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A configurational analysis of vertical and horizontal coordination mechanisms to sustain value appropriation from innovation

Giulia Solinas
University of Liverpool
School of Management
gsolinas@liverpool.ac.uk

Abstract

The paper investigates how value appropriation from innovation derives from different constellations of horizontal and vertical coordination mechanisms. We build on innovation literature and organizational economics and use a fuzzy set theoretical methodology on a sample of 20 firms. We demonstrate how different combinations of centralization of decision-making, cross-functional involvement and codification of information lead to high odds of obtaining grants on patents. Moreover, we provide an analysis on the 'chemistry of elements' that induces the occurrence of low odds of granted patents. Our most insightful finding is that we might observe value appropriation from innovation because of a heterogeneous bundle of vertical and horizontal mechanisms; thus, we might observe equifinality in the causal patterns. Our findings contribute to bridging the complementary research streams on micro practices to appropriate value from innovation with the fast growing literature on R&D organizational structure.