ANALYZING INNOVATIVE TEAMS THROUGH A PRODUCT INNOVATION PROCESS

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ABSTRACT

Edgett and Jones [1](2009) state that "introducing a product innovation process is a critical step in improving the ability of your organization to achieve its organic growth targets" (p. 3). The idea of involving the most intelligent employees in your innovation process is becoming popular in many companies, which are often trying to find various ways of success. In order to be successful, many multinational organizations select the top performing employees with abilities of technical communication, diversity and inclusion, cross-functionality, and creativity. This approach is to make sure that the all-organization's management is also involved in the innovation process. Organizations have to recognize that they must be an active and willing partner in this process to survive. The increase of information and the globalization process creates a different business environment and many opportunities for innovation. As companies grow and expand globally, they need to apply ethical concepts, as related to innovative processes and have the right processes in place where culture difference adds even more complexity to the organization, and, as a result, companies are making teams and groups increasingly more important in solving cultural issues (Stewart & Barrick, 2000; West, 2002[2]). By focusing on the analysis, some successful organizations know that developing individuals who can truly lead in the global economy gives them an opportunity and great competitive advantage.

Keywords: Business Administration, Corporate Culture, Team Innovation, Ethics, Corporate Culture, Diversity, Morality, Social Responsibility, Sustainability, Diversity, Social Responsibility.

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Introduction

Analyzing Innovative Teams Innovative Teams: Requirements of Leadership, Individuals, Technical Communication, and the Effects on Diversity and Market Changes

Armstrong (2005) determined self-managed team leadership defines a different role for the leader. The leader is not responsible for making decisions, developing action plans or giving orders. In these situations, the team is given the responsibility, authority and accountability for managing a defined area of responsibility. When the work group is given control over one or more defined areas of team responsibility, it is the leader's role to use

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[1] Edgettt, S. J., & Jones, M. L. (2009). *Ten Tips for Successfully Implementing a Stage-Gate Product Innovation Process.* Retrieved from Product Development Institute, Inc.: www.stage-gate.com

[2] Stewart, G. L., & Barrick, M. R. (2000). Team structure and performance: Assessing the mediating role of intra-team process and the moderating role of task type. *Academy of Management Journal, 43,* 135–148

self-managed leadership skills and systematic processes to help the team to operate effectively and efficiently. Everyone in the group is encouraged to contribute by communicating and promoting their ideas and the ideas of others and by exercising judgment to narrow down ideas or options. Everyone recognizes that since the group makes decisions and develops action plans, the group will also be held accountable for the outcomes of their management actions (Armstrong, 2005).

Monczka and Trent (1993) determined individuals selected for team membership must have the proper skills and the ability to support a team's assignment. Each member must also bring something unique to the team. This is what helps make the team process powerful. When organizing an innovative team, a leader must consider each group member's skills, personal chemistry between members, willingness to participate, and how they will represent the organization should all be factors in the selection process.

Townsley (2011) suggested that for individuals to work effectively in teams they must be able to clearly communicate their ideas, to listen, and be willing to disagree. Although it is difficult, learning to appreciate each other's differences reflects a team's ability to manage conflict. When conflict occurs it must be tolerated because well-managed conflict can be the
source of change and innovation (Townsley, 2011).

Linda Naiman (2010) determined creativity is a core competency for leaders and managers and one of the best ways to set your company apart from the competition. She felt corporate creativity is characterized by the ability to perceive the world in new ways, to find hidden patterns, to make connections between seemingly unrelated phenomena, and to generate solutions. Naiman (2010) suggested generating fresh solutions to problems, and the ability to create new products, processes or services for changing markets, are part of the intellectual capital that give a company its competitive edge. Creativity is a crucial part of the innovation equation.

Organizational Cross-Functionality

Kotelnikov (n.d.) suggested cross-functionality is essential to innovation and creativity within an organization. He felt interplay among individuals is essential to the innovation process. In addition, while individual creativity is important, and even crucial to business, the creativity of groups is equally important. The creation of today's complex systems of products and services requires the merging of knowledge from diverse disciplinary and personal perspectives. Innovation, whether it be revealed in new products and services, new processes, or new business models is rarely an individual undertaking. Creative cooperation and cross-pollination of ideas is critical (Kotelnikov, n.d.).

In addition, Kotelnikov (n.d.) felt in cross-functional teams, individuals from different backgrounds draw upon their pools of tacit, as well as explicit knowledge, to contribute. The tacit dimensions of their knowledge bases make such individuals especially valuable contributors to innovation projects; perspectives based on such knowledge cannot be obtained any other way except through interaction. Just hearing a very different perspective challenges the mindset of others sufficiently that they will search beyond what initially appears to be an obvious solution. This is a reason that intellectually heterogeneous cross-functional teams are more innovative than homogenous functional ones (Kotelnikov, n.d.).

For example, Shore (n.d.) found 3M Corporation has been very successful in regards to new product development using cross-functional teams. The changes the cross-functional teams are creating in 3M's business culture are currently causing the greatest excitement among 3M managers because they encourage higher levels of innovation within 3M's organization. Most importantly, the collaborative approach takes the company away from viewing innovation as an individually practiced art that takes place primarily in the lab. Innovation is becoming viewed as a cross-functional market-focused collaborative discipline, completely dependent on activities and relationships that cross the company's boundaries (Shore, n.d.).

Leadership Affects on Cross-Functionality

Mind Tools Inc. (2012) determined it's not enough to simply manage a cross-functional team, you must lead it. Strong leadership creates and fosters team unity, and that leadership is essential to organizational success. Because of outside pressures, this type of team must have internal strength and commitment to survive. At the same time, the team leader has to know when and how to allow functional experts to take the lead. When an organization

brings together a group of highly talented people, many individuals within the team may know more about the problem, from their own perspective than the team leader. This situation requires a careful leadership balance. Tasks must be tightly coordinated and organized, and yet people must be free to use their talents and expertise as needed. Additionally, being able to adopt an appropriate leadership style is a key element in leading a cross-functional team effectively (Mind Tools, 2012).

For example, The Human Resource Development Council (n.d.) research found the Internal Revenue Service created a cross-functional team to plan all the human factors involved in a change to a new information system. Individuals with expertise in job analysis, organizational development, change management, training, facilities, ergonomics, and industrial psychology comprised the team. The combined expertise and shared learning resulted in an enhanced planning process and results (Human Resource Development Council, n.d.)

Inter-Organizational Network: Innovation and Creativity in Multinational Organizations

Provan, Fish, and Sydow (2007) suggested inter-organizational networks are essential to innovation and creativity within multinational organizations. They determined a whole network is viewed as a group of two or more organizations connected in ways that facilitate achievement of a common goal. Kilduff and Tsai (as cited in Provan and Fish, 2007) suggested inter-organizational networks are often formally established and governed, and goal directed. Their research also determined relationships among network members are primarily non-hierarchical and participants often have substantial operating autonomy. Network members can be linked by many types of connections and flows, such as information, materials, financial resources, services, and social support that may not be available to the separate entities (Provan, Fish, & Sydow, 2007).

Paruchuri (2009) suggested an organization's innovation outputs are influenced by the firm's position in inter-firm networks. He determined firms that form collaborative ties with other firms have more opportunities for learning, knowledge transfer, and innovative ideas. For example, Powell, et al (as cited in Paruchuri, 2009) research showed that pharmaceutical and biotechnology firms that in inter-firm networks are more innovative, because the locus of innovation in this industry lies in the network of firms (Paruchuri, 2009).

Most research on inter-organizational relationships focuses on the formation of new relationships, often using small, entrepreneurial firms as the research context. Beckman, Burton, and O'Reilly (as cited in Paruchuri, 2009) suggested new firms form such relationships to acquire resources or gain legitimacy for adaptation and survival. For example, the multi-decade relationship between Intel and Microsoft repurposed their relationship to develop multiple new generations of technologies for their Wintel platform and take advantage of inter-organizational technology.

Intra-Organizational Networks: Ethical Innovative and Creative Processes in Diverse Organizations

Intra-organizational networks influence ethical innovative and creative processes within diverse organizations and Katz and Lazer (as cited in I Thinking, 2009) argue that diversity does affect how teams' function, specifically along dimensions such as co-operation, creativity, cohesiveness and decision making. The reason for this is that a diverse team brings together unique skills, heritage, culture, training, approach and certainty to problem solving. However, the complexities of putting people from diverse backgrounds together generates other challenges such as racial tensions, cultural misunderstandings, language communication challenges and sexism (I Thinking, 2009).

Voelpel and Kearney (2008) determined that if companies aim to earn the trust of customers, the general public, and employees, they must first establish a culture of trust and ethical innovation within their own organization. From an intra-organizational perspective, trust has many benefits, including reduced transaction costs and the propensity of individuals to volunteer ideas. A thus far overlooked benefit may lie in the effects that trust has on the relationship between demographic diversity and intra-organizational outcomes. Voelpel and Kearney (2008) also suggested that due to demographic changes, globalization, and other forces, increasing diversity is not only inevitable, but also constitutes a potential competitive advantage, as it broadens the range of task-relevant knowledge and perspectives.

Trust and ethics is likely to be one factor that helps to unlock this potential. For example, by enhancing the degree of intra-organizational trust and knowledge sharing among dissimilar individuals, the organization may foster increased innovation and performance (Kearney & Voelpel, 2008). At the same time, by fostering intra-organizational trust and ethical practices an organization will establish trust in their company on the part of customers and other stakeholders to include employees who are more apt to submit ethical innovation and process ideas (Kearney & Voelpel, 2008).

Leadership and Resistance to Change

It is important for leaders to develop ways to know that resistance to change is occurring within their organizations. Changing Minds (2012) suggested that if leaders can catch resistance early, then you can respond to it before it takes hold. Leaders must understand gossip may be a sign of resistance to change. When the change is announced, everyone may start expressing negative opinions to each other. Leaders should be aware of what is being said around the organization and listen particularly for declaration of intent and attempts to organize resistance. Grumbling and complaint are natural ways of airing discomfort, so leaders should not try to eliminate it, but provide education on the issues. The biggest danger is when it is allowed to ferment in an information vacuum. Leaders should respond to gossip by opening it up, showing they are listening to concerns and taking them seriously, and providing lots of valid information that will fill the vacuum (Changing Minds, 2012).

A leader must also be aware of resistance to change in regards to passive and active resistance. Changing Minds (2012) described passive resistance as when people do not take specific actions. At meetings, they will sit quietly and may appear to agree with the change, but refuse to collaborate with the change. In passive aggression, for example, they may agree and then do nothing to fulfill their commitments. This can be very difficult to address, as resisters have not particularly done anything wrong. One way to address this is to get public commitment to an action, follow up publicly if necessary, and ensure they complete the action (Changing Minds, 2012).

Active resistance occurs where people are taking specific and deliberate action to resist the change. It may be overt, with such as public statements and acts of resistance, and it may be covert, such as mobilizing others to create an underground resistance movement.
Overt active resistance, although potentially damaging, is at least visible and you have the option of using formal disciplinary actions (although more positive methods should normally be used first) (Changing Minds, 2012).

Also, Changing Minds (2012) determined just as a high school class will test a teacher's ability to maintain discipline, so also will some employees test out what happens when they resist change. They may, for example, not turn up to a meeting or openly challenge a decision. Leaders who understand how you deal with such early resistance will have a significant effect on what happens next. For example, rather than jump on the person, a leader can take a positive counseling position, describe what they have done and assertively question their motives.

Conclusion

After analyzing the information above, in conclusion we can say that it is important for organizations to recognize the innovative processes that they must be an active and willing partner in order to survive or succeed further. The increase of information and the globalization process creates a different business environment and many opportunities for innovation. As companies grow and expand globally, they need to apply ethical concepts, as related to innovative processes and have the right processes in place where culture difference adds even more complexity to the organization, and, as a result, companies are making teams and groups increasingly more important in solving cultural issues (Stewart & Barrick, 2000; West, 2002). By focusing on the analysis, some successful organizations know that developing individuals who can truly lead in the global economy gives them an opportunity and great competitive advantage.

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