

Organizing for radical innovation: Does innovation-mindset fit matter for firm value?

Radical product innovation has been characterized as an engine of economic growth, as it can create entirely new industries. Yet extant research has paid limited attention to how firms focused on producing radical innovations strategically manage their human capital. Specifically, while organizational mindsets (i.e., whether a firm is perceived to view talent as fixed or malleable) have been shown to predict creativity and innovation in organizations by shaping organizational culture and learning, their fit with the distinct human capital requirements of firms pursuing radical innovation remains unexamined. This research examines the effect of different configurations of innovation type (radical vs incremental) and organizational mindset (growth vs fixed) on firm value; the influence of boundary conditions such as market turbulence, market orientation, and product-market fluidity is also investigated. In doing so, our research contributes to the nascent literature on Marketing-HR interface, and informs marketing and HR practitioners on the optimal innovation-mindset configuration that maximize firm value.