

ABSTRACT

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INTEGRATING SUSTAINABILITY INTO NEW PRODUCT DEVELOPMENT: THE ROLE OF ORGANIZATIONAL LEADERSHIP AND CULTURE IN INDONESIA

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While research on corporate sustainability continues to rise, we argue that critical organizational characteristics impact businesses' capacity to strategically integrate sustainability into the performance of new products. Using data from 343 product developers, this research analyzes the organizational elements that contribute to the instilling of a sustainability perspective in new products and their market success. We present a model in which organizational leadership (i.e., leadership practices, employee incentives, and a focus on patents) and culture (i.e., innovation culture) contribute to a sustainability orientation that leads in enhanced new product development outcomes. Our findings support our contention that sustainability-oriented firms are more likely to achieve improved market performance for new products because they benefit from an innovative organizational culture that is exposed to the global environment and is complemented by complementary leadership that provides focus and reward mechanisms for employees.

References: 57 (2000 – 2021)

Key Word: New product performance, Sustainability orientation, Firm culture, Firm strategy, New product development