they had any definition. It came out from the interviews that no one gets punished from failure, at the same time, there is little talk about failure, it seems to gain little attention in the organization. This corresponds with what Cannon and Edmondson (2005) argue, that even if there is a forgiving culture the managers can have a hard time defining failure since it is not given any attention.

With the views of failure in mind, some managers seem to look upon failure within innovation projects as a failed process, while others see the failures as a failed product. The contrast between process and product is also discussed by Cook and Brown (1999), as they argue that knowledge can be seen the same way, depending on what epistemology one might have. The analysis points out that some of the interviewees see failure within innovation as the outcomes of the project such as if it is launched, if it is profitable, if it adds value to the customer etcetera. For example

Andersson sees an innovation project as a failure if it does not become profitable, Hansson sees a project as a failure when it does not meet the objectives, thus both of these managers focus on the product of the innovation project. This can be seen as these managers have a view of innovation as a product, as the end result is what matters and other outcomes such as how they get there is not as important as the product. However, some interviewees could be argued to see failure within innovation as something positive since they argue that they learn from it, and these could be argued to have a view of the innovation projects as a process since it is not only the final product that decides if it is a success or a failure. Examples of this are Fredriksson, Eriksson and Davidsson who stressed the importance of learning within innovation projects and that an innovation project where the end product did not become successful can still be a successful project if there are learning outcomes.

In extension to the view of failure and innovation, culture also plays a role in the perception of failure within innovation. Several managers mention that they have support from their managers and that they are not afraid of failing, which indicates a forgiving culture at Buxus. Consequently, there does not seem to be a culture of fear of failure. However, almost all of the managers mention that they do not want to fail. Since this is coherent it might indicate a culture of an unwillingness to fail instead, since the managers share the same values of failure (Alvesson & Sveningsson, 2016). Furthermore, some managers mention that both managers in the organization and the CEO talk about a culture where they should not be afraid to fail, meaning to take more risks. However, since no one wants to fail, it seems as the performance culture outruns the non-fear of failure. In contrast, some interviews reveal that there does not seem to be an overall talk about failure within the organization. If failure is not talked about, it might then inhibit common norms and values (Alvesson & Sveningsson, 2016) of failure and instead it creates space for individual interpretations and perceptions.

From another point of view, one could argue that the definitions of failure, inconsistency of fear and the differentiating approaches towards failure is founded in subcultures being different at different divisions. Johansson expressed his/her thoughts that the fear of failure and approach differs between departments. Subcultures can bring both good synergies as well as negative clashes forsaking the efficiency of the business (Daft et al., 2017). Furthermore, we can see, especially in

division 2, where we have the most interviewees within, that there are some similarities in the answers, these could be coincidences but they could also be explained by that division 2 has a subculture. However, for the other divisions we do not have enough interviewees to identify any subcultures.

As mentioned earlier, one could argue that the organizational culture is forgiving, trying to signal that failure is acceptable. Despite the lack of fear of failure, and the forgiving culture, several of the interviewees look upon failure as something they want to avoid. One could argue, with the definition of knowledge-intensive workers in mind, that the interviewees from Buxus are knowledge-intensive workers due to their intellectual, creative and non-routine work as highly educated managers in an innovative business (Hislop, 2013), and that the identity they formed sees a pride in avoiding failure. Thus, it can be seen as the identities are strong and this might influence the culture. The identity of the managers at Buxus also helps them to make sense of themselves and how they are seen by others (Alvesson, 2004; Weick, 1995). However, the identities seem to differ between the managers, as their answers indicate differences in how they make sense of themselves (Alvesson, 2004). Because of this it can be seen as the managers construct the meaning of failure of innovation depending on how they think it affects their identity.

Furthermore, when the managers were asked if they have processes and routines when working with innovation, once again, the answers differed. Many of the managers said that they had a lot or needed more processes. However, even though many of the managers seem to say that they do have a lot of processes and routines when working with innovation, these routines and processes do not seem to always be followed. What came out from the interviews was that people usually are attached to their ideas and that they have a hard time giving up on them at the same time as no one else wants to be the "bad guy" and cancel a project that someone else has worked hard for and still believes in. Furthermore, the innovation projects which top management emotionally support are usually prioritized. This could indicate three things, either the managers do not always follow the processes that exist, the processes give room for a lot of interpretation and individual judgement or that they do not actually have a lot of processes and routines. If they ignore the processes at Buxus it could be explained by the culture, that is accepted to do so and that it is okay to step aside from the processes since it has become a norm (Daft et al. 2017). As the identities differ, their

judgement can differ as well, creating inconsistent judgements of the projects (Alvesson, 2004). The process giving room for interpretations is supported by Alvesson and Kärreman (2004) who discovered that it is common that individuals are usually expected to and comfortable with using their own judgement even though procedures exist.

From the discussion and analysis this far, some phenomena can be identified. Firstly, the managers definitions and perceptions of failure within innovation vary, at the same time there is no fear of failure but there is an unwillingness to fail within the organization. Within these different views on failure two perspectives can be identified, the managers who view innovation projects as a process and the ones who view it as a product. The deviation of these perceptions could be explained by the organization's culture and the managers' identity. Furthermore, it seems like, in many cases processes and routines are not followed, do not exist or give room for individual judgement and subjectivity.

As mentioned in the analysis, some of the managers seem to perceive that some innovation projects are being run too far and others seem to think they are canceled too soon and a few think that they are cancelled in time. What is discussed above could then explain why some managers think the projects are run too far or closed too soon. The managers who view the projects as a process could be argued to think that some projects are cancelled too soon since they see the process as more valuable since it enables learning. For example, this is confirmed by the case with Davidsson where s/he views innovation as a process where s/he sees trials as a natural part of the process and learning as important, Davidsson also thinks that projects should not be cancelled too soon since they can still generate knowledge for future innovation projects. On the other side, the ones who think that projects are run too far could be the ones who view innovation projects as a product since if the product does not seem to become successful there is little relevance to continuing the project. This can be confirmed by Hansson and Johansson for example, who view innovation as a product since they see not meeting the objectives that are set up as a failure and they also think many innovation projects are being run further than they should.

If there are a lot of individual judgements and subjectivity within the view of failure of the managers it might also affect decision-making of closing or continuing a project. Furthermore,

how far a project is to be run could be based on the managers' view on failure. Since the managers have power to make decisions and since the processes and routines seem to not be followed it is likely that the decisions are based on subjectivity. In return it is based on if they view innovation projects as a product or as a process, which relates to Cook and Brown (1999) who view knowledge as a product or a process . This is supported by March (1994) who argue that how individuals perceive success and failure determines how they view risk, which is what they base their decisions on. For example, it could be explained as the ones who see innovation as a process and not merely a product may be the ones running the projects further since they see benefits with learning from the project even though they encounter problems and see that the project might not be launched. The ones cancelling the projects at an earlier stage might then be the ones who see innovation as a product since if they see that the end product will not be successful they cancel it straight away.

6. Conclusion

6.1 Empirical Findings

Following we will answer the first research question of how failures are defined and understood. Failures are defined and understood differently depending on who you ask among the managers at Buxus, just as in the literature the definition varies (Table 1). The answers tend to have either a product focus, defining failure as products not meeting demands, or a process focus, defining failure as an ongoing process where lessons are learned, where the perspectives are borrowed from the Knowledge literature (Cook & Brown, 1999). The understandings of failure are subjective rather than objective, as there is no general definition within the organization. Furthermore, the view on failure differs from being wanted, not being wanted to being feared. The lack of fear of failure and the unwillingness to fail is affected by the individuals' identity and culture. The identity among the managers at Buxus indicates a knowledge-intensive worker who is not afraid of expressing one's opinions. The culture experienced among the managers seems to unite the norms and values regarding a forgiving approach from the managers. However, the managers could have an unwillingness to fail because the norms of the culture are that one should not fail which in return might be influenced by their proud identities as knowledge intensive workers. In extension, the individual identities seem, to some extent, override the common norms and values of the culture, creating different assumptions in regards to how to approach failures. To summarize, failures are defined and understood differently, affected by identity and culture.

In this part of the Empirical Findings section, our second research question, how the managers', of Buxus, view on failure influence their perception on innovation projects will be answered. According to our study, the managers at Buxus have different perceptions and views on failure. As stated earlier in the conclusion they both define and understand failure differently. This is of relevance to study since managers' view on failure reveals if they view innovation projects as a process or a product which in return affects how they perceive the innovation projects.

The managers' view on failure differs, and so does the managers' perception of innovation projects. The managers agree that there are a vast amount of processes and routines that are implemented in order to guide and form the innovation projects through toll-gates, tests and evaluations to create an objective foundation on how and if projects should proceed. However, the fact that processes and routines are stepped aside or give room for individual judgements, which is common according to Alvesson and Kärreman (2004) at the same time as there are different views on failure, creates subjective views on how to handle the innovation projects.

Additionally, some managers think the innovation projects are run too far, at the same time as others think they are closed too soon. Managers who see innovation projects as a process can argue that the projects are cancelled too soon, as a process could contribute to gaining new knowledge. Managers who see innovation projects as a product can argue that the projects are run too far, as there are indications throughout the process that show whether the product will succeed on the market or not. The different conceptualizations of what innovation projects are seems to create inconsequent decisions despite the routines and processes set up by the organization. In extension, the managers express that there seems to be a certain amount of subjectivity from the top managers as their personal interest has the possibility to surpass objective routines that are institutionalized. The subjectivity can furthermore lead to inconsistent decision-making.

To conclude, managers' view on failure differs. The view on innovation as a process or a product influences the assumptions that some projects are run too far, others cancelled too soon. The different opinions regarding failure creates subjective opinions among the managers who make decisions, on how to tackle the decision-making within innovation projects. To some extent this subjectivity takes away the basic idea of the processes and routines implemented from the beginning, which is to create a common evaluation ground to base decisions upon. The managers' different views on failure influence their perception of innovation projects. This in combination with that processes and routines are bypassed or gives room for interpretation, creates subjective decision-making when deciding what innovation projects to continue with and when to cancel them, which can explain why there are different views on how far projects should be run.

6.2 Theoretical contribution

The theoretical contribution aims to fill the research gap presented in the introduction. Our research gap addresses that there is research on failures within innovation (see Table 1), however, there are few qualitative studies on the topic, there is little research on individuals' perception of failure within innovation and there is lacking research on how individuals' view of failure can influence the perception of innovation projects. We chose to interview managers as they have authority to make decisions. Furthermore, we find it important to understand how individual subjectivity might influence organizational decisions as organizations consist of individuals. It is also interesting and can be important for organizations to understand why certain innovation projects are prioritized in comparison to others.

Our theoretical contribution for this thesis is that we have extended the notions from the knowledge literature, knowledge as a process and knowledge as a product (Cook & Brown, 1999), to the innovation literature. These two perspectives are identified based on individuals' view on failure, in terms of what they focus on when they define failure. When an individual views failure as the end product for the project not being successful, the individual views innovation projects as a product. Furthermore, when an individual views failure as one does not learn for future projects, the individual sees an innovation project as a process. The different views on failure can differ due to that culture and identities, and therefore they become subjective. Furthermore, if formal processes and structures are overlooked due to various reasons the perspective which the individual has partly decides how an individual views if a project is run too far or if it is cancelled too soon, and partly it sets a base for decision-making. Individuals who see innovation as a process might have a tendency to drive projects further as they emphasize learning, which means that even if the end product might not be viable they might have positive outcomes such as learning which make up for the unsuccessful product. On the other hand, individuals who view innovation projects as a product might abandon the projects earlier as they realize it will not be viable on the market and do not think it is not worth the time and resources.

To conclude, the study shows that managers' view on failure is defined and understood differently. The managers either see innovation projects as a product, meaning that they focus on the end

product of the project. On the other side managers see innovation projects as a process, meaning that they value the process and outcomes such as learning even if the end product does not become successful. The different views can be explained by the organizational culture and the manager's identities. Lastly, managers' view on failure influences their perception of innovation projects, increasing the subjectivity in decision-making when it comes to deciding to abandon innovation projects or not.

	Innovation as process	Innovation as product
Definition	Seeing the process of the innovation project, such as learning as most crucial	Seeing the end product of the project as most relevant
View on innovation project	Tendency to drive innovation projects further	Tendency to abandon innovation projects at an earlier stage

Table 3, *Views on innovation.*

6.3 Limitations

Based on our discussion and conclusion of this thesis, we have identified some limitations. Earlier in the method chapter some limitations were elaborated, and now limitations that are closer linked to the findings will be presented. The study is conducted during a part of a master's program at Lund University, making the time aspect a limiting factor. Furthermore, Buxus is a large organization, making it hard to interview managers from all divisions, creating a picture that aligns with all different views that exists. The limited number of interviews, due to the time aspect as well as the organization's size, enables the possibility of missing out on other interesting patterns that might influence our findings. There is also a possibility that aspects of culture and identity would have been experienced differently if the collection of the empirical material was possible to gather onsite instead of online, however, that was not a possibility in this case due to COVID-19 pandemic and the restrictions of working from home. Furthermore, the fact that the study is qualitative puts emphasis on how the managers perceive their surroundings, however, it can be harder to observe patterns, such as if there is a strong correlation with the ones viewing innovation

projects as a product and driving them further and the ones viewing the projects as a product and abandoning the projects earlier.

Additionally, limitations regarding this study could be related to the existing literature. As mentioned earlier the existing literature on the definition of failure varies. This could both be seen as a limitation as it makes it harder to grasp as a subject. However, it could also be argued to be beneficial to us as it shows the complexity that enable subjective perceptions as well as subjective evaluations regarding how to handle ongoing innovation projects.

6.4 Practical Implications

When looking at how failure within innovation is viewed and how that in turn influences perceptions of innovation projects we want to clarify the practical implications there might be related to our study. The fact that how far innovation projects are to be run and which of the projects that are prioritized varies and is based on subjectivity, is not stated to be negative nor positive in this thesis. Some research emphasizes the importance of not having too many processes and routines as it inhibits innovation (Tushman & O'Reilly, 2002) at the same time big organizations have a tendency of having processes and routines in order to coordinate complex work (Tushman, O'Reilly, 1996). However, we do imply that it might be important to be aware that subjectivity exists and how it affects the projects, in order to know why certain projects make it and some do not. Furthermore, it might be relevant for the organization to be aware that there is relatively little fear of failure within the organization, instead there is unwillingness to fail, this could be of importance in order for the organization to communicate more effectively. Furthermore, the fact that failure within innovation is subjective might not be surprizing to some extent since it is about humans who are subjective creatures. It is hard to make a process or routine objective, there is always room for individual interpretations. However, what might be surprising is to what extent the subjectivity and deviations exists within the same culture.

6.5 Future research

During the process of conducting this study, several other interesting future research possibilities have been noticed. The focus in this thesis was put on managers within an organization. What

would have been interesting to look closer upon is how individuals on other levels of the organization view failure, and what implications that might have on the work with the innovation projects. Furthermore, in line with the concept of subjectivity within innovation, the concept of psychological ownership would be of interest, as it might influence the connection individuals have with ideas that themselves have come up with or worked with for a long time. Rouse (2013) has conducted research on how psychological ownership relates to innovation, and further research on how the ownership affects decision-making and the view of failure would be of interest.

Further would it be interesting to dig deeper into specific innovation projects in the organization, finding out how different individuals make sense of one particular project. It would enable a further understanding of how different individuals perceive the same events taking place, and explore possible contradictions in perceptions. A study of that character would enable a deeper understanding of individuals' perceptions, possibly giving thoughtful findings on how individuals motivate their decisions based on their understanding.

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8. Appendix

Interview layout

Personal intro, background

Tell me a little bit about yourself,

How old are you? How long have you been working here?

Why did you start working here?

What position do you have today?

Innovation

What is innovation? How do you define it?

How do you work with innovation?

Are there organizational routines / processes for how you work with innovation?

What challenges do you usually face in innovation projects?

How do you usually deal with challenges?

Do you share lessons learned with each other? How and to whom?

Can you give an example of a successful project, for you?

Can you give an example of a failed project, for you?

Failures

How do you define failure / what is a failure?

How do you usually deal with failures?

How do you think the organization responds to failures?

Do you work to prevent failure? How?

Do you think the organization works to prevent failure? How?

Are you afraid of failure?

How do you avoid making the same mistake again?

Final questions

Anything else you would like to address regarding the topics we discussed?

Is there anything you think we missed to ask you that we could ask in future interviews?

Are you innovative? Why / why not?