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The New Innovators' Dilemma: Why Innovation Management Urgently Needs a Code of Ethics

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1 Problem

By its very nature, innovation management is concerned with shaping the future (Spanjol et al, 2024). Accordingly, research in this field is fundamentally an inquiry into how the future is created—by whom (organizations, networks, collaborations), for what purposes (solving global challenges, enhancing customer value, achieving market performance), and with what wider consequences (social, environmental, and beyond). This submission focuses on a growing and underexplored innovation management problem: the absence of a formalised ethical framework or professional code of ethics for innovation managers. While innovation management has become central to organisational strategy, technological development, and public policy, innovation practitioners routinely make decisions with profound societal consequences without the professional ethical guidance that exists in fields such as engineering, accounting, medicine, or project management.

The paper argues that innovation managers increasingly operate in environments characterised by uncertainty, asymmetrical information, accelerated technological development, and systemic societal risk. Contemporary developments in artificial intelligence, biotechnology, digital platforms, synthetic biology, and financial technologies demonstrate how innovation can generate significant societal harms when ethical governance is weak or absent. The submission therefore addresses the urgent need to institutionalise ethical responsibility within innovation management practice.

2 Current Understanding

Existing scholarship acknowledges the growing ethical complexity of innovation systems, particularly in relation to emerging technologies such as AI, CRISPR gene editing, and platform economies. Prior work has approached this issue through several overlapping traditions. First, the Precautionary Principle has been used primarily within environmental governance and technology regulation to justify restraint where scientific uncertainty and irreversible harm are possible (Majone, 2002)

Second, Responsible Innovation (RI) and Responsible Research and Innovation (RRI) frameworks have sought to embed anticipation, inclusion, reflexivity, and responsiveness into innovation systems (Stilgoe et al., 2013; von Schomberg, 2013). These approaches have gained traction in European policy environments but have struggled to diffuse into mainstream corporate innovation practice. Third, Anticipatory Ethics has emerged as a futures-oriented ethical framework that integrates ethical foresight into emerging technology development (Nanayakkara et al., 2020). This literature emphasises scenario planning, ethical forecasting, and proactive governance mechanisms.

Although these traditions provide important conceptual foundations, existing research remains fragmented. Ethics in innovation management is still underdeveloped theoretically and institutionally (Stahl, 2024). Current innovation management standards such as ISO56002 largely omit ethical governance considerations (Tidd, 2021). Furthermore, there remains no codified ethical framework specifically designed for innovation managers despite the increasing professionalisation of the field (Robbins & O'Connor, 2023).

Recent corporate and technological failures—including Theranos, FTX, opioid marketing practices, and debates surrounding AI safety—illustrate the consequences of innovation practices that are insufficiently constrained by ethical oversight.

3 Research Question

The submission seeks to address the following central research question:

Could a code of ethics for innovation management be operationalised in the practice of innovation in organisations?

And, if such a code of ethics was diffused and understood by professional innovation managers, would it have any influence on their decision making in borderline, ethically difficult decision making?

Supporting questions include:

How can existing ethical governance frameworks be synthesised into a practical model for innovation managers?

What principles should underpin a professional code of ethics for innovation management?

4 Research Design

To address our research questions, we propose a two-phase, mixed-methods study design. This approach will allow us to move beyond theoretical speculation and generate both qualitative insights and quantitative evidence on the practical role of ethics in innovation management.

Phase One: A Modified Delphi Study to Draft a Foundational Code

The first phase will involve a modified Delphi study, a well-established and systematic method for developing consensus among a group of experts. We will empanel a diverse group of senior innovation professionals from key organisations such as Innovation Island and the Irish Research and Development Group (IRDG), as well as prominent international associations like the Product Development & Management Association (PDMA) and InnoLead. This selection ensures a rich, geographically diverse sample of innovation leaders with deep, on-the-ground experience.

The Delphi process will unfold in several structured rounds:

Round 1: Initial Ideation. Participants will be asked to respond to a series of open-ended questions delivered via an online survey. The questions will prompt them to describe ethical dilemmas they have personally faced, identify recurring ethical tensions in the field, and propose principles they believe should govern the profession. This qualitative data will be analysed thematically by the research team to identify common ethical concerns and emerging principles.

Round 2: Aggregation & Synthesis. The research team will synthesize the key themes and proposed principles from Round 1 into a preliminary, draft code of ethics. This document will be carefully structured and circulated back to the entire panel for review and feedback. Participants will be asked to provide both qualitative comments on the clarity and comprehensiveness of the draft and quantitative ratings on each principle's importance and relevance.

Round 3: Consensus & Validation. The feedback from Round 2 will be used to refine the draft code. In this final round, participants will be asked to re-rate the revised principles, allowing us to measure the degree of consensus and identify any remaining areas of significant disagreement. The final output of this phase will be a provisional code of ethics, validated by a cross-section of the profession and ready for use in Phase Two.

Phase Two: An Experimental Behavioural Study

The second phase will employ a robust experimental design to test the causal impact of the codified ethics on attitudes and behaviour. We will recruit a new cohort of innovation professionals, ensuring no overlap with the Phase One Delphi panel to avoid any carryover effects or self-selection bias. Participants will be randomly assigned to one of two groups:

Group A (Treatment): This group will be provided with and asked to review the provisional code of ethics drafted in Phase One. They will be given sufficient time to absorb the document. If our study numbers allow, we will show some respondents different (carefully modified) versions of the code, some emphasising different elements or using more concise language. This variation would allow us to test more hypotheses.

Group B (Control): This group will receive an unrelated, innocuous document of similar length and complexity. We will select a document on a neutral topic, such as a short article on innovation process efficiency or a case study on project management, that does not contain ethical content.

Following their respective readings, both groups will be presented with a series of realistic, ethically ambiguous decision scenarios. These scenarios, informed by the insights from our Delphi study and a review of high-profile cases (e.g., Theranos, FTX), will be carefully designed to present a clear ethical choice. Scenarios will include, for example, questions of data privacy in a new product, the decision to market a product with a known but undisclosed flaw, or the dual-use potential of a new technology (e.g., a gene-editing tool that could be used for both medical and non-medical purposes). Participants will be asked to describe their decision-making process and choose a course of action.

We will then analyse the responses using both qualitative and quantitative methods:

Qualitative Analysis: A blinded team of researchers will review the participants' written justifications. We will perform a thematic analysis to identify whether the treatment group explicitly references ethical principles or demonstrates a more structured, ethically informed decision-making process compared to the control group. We will look for language and reasoning that aligns with the code of ethics.

Quantitative Analysis: We will use statistical tests to compare the choices made by each group and their responses to attitudinal questions on various social and professional behaviours. Our primary hypothesis is that exposure to the codified ethics will lead to a statistically significant difference in the ethicality of the decisions made in a professional context, with weaker to null effects in other domains such as littering or playing loud music on a bus. We will measure this by comparing the proportion of "ethically sound" decisions in the treatment group versus the control group, with "ethically sound" decisions pre-defined by our research team based on a pre-study consensus.

5 Findings

This proposed study is a critical next step in the professionalisation of innovation management, with direct implications for both research and practice. It provides a unique opportunity to address a major gap in the literature.

6 Contribution

For Academic Research: This study will be the first, to our knowledge, to empirically establish the desirability and content of a formal code of ethics for innovation managers. By using a rigorous, placebo-controlled experimental design, we can provide causal evidence of a code's influence on behavior, moving the field beyond normative prescriptions and into the realm of empirically supported conclusions. The findings will

provide a foundation for future research on the governance of innovation and the role of professional identity in ethical behavior. It will also serve as a blueprint for other management disciplines seeking to address their own ethical challenges in a systematic, evidence-based way.

For Professional Practice: The practical outcome of this study is a validated, practitioner-led code of ethics. This is not a mere academic exercise but a direct tool that can be adopted by professional bodies, corporate innovation departments, and educational institutions. By providing a clear framework for ethical decision-making, we can help managers navigate the "fuzzy front end" of innovation, mitigating future risks and building a more responsible and trustworthy discipline. The findings could be particularly valuable for organisations grappling with the ethical implications of emerging technologies like AI and gene editing, providing them with a concrete starting point for internal policy and training.

Conclusion & Timeline: This proposal outlines a two-phase, mixed-methods study that addresses a critical and timely issue in the professionalisation of innovation management. The proposed research design is novel, methodologically sound, and promises to yield a high-impact paper for the Journal of Product Innovation Management. We believe the project is a logical and important extension of our previous work and a necessary conversation for the field. We are confident that this research will not only advance scholarly understanding but also provide a tangible, actionable tool for the global community of innovation professionals.

7 Practical Implications: Who will practically gain what and in which way from the findings?

The practical implications of the paper extend across organisations, professional bodies, policymakers, educators, and society more broadly.

Innovation Managers

Innovation managers may benefit from clearer ethical guidance when operating in environments characterised by uncertainty and competing stakeholder pressures. A professional ethical framework could support decision-making regarding risk, transparency, stakeholder engagement, and societal responsibility.

Organisations

Firms may use ethical governance frameworks to strengthen trust, legitimacy, ESG performance, and long-term sustainability. Ethical institutionalisation may also reduce reputational risk and improve organisational resilience in controversial technological domains.

Policymakers and Regulators

Policymakers may gain conceptual tools for developing governance systems better aligned with the realities of emerging technologies. The proposed framework also offers potential foundations for future accreditation systems and professional standards.

Professional Associations

Innovation management associations may use the findings to advance professionalisation efforts through certification systems, codes of conduct, ethical training, and competency frameworks.

Educators and Universities

Business schools and innovation programmes may integrate ethical foresight and governance more directly into innovation management curricula. This would help prepare future practitioners for increasingly complex technological environments.

Society

More ethically grounded innovation systems may ultimately strengthen public trust in technological development while reducing the likelihood of harmful or socially destabilising innovation outcomes.

8 Participation Mode

In-person

9 RESEARCH-IN-PROGRESS and RESEARCH IDEA ONLY – Feedback

The authors would particularly welcome feedback on the following issues:

- *The feasibility of establishing a formal code of ethics for innovation management.*
- *The adequacy of integrating the Precautionary Principle, Responsible Innovation, and Anticipatory Ethics into a unified framework.*
- *Potential mechanisms for implementing ethical governance within commercial innovation systems.*
- *The research design – is it too elaborate – can you suggest a simpler way to uncover the same insights?*
- *Suggestions regarding future empirical research directions, including Delphi studies, practitioner interviews, and professional consensus-building approaches.*

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