Innovative culture is a value system in an organization or a company. It will consequently influence the way in which the work conducted and also employee’s behavior. Therefore, innovative culture in the study is a value of an organization or company implemented by its member and will consequently influence the way they work and behave. Innovation deals with the activity of creating, changing, and improving. Changing also means introducing something new and replacing the old ones for a better situation. It relates closely with innovative behavior which creates, introduces, and applies new things. As a result, changes surely occur, and in order to adapt to them, we should respond with innovative behavior.

The study is a qualitative research which employs non-positivistic approach to find out how the innovative culture creates employee’s innovative behavior. The researcher conducts observation, documentation, and interview with the owner, secretary, unit manager, marketing, treasury, logistic, and employee. The subject of the research focuses on the owner, due to his innovative culture, and the employees who become the target to have the innovative behavior.

The result shows that Naura Collection Probolinggo has been implementing the innovative culture. The owner made some improvements on the management of Naura Collection such as by creating Naura Collection Postulate, desentralization, administration system management with compensation, reward, etc., by developing human resources through training and fashion seminar. By implementing innovation culture, the owner of Naura Collection entrusts the experienced employees to manage the business. Each unit has its own autonomy to manage the business and lets the employees creating various fashion items. It is proven that by implementing such culture, Naura Collection is able to improve its employees’ entrepreneurship spirit or innovative behavior. Therefore, innovative culture leads the employees to have innovative behavior.