



**UNIVERSITÀ
DEGLI STUDI
DI TRIESTE**

Deams

Dipartimento di

**Scienze Economiche, Aziendali,
Matematiche e Statistiche "Bruno de Finetti"**

**UNIVERSITY OF TRIESTE – DEAMS DEPARTMENT
BACHELOR COURSE IN BUSINESS & MANAGEMENT
A.Y. 2024 – 2025**

BLOCK 3

Management of Innovation

INSTRUCTOR

Guido Bortoluzzi (Ph.D)



HOW TO BUILD AN INNOVATIVE ORGANIZATION PART 2

Components of the Innovative Organization

| Component | Key Features |
|--|--|
| Shared vision, leadership and the will to innovate | Clearly articulated and shared sense of purpose Stretching strategic intent ‘Top management commitment’ |
| Appropriate structure | Organization design that enables creativity, learning, and inter-action. Not always a loose ‘skunk works’ model; key issue is finding appropriate balance between ‘organic and mechanistic’ options for particular contingencies |
| Key individuals | Promoters, champions, gatekeepers and other roles that energize or facilitate innovation |
| Effective team working | Appropriate use of teams (at local, cross-functional and inter-organizational level) to solve problems. Requires investment in team selection and building |
| High-involvement innovation | Participation in organization-wide continuous improvement activity |
| Creative climate | Positive approach to creative ideas, supported by relevant motivation systems |
| External focus | Internal and external customer orientation. Extensive networking |

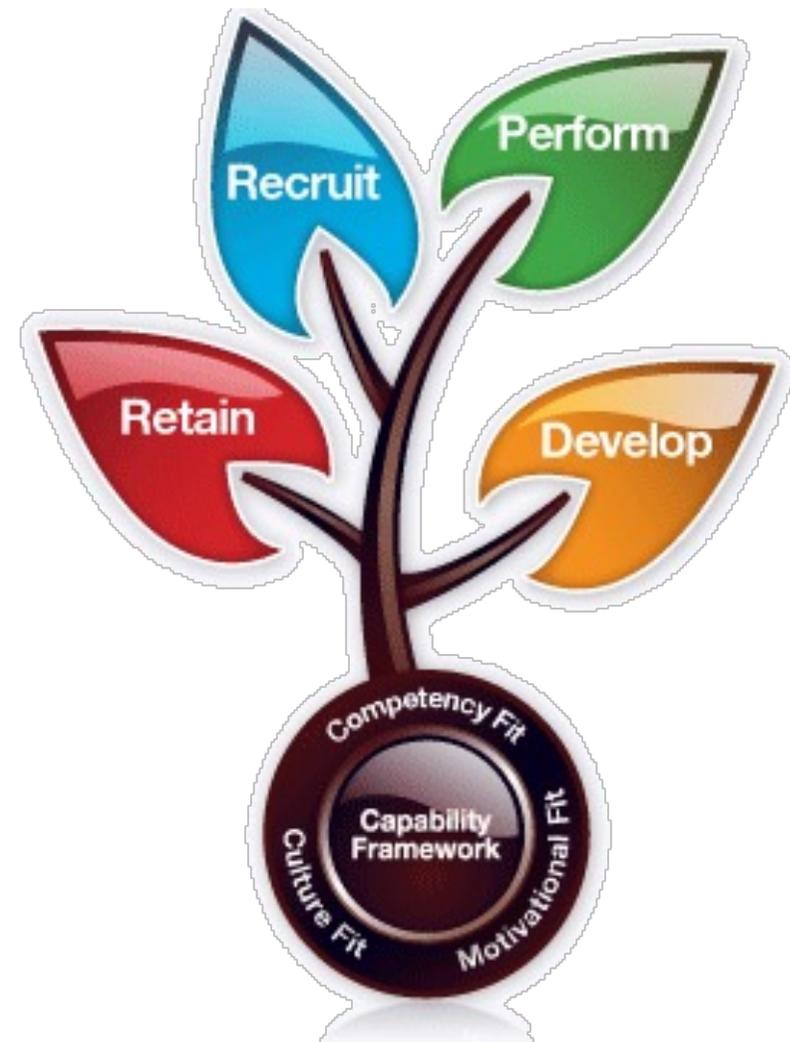
3. KEY INDIVIDUALS

- Key individuals are those figures that have a critical importance in driving the innovation process and turning an invention into an innovation
 - technical experts (when it needs to solve the impossible; **technological capabilities**)
 - organizational sponsor (procuring resources, convincing skeptics and critics; over-optimistic; **leadership capabilities; team management capabilities**) -> process managers
 - business innovators (understand the market; **market-sensing capabilities**)
 - technological gatekeepers (informally bridge between the internal and external environment; manage knowledge flows; **interpersonal capabilities**)

KEY INDIVIDUALS AND TALENT MANAGEMENT

Talent management is the attraction, selection, and retention of employees, which involves a combination of HR processes across the employee life cycle. It encompasses workforce planning, employee engagement, learning and development, performance management, recruiting, onboarding, succession and retention.

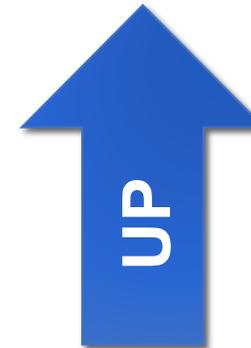
Source: <https://www.gartner.com/en/human-resources/glossary/talent-management>





Here reading on WHAT YOUNG
MANAGERS WANT

TALENT MANAGEMENT in UDINESE CALCIO



4. EFFECTIVE TEAM-WORKING

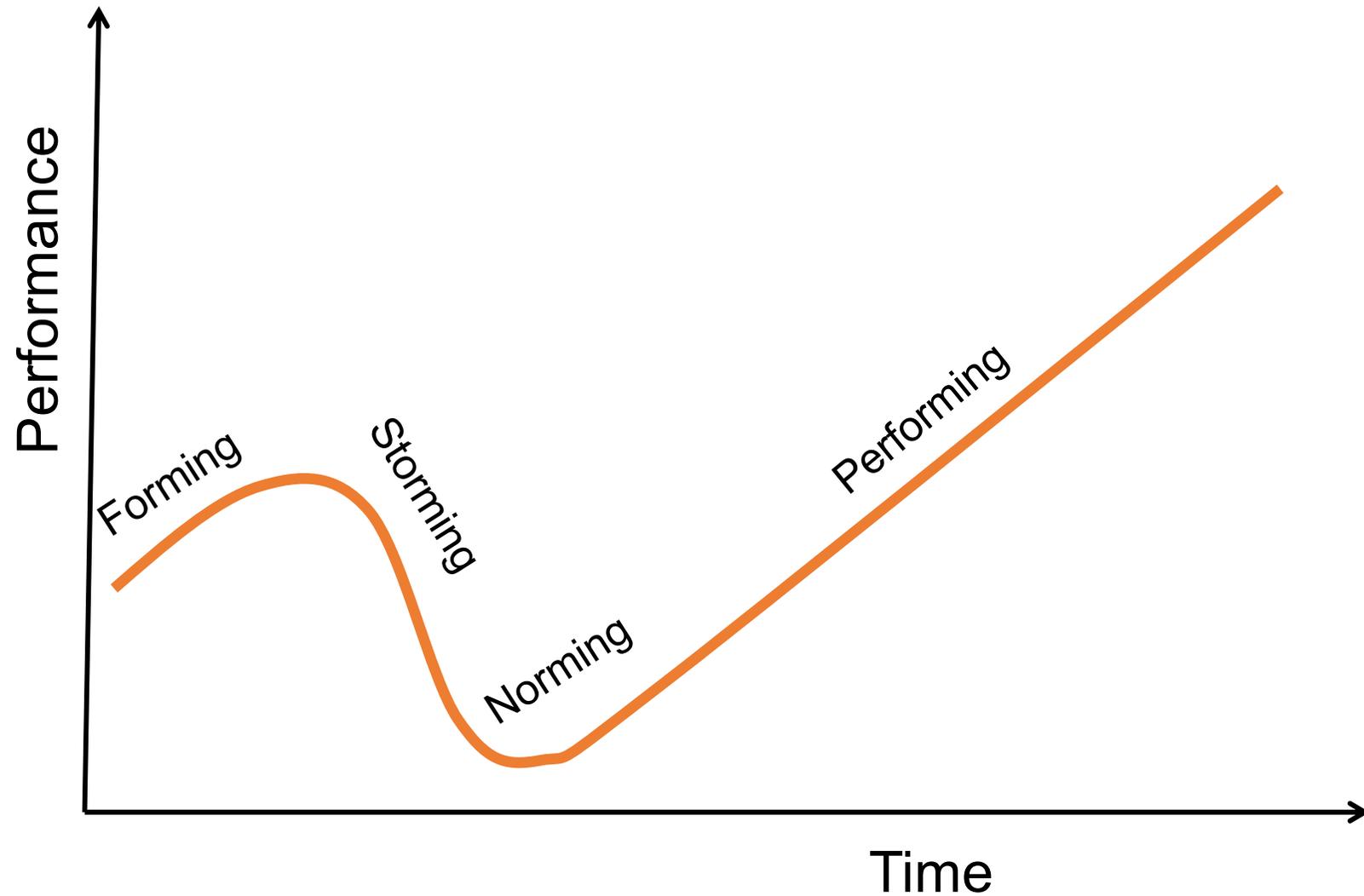
TABLE 5.5

Potential Assets and Liabilities of Using Teams

Source: S. Isaksen and J. Tidd, Meeting the innovation challenge. 2006, Chichester: John Wiley & Sons, Ltd.

| Potential Assets of Using a Team | Potential Liabilities of Using a Team |
|--|---|
| Greater availability of knowledge and information | Social pressure towards uniform thought limits contributions and increases conformity |
| More opportunities for cross-fertilization; increasing the likelihood of building and improving upon ideas of others | Group think: groups converge on options, which seem to have greatest agreement, regardless of quality |
| Wider range of experiences and perspectives upon which to draw | Dominant individuals influence and exhibit an unequal amount of impact upon outcomes |
| Participation and involvement in problem solving increases understanding, acceptance, commitment and ownership of outcomes | Individuals are less accountable in groups allowing groups to make riskier decisions |
| More opportunities for group development; increasing cohesion, communication and companionship | Conflicting individual biases may cause unproductive levels of competition; leading to 'winners' and 'losers' |

TEAM-WORKING LIFE CYCLE



PROMOTING EFFECTIVE TEAM-WORKING

- How to promote an effective team-working
 - A clear, common and elevating goal
 - Result-driven structure
 - Open communication, clear coordination of tasks, clear roles and accountabilities, monitoring performance, providing feedback, fact-based judgment, efficiency and strong impartial management
 - Competent team-members
 - Unified commitment
 - Effective teams have an organizational unity: members display mutual support, dedication and faithfulness to the shared purpose and vision, and a productive degree of self-sacrifice to reach organizational goals.

PROMOTING EFFECTIVE TEAM-WORKING

- External support and recognition, popularity and social success
- Principled leadership
 - Leaders provide clear guidance, support and encouragement, and keep everyone working together and moving forward. In less creative teams, the leader ‘. . . creates a situation where **everyone is confused and afraid** to ask questions.’ Leaders ‘**tear down people's ideas,**’ ‘**set a tone of distrust,**’ and ‘stifle others who have ideas and energy to succeed.’ They ‘. . . **keep all control, but take no action**’.

PROMOTING EFFECTIVE TEAM-WORKING

- Participation in decision making
 - engage the members of the team in the process of identifying the challenges and opportunities for improvement, generating ideas and transforming ideas into action
- Team spirit
 - have fun with the team to build/reinforce the team spirit and the sense of belonging
- Embracing appropriate change
 - in order for teams to remain productive, they must learn how to make necessary changes to procedures.

EFFECTIVE TEAM-WORKING

What to pay attention at:

- Do not confuse GROUPS of INDIVIDUALS / TEAMS.
- Do not confuse ENDS / MEANS. Managing teams is a time consuming activity.
- Do not confuse FREEDOM / ANARCHY.

5. HIGH-INVOLVEMENT INNOVATION

- Motivation and commitment policies/routines taken over an extended period of time (Toyota and kaizen – continuous improvement; 3M's 15% free time policy; brainstorming sessions; ideas contests; etc.)
- Significant impact on innovation and on firms' quality performances
- Significant impact on sales growth and profitability

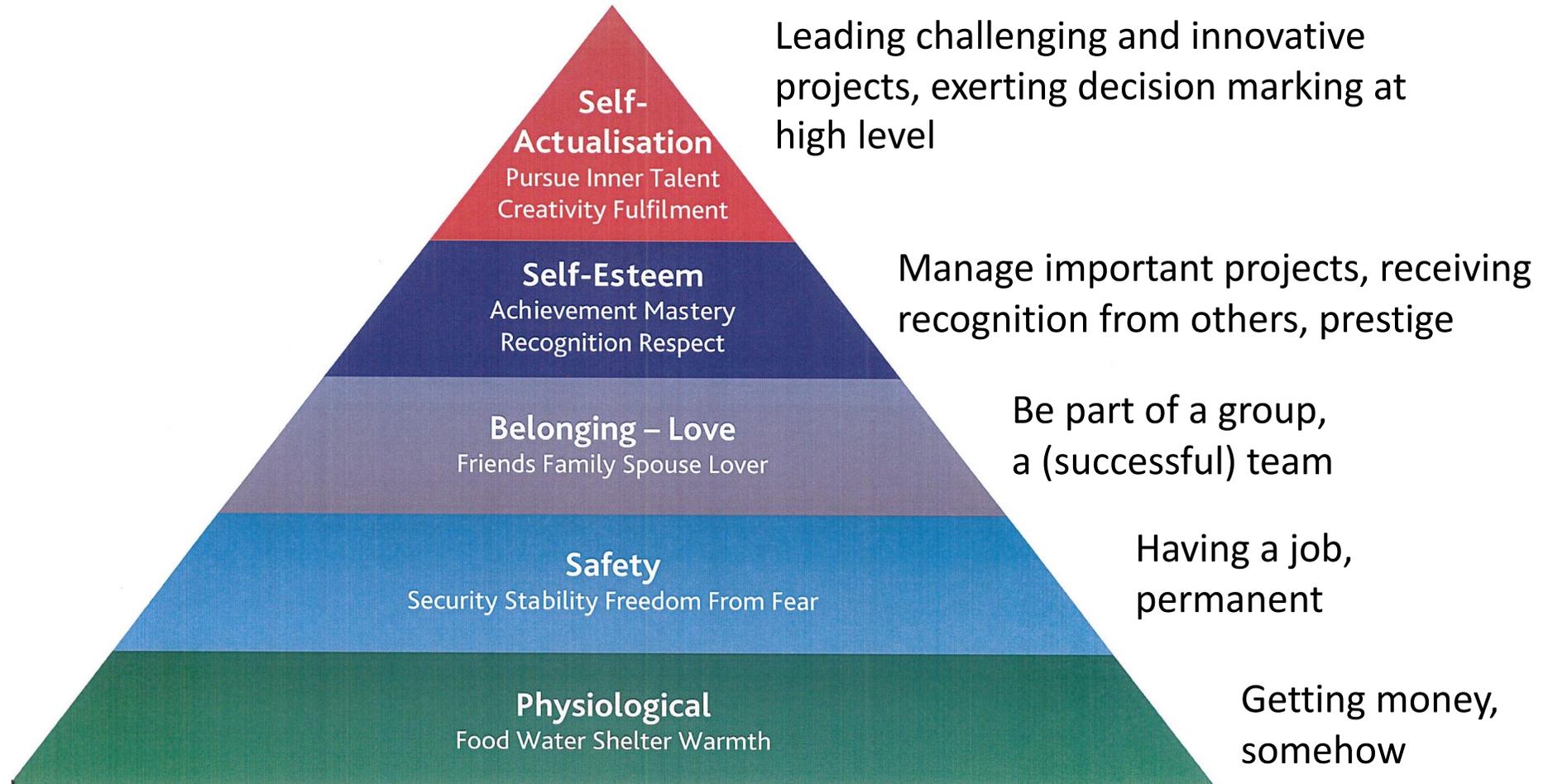
Benefits and Costs of HII policies

| Performance Areas (% change) | Average across sample (N=754) |
|----------------------------------|-------------------------------|
| Productivity improvement | 15 (MIN: 12 - MAX: 20) |
| Quality improvement | 16 (MIN: 09 - MAX: 17) |
| Delivery performance improvement | 16 (MIN: 12 - MAX: 22) |
| Lead time reduction | 15 (MIN: 05 - MAX: 25) |
| Product cost reduction | 8 (MIN: 05 - MAX: 15) |

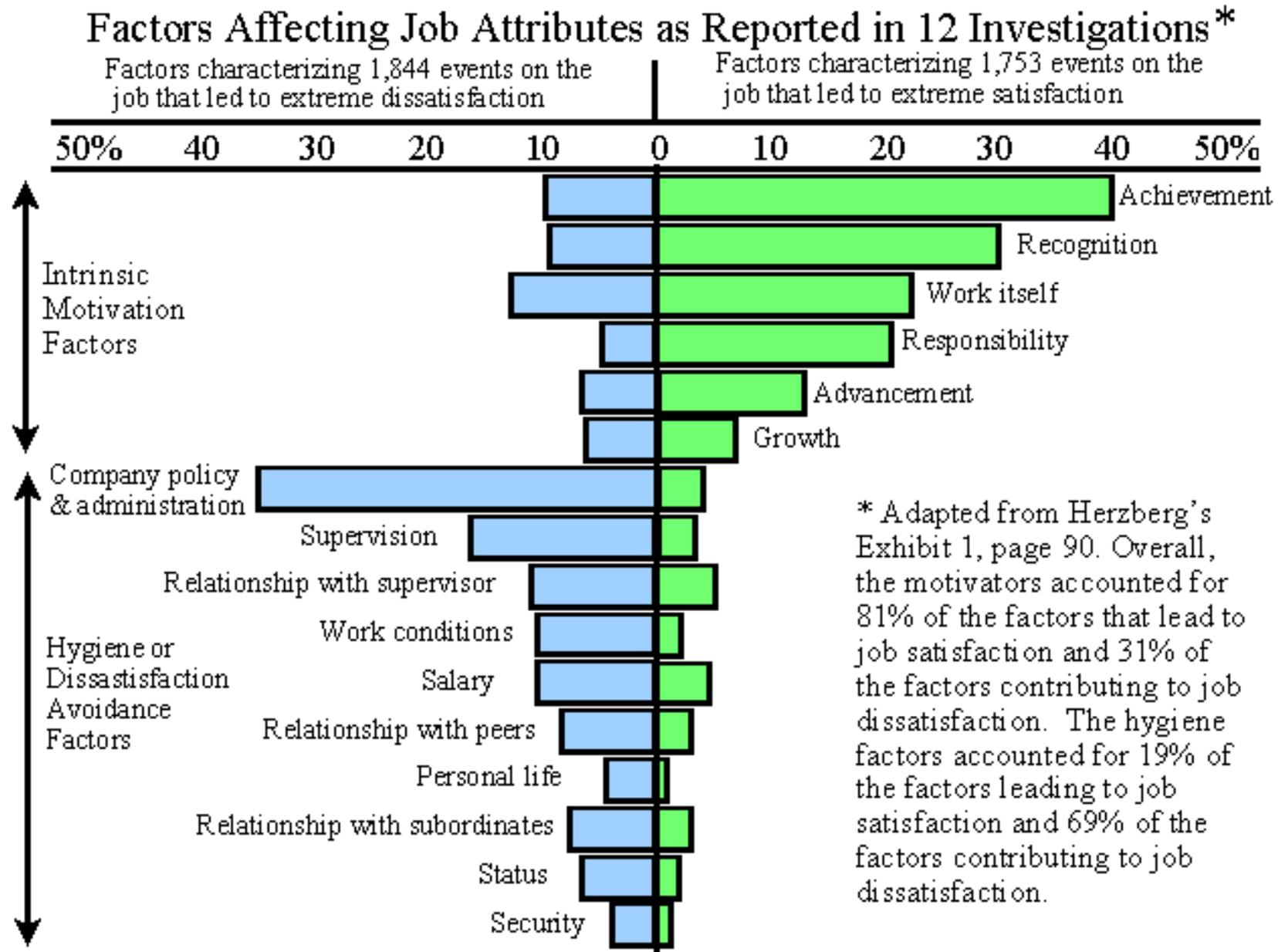
- LESS efficient firms benefit more from HII policies
- BENEFITS are "expected", COSTS are not

What drives employees motivation and commitment?

The Maslow's pyramid of needs



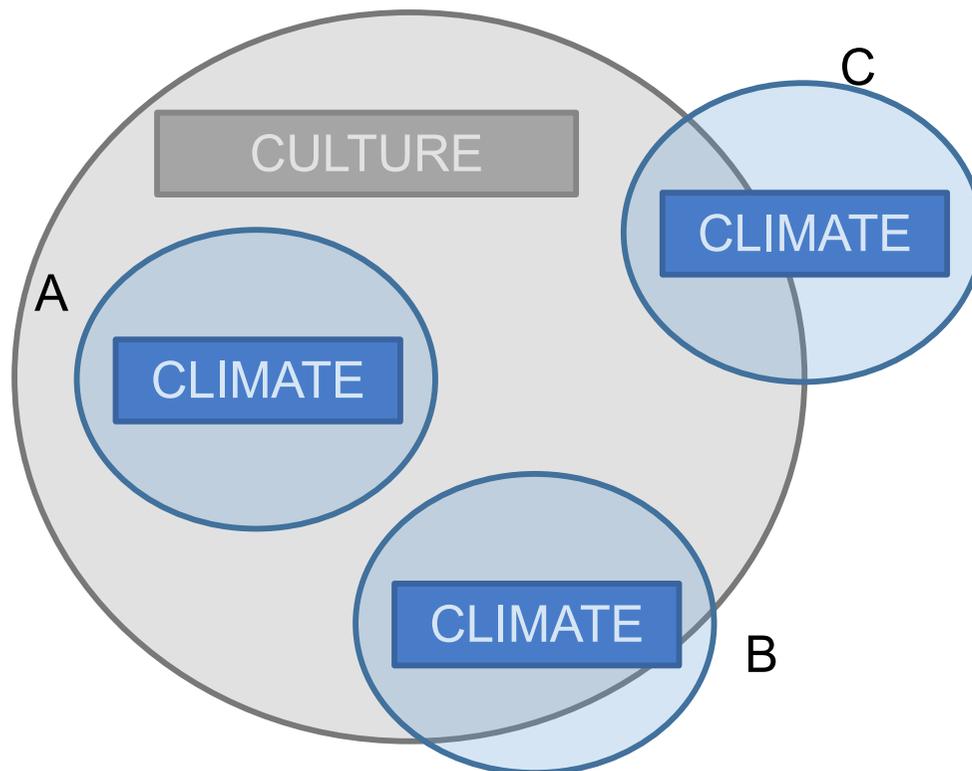
... to Herzberg



6. CREATIVE CLIMATE AND CULTURE

Culture = "it basically equates to the pattern of **shared values, beliefs** and agreed **norms** which **shape behavior**"

Climate = "the **recurring patterns of behavior, attitudes** and **feelings** that characterize an organization"



ASSUMPTIONS:

1. The CLIMATE is easier to be managed than CULTURE
2. To a more creative climate should correspond higher innovation performances

BUILDING A CREATIVE CLIMATE

- Create trust and openness: let people feel 'emotionally' safe in relationships
 - everyone dares to put forward ideas and opinions
 - fasten decision-making (good intentions of people can be assumed)
 - facilitate problem-solving (motivate people in sharing/not hiding information)
- Create challenges and involvement: let people find joy and meaningfulness in their work, they'll invest much energy
 - - - - ch&inv -> people become apathetic about their work
 - +++ ch&inv -> people show signs of 'burn out'
 - 'optimal' ch&inv -> motivation
- Give support and space for new ideas
 - insufficient time -> people concerned with their current projects and tasks. Stress and frustration arise
 - too much time -> too many ideas to evaluate, bureaucratic and un-effective selections procedures

BUILDING A CREATIVE CLIMATE

- Manage conflicts and debates
 - Conflicts are normal: all organizations have some level of personal tension.
 - In a climate of trust and openness, conflicts can be constructive to avoid "group think" effect
 - In a different climate, professional conflicts can degenerate into personal conflicts (that become, soon or later, group conflicts)
- Be tolerant towards uncertainty
 - do not judge people -> evaluate ideas
 - +++ risk taking -> too many ideas and projects; people get frustrated because nothing is getting done
 - --- risk taking -> people will "cover" themselves before taking a decision; innovation processes are long and tedious
- Give independence (freedom) to people (who want and deserve it)

MIT Sloan

Management Review

SPRING 2013

VOL. 54 NO. 3

THE SIX BUILDING BLOCKS OF AN INNOVATIVE CULTURE

When it comes to fostering innovation, enterprises often give more attention to resources, processes and measuring success — the more easily quantified, tools-oriented innovation building blocks — but less to the harder-to-measure, people-oriented determinants of innovative culture — values, behaviors and climate.



Jay Rao and Joseph Weintraub

How Innovative Is Your Company's Culture?

| BUILDING BLOCKS | FACTORS | ELEMENTS | SURVEY QUESTIONS | ELEMENT SCORE | FACTOR AVERAGE | BUILDING BLOCK AVERAGE |
|-----------------|-----------------|--|---|---------------|----------------|------------------------|
| VALUES | Entrepreneurial | Hungry | We have a burning desire to explore opportunities and to create new things. | | | |
| | | Ambiguity | We have a healthy appetite and tolerance for ambiguity when pursuing new opportunities. | | | |
| | | Action-oriented | We avoid analysis paralysis when we identify new opportunities by exhibiting a bias towards action. | | | |
| | Creativity | Imagination | We encourage new ways of thinking and solutions from diverse perspectives. | | | |
| | | Autonomy | Our workplace provides us the freedom to pursue new opportunities. | | | |
| | | Playful | We take delight in being spontaneous and are not afraid to laugh at ourselves. | | | |
| | Learning | Curiosity | We are good at asking questions in the pursuit of the unknown. | | | |
| | | Experiment | We are constantly experimenting in our innovation efforts. | | | |
| | | Failure OK | We are not afraid to fail, and we treat failure as a learning opportunity. | | | |
| BEHAVIORS | Energize | Inspire | Our leaders inspire us with a vision for the future and articulation of opportunities for the organization. | | | |
| | | Challenge | Our leaders frequently challenge us to think and act entrepreneurially. | | | |
| | | Model | Our leaders model the right innovation behaviors for others to follow. | | | |
| | Engage | Coach | Our leaders devote time to coach and provide feedback in our innovation efforts. | | | |
| | | Initiative | In our organization, people at all levels proactively take initiative to innovate. | | | |
| | | Support | Our leaders provide support to project team members during both successes and failures. | | | |
| | Enable | Influence | Our leaders use appropriate influence strategies to help us navigate around organizational obstacles. | | | |
| | | Adapt | Our leaders are able to modify and change course of action when needed. | | | |
| | | Grit | Our leaders persist in following opportunities even in the face of adversity. | | | |
| CLIMATE | Collaboration | Community | We have a community that speaks a common language about innovation. | | | |
| | | Diversity | We appreciate, respect and leverage the differences that exist within our community. | | | |
| | | Teamwork | We work well together in teams to capture opportunities. | | | |
| | Safety | Trust | We are consistent in actually doing the things that we say we value. | | | |
| | | Integrity | We question decisions and actions that are inconsistent with our values. | | | |
| | | Openness | We are able to freely voice our opinions, even about unconventional or controversial ideas. | | | |
| | No bureaucracy | We minimize rules, policies, bureaucracy and rigidity to simplify our workplace. | | | | |

| | | | | | |
|------------------|-------------------|-----------------|---|--|--|
| | Simplicity | | | | |
| | | Accountability | People take responsibility for their own actions and avoid blaming others. | | |
| | | Decision-making | Our people know exactly how to get started and move initiatives through the organization. | | |
| RESOURCES | People | Champions | We have committed leaders who are willing to be champions of innovation. | | |
| | | Experts | We have access to innovation experts who can support our projects. | | |
| | | Talent | We have the internal talent to succeed in our innovation projects. | | |
| | Systems | Selection | We have the right recruiting and hiring systems in place to support a culture of innovation. | | |
| | | Communication | We have good collaboration tools to support our innovation efforts. | | |
| | | Ecosystem | We are good at leveraging our relationships with suppliers and vendors to pursue innovation. | | |
| | Projects | Time | We give people dedicated time to pursue new opportunities. | | |
| | | Money | We have dedicated finances to pursue new opportunities. | | |
| | | Space | We have dedicated physical and/or virtual space to pursue new opportunities. | | |
| PROCESSES | Ideate | Generate | We systematically generate ideas from a vast and diverse set of sources. | | |
| | | Filter | We methodically filter and refine ideas to identify the most promising opportunities. | | |
| | | Prioritize | We select opportunities based on a clearly articulated risk portfolio. | | |
| | Shape | Prototype | We move promising opportunities quickly into prototyping. | | |
| | | Iterate | We have effective feedback loops between our organization and the voice of the customer. | | |
| | | Fail smart | We quickly stop projects based on predefined failure criteria. | | |
| | Capture | Flexibility | Our processes are tailored to be flexible and context-based rather than control- and bureaucracy-based. | | |
| | | Launch | We quickly go to market with the most promising opportunities. | | |
| | | Scale | We rapidly allocate resources to scale initiatives that show market promise. | | |
| SUCCESS | External | Customers | Our customers think of us as an innovative organization. | | |
| | | Competitors | Our innovation performance is much better than other firms in our industry. | | |
| | | Financial | Our innovation efforts have led us to better financial performance than others in our industry. | | |
| | Enterprise | Purpose | We treat innovation as a long-term strategy rather than a short-term fix. | | |
| | | Discipline | We have a deliberate, comprehensive and disciplined approach to innovation. | | |
| | | Capabilities | Our innovation projects have helped our organization develop new capabilities that we did not have three years ago. | | |
| | Individual | Satisfaction | I am satisfied with my level of participation in our innovation initiatives. | | |
| | | Growth | We deliberately stretch and build our people's competencies by their participation in new initiatives. | | |
| | | Reward | We reward people for participating in potentially risky opportunities, irrespective of the outcome. | | |

An application of the tool

| DIMENSIONS | VALUE | RKG | B BLOCKS | VALUE | RKG |
|-----------------|-------|-----|-----------|-------|-----|
| Entrepreneurial | 3,92 | 2 | VALUES | 3,47 | 3 |
| Creativity | 3,23 | 9 | | | |
| Learning | 3,27 | 8 | | | |
| Energize | 4,02 | 1 | BEHAVIORS | 3,50 | 2 |
| Engage | 3,06 | 14 | | | |
| Enable | 3,41 | 5 | | | |
| Collaboration | 3,20 | 11 | CLIMATE | 3,20 | 4 |
| Safety | 3,35 | 6 | | | |
| Simplicity | 3,04 | 15 | | | |
| People | 3,23 | 10 | RESOURCES | 3,04 | 6 |
| Systems | 2,96 | 16 | | | |
| Projects | 2,92 | 17 | | | |
| Ideate | 2,90 | 18 | PROCESSES | 3,10 | 5 |
| Shape | 3,09 | 13 | | | |
| Capture | 3,31 | 7 | | | |
| External | 3,88 | 3 | SUCCESS | 3,58 | 1 |
| Enterprise | 3,70 | 4 | | | |
| Individual | 3,17 | 12 | | | |

| Age | VALUES | BEHAVIORS | CLIMATE | RESOURCES | PROCESSES | SUCCESS |
|-----------|--------|-----------|---------|-----------|-----------|---------|
| 30-39 | 3,4 | 3,5 | 3,2 | 3,0 | 3,1 | 3,5 |
| 40-49 | 3,3 | 3,4 | 3,0 | 2,9 | 3,0 | 3,4 |
| 50 e over | 3,6 | 3,6 | 3,4 | 3,2 | 3,2 | 3,7 |
| Total | 3,5 | 3,5 | 3,2 | 3,0 | 3,1 | 3,6 |

| Experience | VALUES | BEHAVIORS | CLIMATE | RESOURCES | PROCESSES | SUCCESS |
|--------------|--------|-----------|---------|-----------|-----------|---------|
| 6-10 years | 3,5 | 3,4 | 3,2 | 3,0 | 3,1 | 3,6 |
| 11-20 years | 3,4 | 3,4 | 3,1 | 2,8 | 3,0 | 3,5 |
| more than 20 | 3,6 | 3,6 | 3,3 | 3,3 | 3,2 | 3,7 |
| Total | 3,5 | 3,5 | 3,2 | 3,0 | 3,1 | 3,6 |

WHAT'S HAPPENING IN THIS COMPANY?

7. EXTERNAL FOCUS

- Do not look only inside
- Keep open to external contributions

