

Underground Innovation: How to Encourage Bootlegging Employees to Disclose Their Good Ideas

Kamal Sakhdari and Erfan Jalali Bidakhavidi

“ *Hidden talent counts for nothing.* ”

Nero (37 AD – 68 AD)
Roman Emperor

Employees are increasingly considered as the origin of many corporate entrepreneurial ideas. Research on “bootlegging” posits that individuals often resort to hidden activities to elaborate their initial ideas and bring them to fruition. The origins and causes of bootlegging behaviour are well argued in the literature. Yet, less is known about what drives bootleggers to uncover their hidden ideas. This research uses field data from in-depth interviews with innovators in R&D departments in different industries of Iran to identify factors stimulating bootleggers to reveal their underground ideas. We identified five groups of factors at individual, managerial, firm, industrial, and idea levels, explaining the revealing stage of bootlegging behaviour. The findings provide a better understanding of the later phases of bootlegging behaviour and the possible role of context-specific factors such as cultural and religious beliefs.

Introduction

The corporate entrepreneurship and innovation literature has increasingly highlighted the role of individuals in stimulating entrepreneurial activities within established firms (Amabile, 1988; Kanter, 2000; Turner & Pennington III, 2015). In his seminal article, Burgelman (1983) posits that corporate entrepreneurship is mainly commenced with bottom-up, exploratory activities undertaken by employees at lower levels, in particular those operating at the exploratory departments in R&D units. Yet, where individuals encounter a lack of formal support for elaborating their ideas, they may resort to “underground” (Aram, 1973), “bootlegging” (Augsdorfer, 1996, 2012), or “creative deviance” (Mainemelis, 2010) behaviours. These terms, used interchangeably in this article and the literature (Criscuolo et al., 2013), refer to the process by which employees secretly work on ideas which are not formally supported by their organizations (Augsdorfer, 2005).

The literature on bootlegging has mostly investigated factors causing individuals to follow their underground ideas (Abetti, 1999; Augsdorfer, 2008, 1996, 2012; Glob-

ocnik & Salomo, 2015; Koch & Leitner, 2008; Masoudnia & Szwejczewski, 2012; Salomo & Mensel, 2001). Individuals tend to undertake bootlegging behaviour to reduce uncertainty associated with their ideas (Masoudnia & Szwejczewski, 2012), show the technological and market potential of their ideas (Criscuolo et al., 2013) and establish legitimacy for subsequent resource acquisition (Kannan-Narasimhan, 2014). Yet, there is less understanding of the reasons why bootleggers prefer to uncover their hidden ideas. This lack of attention is unfortunate, given that empirical evidence indicates that bootlegging activities and the subsequent internal pursuit of underground ideas can lead to innovative and entrepreneurial outputs for firms (Augsdorfer, 1996; Burgelman & Sayles, 1986; Criscuolo et al., 2013; Ryan, 2005). Moreover, prior studies have mostly examined such behaviour in developed contexts and said relatively little about how contextual factors may affect bootlegging activities.

This study addresses this gap by posing the question of why bootleggers choose to reveal their elaborated ideas. Data for this research comes from in-depth interviews with bootleggers working in R&D departments in