

Appendix 2- Factor Analysis

Total Variance Explained

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Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	30.564	41.869	41.869	30.564	41.869	41.869
2	4.057	5.557	47.426	4.057	5.557	47.426
3	3.260	4.466	51.892	3.260	4.466	51.892
4	2.889	3.957	55.849	2.889	3.957	55.849
5	2.243	3.073	58.922	2.243	3.073	58.922
6	2.044	2.801	61.723	2.044	2.801	61.723
7	1.852	2.537	64.260	1.852	2.537	64.260
8	1.606	2.200	66.460	1.606	2.200	66.460
9	1.576	2.158	68.618	1.576	2.158	68.618
10	1.323	1.812	70.430	1.323	1.812	70.430
11	1.245	1.705	72.135	1.245	1.705	72.135
12	1.146	1.569	73.704	1.146	1.569	73.704
13	1.087	1.489	75.193	1.087	1.489	75.193
14	1.066	1.461	76.654	1.066	1.461	76.654
15	1.023	1.401	78.054	1.023	1.401	78.054
16	.971	1.329	79.384			
17	.941	1.289	80.672			
18	.889	1.217	81.890			
19	.857	1.174	83.063			
20	.758	1.038	84.101			
21	.736	1.008	85.109			
22	.692	.948	86.056			
23	.668	.915	86.971			
24	.583	.799	87.770			
25	.563	.771	88.541			
26	.555	.761	89.302			
27	.491	.672	89.974			
28	.479	.656	90.630			
29	.470	.644	91.275			
30	.431	.590	91.865			
31	.426	.584	92.449			
32	.391	.536	92.984			
33	.375	.514	93.499			
34	.359	.492	93.991			
35	.319	.437	94.428			
36	.295	.404	94.832			
37	.286	.392	95.224			
38	.270	.370	95.594			

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39	.261	.357	95.952		
40	.242	.331	96.283		
41	.231	.317	96.599		
42	.220	.301	96.900		
43	.194	.266	97.166		
44	.176	.241	97.407		
45	.174	.238	97.646		
46	.163	.224	97.870		
47	.151	.207	98.077		
48	.149	.204	98.281		
49	.139	.191	98.472		
50	.126	.173	98.645		
51	.121	.165	98.810		
52	.111	.152	98.963		
53	.093	.127	99.090		
54	.083	.113	99.204		
55	.079	.109	99.312		
56	.075	.102	99.415		
57	.067	.092	99.507		
58	.051	.069	99.576		
59	.048	.066	99.642		
60	.038	.052	99.695		
61	.035	.048	99.743		
62	.034	.047	99.790		
63	.030	.041	99.831		
64	.026	.035	99.866		
65	.021	.029	99.895		
66	.019	.026	99.921		
67	.015	.021	99.942		
68	.011	.015	99.957		
69	.010	.014	99.971		
70	.008	.010	99.982		
71	.007	.009	99.990		
72	.004	.006	99.996		
73	.003	.004	100.000		

Extraction Method: Principal Component Analysis.

Communalities

Communalities		
	Initial	Extraction
Our operations strategy is aligned with our innovation strategy	1.000	.818
Senior managers actively encourage change	1.000	.828
Senior managers implement a culture of innovation	1.000	.879
There is a high degree of unity of purpose throughout our organization	1.000	.759
We have eliminated barriers between departments	1.000	.777
Senior managers show a sense of urgency relating to opportunities for innovation	1.000	.841
We adopt an emergent (bottom up) strategy	1.000	.830
Entrepreneurship is widely supported at middle management level	1.000	.777
Our human resource plan is clearly focused on the recruitment of creative people	1.000	.793
Knowledge is freely shared in our organization	1.000	.802
We have an organization-wide people development process	1.000	.817
We have effective “top down” & “bottom up” communication processes	1.000	.788
Employee satisfaction is measured regularly	1.000	.793
Multi-tasking is actively used to build innovation capability	1.000	.753
Routine gathering of opinions from clients	1.000	.746
Explicit tracking of competitor tactics	1.000	.817
Forecasting sales, customer preferences	1.000	.745
Market research studies	1.000	.702
Trade magazines, government publications	1.000	.741
Gathering of information from suppliers	1.000	.824
Gathering of information through Strategic Intelligence	1.000	.764

Informal networks with other organizations	1.000	.830
Hired skilled employees	1.000	.697
Reverse engineering	1.000	.809
Independent R&D (in house or external)	1.000	.851
Networks with other organizations	1.000	.846
Lead customers	1.000	.765
Suppliers	1.000	.780
Board Members	1.000	.729
Our organization has aligned employee behaviours with stated organizational values	1.000	.692
Our strategic decisions are based on quantitative analysis of data	1.000	.775
Our major operating decisions are detailed in formal written reports	1.000	.800
Our major operating and strategic decisions are much more affected by industry experience	1.000	.707
Total Quality Management is embedded in our culture	1.000	.747
The 'learning organization' concept is practiced in our organization.	1.000	.770
Uses hiring procedures that focus on who will best 'fit in' with the organization's culture	1.000	.797
Promotes employees based on merit	1.000	.772
Regularly conducts formal performance appraisal of employees	1.000	.790
Rewards employees based on how well they perform their job	1.000	.849
Rewards employees based on how well their work group or team performs	1.000	.846
Our organization applies high standards of integrity	1.000	.750
Restructuring is part of our innovation philosophy	1.000	.706
The concept of the "internal customer" i.e. the next process down the line is well understood	1.000	.692
We have established collaborative partnerships	1.000	.786
We use re-engineering to achieve radical innovation in our processes	1.000	.778
We continuously obtain up-to-date market knowledge	1.000	.786

All employees strive to enhance customer value creation	1.000	.804
We place a strong emphasis on the marketing of tried products and/ or services	1.000	.744
We are normally the first organization to introduce new products/services in the market	1.000	.823
Our marketing and operations units work closely	1.000	.767
Increase operating efficiencies	1.000	.797
Develop new process innovations	1.000	.714
Customize products /services to fit customers' needs	1.000	.766
Develop customer loyalty	1.000	.795
Respond quickly to customer needs	1.000	.747
Produce a continuous stream of state-of-the-art products/services	1.000	.742
Is 'first to market' with new products/services	1.000	.816
Responds to early market signals concerning areas of opportunity	1.000	.728
Develop 'best in industry' products/services	1.000	.757
Produces products/services at a cost level lower than that of our competitors	1.000	.777
Champion (s) of change are effectively used at this site	1.000	.854
We reward our employees to adopt a continuous improvement philosophy	1.000	.828
Within our organization, individuals and work teams are assigned responsibility for knowledge management	1.000	.672
All employees are involved in learning programs	1.000	.810
We have suggestion/idea scheme in place	1.000	.658
Ensure that they have interesting work	1.000	.785
Ensure that they develop their skills	1.000	.824
Provide training for professional development	1.000	.856
Send them to workshops and conferences	1.000	.792
Our technology is efficiently aligned with the central business mission	1.000	.795
Technology is a key part of innovation capability	1.000	.824

We develop our core technology strategy based on 'competitive benchmarking' information	1.000	.836
We develop our technology in collaboration with leading organizations in the field	1.000	.724

Extraction Method: Principal Component Analysis.