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“How Corporate Nudges Affect Employee Innovation and Idea Development: 
A Microfoundation Approach”

Abstract

When (top) managers communicate strategic plans or goals they explicate the strategic direction of a firm and provide employees with behavioral guidelines. Previous research has suggested that such strategic communications are most effective in terms of behavioral and performance outcomes if they appeal to the normative motivations of employees i.e., motivations of being of service to the organization. We expand existing research on the topic by drawing attention to the implicit social norms that strategic communications may entail and how top managers can actively incorporate implicit social norms in their strategic communications to promote innovation (we refer to the latter as: corporate nudging). We theorize that implicit social norms can result in positive and negative behavioral outcomes and affect innovation in complex ways. Our study builds on a multi-method design that consist out of two parts. In this first part we report the results of a natural field experiment on corporate nudging and employee ideation and innovation. In this natural field experiment we activate the normative orientations of employees by changing the cognitive processes that employees use to interpret managerial communications and we gauge its effect on ideation and innovation. In the second part, we conduct in-depth interviews to understand how implicit social norms affect motivations and lead to different type of innovation outcomes.