



Teaming Up for Innovation

By Dr. Konstantinos Kostopoulos, Research Fellow

Innovation activities have flourished over the last decades as organizations have moved inevitably from previously dominant bureaucratic forms of structure toward more flexible, lean, and flat structures. Increasing competition, resulting from the global and technological nature of markets, has amplified the need for organizations to develop new products, deliver diversified services, and learn to execute their tasks in more novel and efficient ways. In industries such as IT, telecommunications, electronics, tourism or bank services, more than 50% of the annual sales comes from products and services that have been introduced to the market during the last five years.

But how firms actually innovate? Recent studies (Nonaka & Takeuchi, 1995; Van den Ven *et al.*, 1999; Edmondson, 2002) focus on the role of *project teams* as the "field" of innovation development, which, in most cases, comprise of people from diversified educational and professional backgrounds. In this context, a field research of MSL in a large sample of European enterprises examines and analyzes the learning and knowledge creation processes of organizational teams responsible for the completion of an *innovation project*. These project teams are time-limited, non-repetitive in nature, involve considerable application of knowledge, judgment, and expertise, and aim at the development of a new product, technology or service, the introduction or improvement of a production process, or the adoption of a new management system.

The Research Model

The MSL study proposes that team learning consists of three separate but interrelated processes (Crossan *et al.*, 1999): intuition (i.e., the preconscious recognition of a pattern and/or possibilities inherent in a personal stream of experience), interpretation (i.e., the explaining through words of an insight, or idea to one's self and to others), and integration (i.e., developing shared understanding amongst team members and the taking of coordinated action through mutual adjustment). Furthermore, and through building on more thorough classifications of teamwork processes (Marks *et al.*, 2001), three categories of factors were posited to influence learning within teams: social conditions (i.e., ties' strength, conflict, participative decision-making, and boundary-spanning activities), psychological conditions (i.e., cohesion, psychological safety, and efficacy), and enabling factors (i.e., members' prior experience, clear group goals, team leadership, support of the organizational environment, and organizational climate). Subsequently, learning process is hypothesized to affect both the efficiency of team operations as well as the effectiveness of group learning in leading to organizational outcomes.

Findings and Managerial Guidelines

The present study offers useful implications for practitioners trying to manage teams engaged in innovation-focused projects. First, the results strongly indicate that managers should recognize the key role that learning processes hold in creating valuable team results. Increasing the members' opportunities to generate new ideas, exchange experiences, participate in productive discussions, and experiment with different implementation scenarios and project deliverables, may prove critical managerial interventions for enhancing team efficiency and the possibility of institutionalizing group outcomes in the respective organization.

Subsequently, the findings suggest that is critical for managers to create a proper mix of social, psychological, and enabling conditions in assembling and running teams. A group context that fosters participative decision-making, motivates inter-group communication activities, and discourages relationship and task disagreements is more likely to stimulate learning behavior within the team, and, in turn, contribute to higher performance outcomes. Also, managers should take measures to increase members' beliefs about how cohesive and safe is team environment for taking risks, expressing doubts, and supporting each others views and actions. Furthermore, companies can trigger group learning through establishing a clear direction about what the team is expected to accomplish, by ensuring that the *team leader* will exhibit a strong task orientation and motivate members to actively participative in team activities, and by collecting team members with project-related experience.

Setting clear performance standards and objectives is perhaps of greater importance for group managers. The discrepancies observed in team members and supervisors' assessments of performance outcomes point to the need to attain a common ground among the parties involved regarding targeted and actual performance results. If group learning is to lead to concrete benefits (at the team and the organizational level), then members should be aware of the exact performance evaluation criteria occupied, the role of the specific project for the general organizational strategy and portfolio of products, and the impact of the project success for the own career development.

The need for "teaming up" is likely to become increasingly critical as organizational change, innovation, and complexity intensify. Fast-paced environments require team-based behavior to make sense of what is happening, of what is necessitated to counter competition, as well as to take effective action. Teams in organizations, therefore, should be considered not only as a mechanism for implementing planned change, but mostly as a strategy for designing and tolerating innovation forays into the unknown.

References

- Crossan M.M., Lane H.W. and White R.E., 1999, 'An Organization Learning Framework: From Intuition to Institution'. *Academy of Management Review*, 24, 3, 522-537.
- Edmondson A. C., 2002, 'The Local and Variegated Nature of Learning in Organizations: A Group-Level Perspective', *Organization Science*, Vol. 13, 2, 128-146.
- Marks M.A., Mathieu J.E. and Zaccaro S.J., 2001, A temporally-based framework and taxonomy of team processes, *Academy of Management Review*, 26, 3, 358-376.
- Nonaka I. and Takeuchi H., 1995, *The Knowledge - Creating Company*, Oxford University Press.
- Van de Ven A.H., Polley D.E., Garud R. and Venkataraman S., 1999, *The Innovation Journey*, Oxford University Press.