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RSM - a force for positive change

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Introduction

How to boost your innovation output

The *Oxford Dictionary of English* defines the verb "innovate" as: *Make changes in something established, especially by introducing new methods, ideas, or products.* The word originates from the Latin *Innovat-*, meaning *renewed, altered*.

Without innovation there is only mediocrity. And if the driving force of your organisation is mediocrity, extinction awaits. Goodbye. Continually developing "new methods, ideas and products" must be hardwired into the DNA of organisations if they are not only to succeed, but also survive. That requires innovation to be embedded into every function, department, team and individual therein.

Ensuring a positive workplace culture – one where relationships between supervisors and subordinates (known in Chinese culture as *guanxi)* benefit the individuals and the organisation as a whole – encourages everyone to feel valued (p05) and in turn creates a supportive space in which new ideas can flourish. Building on that, seeing innovation as a team sport, as described by Dirk Deichmann (p12), can help innovation programme managers make better use of the inspired and talented idea generators who are to be found in the corridors and offices of every organisation.

Competition and power struggles between teams can affect morale and impact negatively on innovation, thus an understanding of the intricacies of intra-team dynamics – and creating flatter hierarchical structures or encouraging higher levels of team dependencies – can facilitate a harmonious and nurturing environment in which innovation can thrive (p16).

Elsewhere in this issue of *RSM Discovery* magazine, Giuseppe Criaco explores the successes of online start-ups that are "born global" and considers the relative merits of their geographical diversification strategies, while Gabriele Paolacci provides valuable guidelines for organisations crowdsourcing consumer data.

I am sure you will find the management knowledge developed by Rotterdam School of Management, Erasmus University, and presented in this issue to be both insightful and of real practical value as you build on the benefits of an innovation-driven world.

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The effects of guanxi on employee voice

*Chris Murray talks with **Tina Davidson***

The perhaps-apocryphal lament by an industrial age leader that 'They send me the whole man when all I need are his hands,' reflects a once-prevalent view that leaders "think" and employees "do". Today, companies know that they benefit the most when their employees are motivated to share their thoughts, ideas, opinions and suggestions.

Companies recognize that innovation, learning, decision-making and even competitive advantage all improve with open, honest, employee-driven, bottom-up communication – what Tina Davidson, assistant professor of cross-cultural management at RSM, calls in her research *upwards constructive voice*, or more simply, *voice*.

According to Davidson, today's companies also recognize that the key to employee voice is the *relationship* between supervisors and their subordinates – a relationship that can either facilitate or inhibit the subordinate's desire and ability to speak up.

between supervisors and subordinates looks like this: 'If I do good work for my supervisor,' she explains, 'my supervisor provides me with some work-related reward in return – for example, a nice new project that I get to work on.' This reciprocal exchange view of workplace relationships tends to be more characteristic of Western cultural contexts than non-Western cultural contexts and is captured in the predominant Leader-Member Exchange (LMX) theory of leadership, she says.

Davidson believes Western-oriented companies and organisations can benefit if they broaden their mindset. 'I pro-

actions in vast parts of the non-Western world,' she explains. 'We should make our understanding and knowledge of the supervisor-subordinate relationship more global, especially given increasingly multicultural workplaces and teams today.' For Davidson, a more global perspective can lead to new ideas and solutions about issues such as employee voice as well as a general awareness about cultural diversity in the workplace.

A recent study by Davidson that examines how the Chinese supervisor-subordinate relationship concept of *guanxi* impacts upwards constructive voice demonstrates the power of a broader mindset. The study, conducted in collaboration with Linn Van Dyne of Michigan State University and Bilian Lin of the Chinese University of Hong Kong, is based on data from 262 employees of a large Hong Kong-based telecommunications company.

Roots in the family

'*Guanxi* means relationship,' says Davidson, 'but we cannot really translate it so singularly because it has more meanings and more implications than we have for that term. Within the context of supervisor-subordinate interactions, having *guanxi* means that both supervisor and subordinate follow a range of relationship rules and norms to maintain a harmonious, long-term and mutually beneficial relationship. Within the Chinese society these *guanxi* rules are rooted in Confucianism and circumscribe a paternalistic relationship,' she says, 'almost a father-son like relationship with a mutual care and appropriate deference.'

"I propose that we extend our thinking about relationships, because at this point we tend to look at them from quite a Western perspective..."

Unfortunately, Davidson says, many Western-based companies and organisations view all relationships between supervisors and subordinates as "tit-for-tat" reciprocal relationships. From that perspective, a high-quality relationship

pose that we extend our thinking about relationships, because at this point we tend to look at them from quite a Western perspective and do not account for relationship facets, such as affect and deference, which govern work inter-

The effects of guanxi on employee voice *(continued)*

Chris Murray talks with **Tina Davidson**

In China, Davidson explains, 'the family is kind of a blueprint for how we relate to one another in an organisation and in society at large.' On the one hand there is deep affection, she says, but there is also 'even between working colleagues, this kind of reverence for seniority and respect for people who are more senior.' For example, in Chinese companies, Davidson notes, colleagues refer to one another with such terms as "older brother" and "younger sister". This differentiation in and reverence for seniority, she says, 'is totally natural and does not mean you are of lesser value in any way.'

Perhaps reflecting the family dynamic roots described above, supervisor-subordinate *guanxi* relationships have two dimensions, Davidson says. One dimension emphasizes the *deference* of the subordinate to the supervisor, 'and is more hierarchical and authoritarian,' she says; the second dimension emphasizes the "*affective* attachment" between supervisor and subordinate. Although it might seem paradoxical, 'it's possible in East Asian cultures for deference and a strong affective relationship to go together,' she says. 'As a result, you feel very close to your supervisor but there is a certain distance, or an inequality, in this relationship.'

Employee voice

In the study, Davidson and her colleagues found that the multi-dimensional, somewhat paradoxical nature of *guanxi* led to varied implications for employee voice.

First, their research showed that *low job control* spurred subordinates to use their relationship with their supervisors. As Davidson explains, 'When people don't have personal control, when they don't have a sense that they can personally influence the situation, they rely on their relationships to inform their actions and make changes.' As a result, she says, 'It's only when job control is low that they use their relationships to inform their voice behaviour.'

This reaction, she says, contradicts the general assumption that low job control undermines an employee's initiative. 'We would expect that when people don't have job control, this would really be an inhibitor to productivity,' she says. 'But here we see that it unlocks this relational facet.'

Unlocking this relational facet, however, led to opposite responses, according to the study. Subordinates in relationships that emphasized the deference dimension of *guanxi*, which entails not only respect but also a measure of obedience, were less likely to speak up. In *guanxi* relationships that emphasized affection, employees were *more* likely to speak up.

Intuitively, the results are logical. In deference relationships, nurturing a good relationship with supervisors is best accomplished through deference and obedience; thus, the subordinate stays quiet, in the hopes of being rewarded with influence by an appreciative supervisor. In affective relationships, subordinates don't have the same fear of speaking up, and believe, on the contrary, that low job control is best addressed by communicating their concerns to the supervisor.
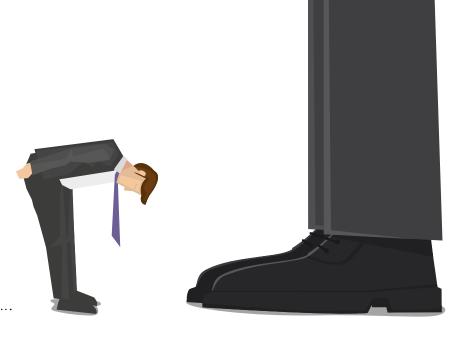
Davidson notes that summarizing the results of the study might oversimplify *guanxi* relationships as one or the other dimension. 'Every supervisor-subordinate *guanxi* has a bit of both,' she says. 'It is rather the extent to which one or the other dimension is emphasized more excessively or strongly that informs voice in these opposite ways.'

Open up the repertoire

There are a number of lessons to draw from this research into *guanxi* and voice, Davidson says. Given the opposite reactions to low job control, the first lesson is to tailor employee voice initiatives to the nature of the relationships in the organisation, she says. In deferential relationships, governed more by obedience than affection, the key to increasing the voice of employees is to combat their feelings of low job control, so they don't have to depend on their relationship with their supervisor and overly emphasize deference/obedience.

'I think, for example, one way to give employees more control would be to install more outcome-oriented reward systems,' she says. 'We hold them accountable for the outcome but leave them free in terms of how they are going to achieve that outcome, and provide them with the resources to do that as well. So, they kind of have more control in that sense.'

Davidson also urges managers to 'open up the repertoire' of their employees by 'providing feedback in terms of what they can do more of, what resources they have available, and what kind of behaviours are possible in their situation,' she says. For example, instead

of letting employees assume that the only way to have a good relationship and be valued by their supervisors is to be deferential, companies should launch 'some meta-communication and feedback that there are other possibilities and that those opportunities can be explored,' she says.

Another option to increasing voice is to help de-emphasize the deferential dimension of the relationship and emphasize the affective dimension, she says. 'One possibility is to work on the affective attachment side of the equation, trying to create affective and close ties in the subordinate-supervisor relationships to help subordinates find their voice.'

A path to understanding

One of the challenges for the issue of voice, according to Davidson, is that speaking up is not usually part of the core tasks or responsibilities of an employee. In other words, voice is not an "in-role" function on which performance is rated, she says. 'If a person is not speaking up with change-oriented ideas and suggestions, managers may not feel that something is terribly wrong. But, at the same time, they may not be getting the kind of ideas that help them improve their decision making and foster organisational improvement and innovation,' she says.

For example, if you're an expatriate manager rolling out a marketing plan or launching a new product in China, she says, 'you may be going ahead with your own plans and decisions because you're not getting any other insights. If the reason for this lack of improvement-oriented ideas from employees

"We should make our understanding and knowledge of the supervisor-subordinate relationship more global..."

is their deferential view of supervisor-subordinate relationships (versus their approval of your plans and decisions), you may have an issue and your company may be up for a loss. '

A thorough understanding of *guanxi* will undoubtedly help Western managers avoid such problems and better manage their East-Asian employees, Davidson says. Just as importantly, however, her research and other research on Eastern practices help expand the Western mindset on relationships to include the full spectrum of relationship types – which offers managers a more complete and nuanced perspective on workplace relationships.

'We know that reciprocity, deference and affective attachment relationships have been tested, relating to different outcomes such as commitment, in a number of different countries including Saudi Arabia, Russia, Turkey, India, Brazil, and the United Kingdom – and they are relevant,' she says. These kinds of studies, including her own, 'can lead to more global knowledge and understanding about what it means to be in a supervisor-subordinate relationship.'

Since the publication of the study, Davidson continues to explore ways in which indigenous, non-Western perspectives can broaden Western management practices and mindsets. 'I

studied Chinese and I'm very interested in that cultural context, which can really be a catalyst for questioning and enriching our current understanding of organisations,' she says.

For example, Davidson says she is currently exploring how prototypical Eastern and Western communication styles influence the voice process, as well as how to promote creativity in a context where hierarchical structure may constrain it. The ultimate goal, she says, is to conduct research, such as the recent *guanxi* and voice study that helps 'open up the playing field in management and enriches our understanding, theories, and practices.' ∎

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How big should a young firm think?

*By **Giuseppe Criaco***

These days, more and more companies are "born global" – that is, instead of starting out thinking of their market as merely their city or their country, they look at the whole world and see potential customers everywhere.

The nature of the internet and modern digital communications is driving many global business dreams these days, but many ambitious people in smaller economies, such as Sweden, have always thought this way. In fact, businesses often had no choice: after all, how many of your products can a small market of 10 million Swedes buy?

In Sweden, if you wanted to build any real sustained competitive advantage, sooner or later, you had to think about markets beyond your borders. From ABBA to Volvo, the most successful Swedish brands have focused on exports.

Considered as a way to diversify risk, an export strategy makes logical sense for young firms, but what kind of international strategy? On the one hand, the kind of textbook step-by-step intraregional geographic diversification strategy (concentrating in a region and expanding within that region) most managers learn at business school has a high opportunity cost.

On the other hand, taking on too much at once (by spreading across different regions or pursuing an interregional geographic diversification strategy) can easily spread a new company's resources too thin and lead to failure. Are you better off, then, concentrating on different countries within a single region or pursuing multiple regions simultaneously?

As someone who did his graduate work in Sweden and is a specialist in entrepreneurship, I thought Swedish start-ups would be a good population to study for an answer to this question. Most Swedish companies are born thinking of cross-border sales, and the business culture as a whole is quite adept at global business. Whether the company is Ericsson or Spotify, Swedish multinational companies have historically suffered relatively few of the kind of cultural problems that companies from larger countries deal with as they went global.

Tracking start-ups

To find out whether there is a simple rule about the relative value of pursuing an intraregional versus interregional strategy, my colleagues Pankaj C. Patel from Villanova University, Lucia Naldi from Jönköping University, and I examined the track record of 680 Swedish born-global start-ups founded in 2002, 2003, or 2004 in the manufacturing industry and followed their survival up to 2010.

When we examined how they had performed, we found companies that pursued an intraregional geographic diversification strategy tended to fare better than those who diversified broadly globally. Our models showed that intraregional diversification – broad expansion within a region – lowers the risk of failure, while interregional diversification – broad expansion across different regions – increases the risk of failure.

This was true whether the market at home was volatile or offered steady profits. If the home market is very dynamic, it demands greater managerial attention than if business conditions were a little sleepier. More attention paired with broad expansion within a region allows for cost control by lowering costs of understanding export requirements, transportation costs, and logis-

and to enable you to grow and prosper, why wouldn't a broader, more aggressive expansion make sense? The reason is that the limiting factor is not cash but execution risk. A relatively small, young firm that expands too far and too fast is likely to run into difficulties in trying to manage all those far-flung outposts.

We think there are several reasons this may be the case. For instance, it's

This conclusion may seem counter-intuitive in an age of instant global communication and artificial intelligence, but in the end, businesses are still run by people, and people still have a limited amount of time and energy. ■

This article draws its inspiration from the paper Geographic Diversification and Survival of Born-Globals written by Pankaj C. Patel, Giuseppe Criaco and Lucia Naldi and published in the Journal of Management, Vol. 44, No. 5, May 2018. DOI: https://doi.org/10.1177/0149206316635251

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> *"A relatively small, young firm that expands too far and too fast is likely to run into difficulties..."*

tics costs in related markets within a region, further reducing the risk of failure.

On the other hand, if the home market is more predictably profitable, young firms may go abroad with somewhat deeper pockets, which could compensate for some missteps derived from broad expansion across different regions. Yet our results showed the opposite: young firms that launched in a favourable home market and still undertook interregional diversification were more likely to fail. In either case, those born-global start-ups that survived tended to be those that pursued an intraregional internationalization strategy.

Safety first

This might seem somewhat counter-intuitive in the case of the company that is beginning with a favourable home market. After all, if your local industry provides enough resources to support you

harder to serve dispersed customers at long distance, both for reasons of logistics and market knowledge. On the other hand, shipping to a single region reduces transportation and distribution costs within the countries in that region and improves the return on marketing expenses. Concentrating limited resources on distribution and promotion enables the born-global to realize a higher return. In cases where goods must sometimes be returned, consolidation and proximity may also help reduce distribution costs.

Our research does not establish whether this is equally true for non-manufacturing firms. Software and other virtual goods may well behave somewhat differently. However, although they will have fewer logistical headaches, other problems such as regulation and customer knowledge will remain a matter of concern.

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Crowdsourced consumer data: how do we make sure it's good?

By **Gabriele Paolacci**

Crowdsourcing data through online marketplaces such as Amazon Mechanical Turk poses new challenges about how consumer research should be designed, conducted and analysed. Additionally, it raises questions about the validity of the participants and the information they provide. As protocols for crowdsourcing data are still being worked out, we have developed a few guidelines that will benefit those using such platforms for research purposes.

When Amazon launched Mechanical Turk (MTurk) in 2005, executives touted it as a way to augment artificial intelligence with the old-fashioned human variety. Organisations would post details about a small task that needed to be completed, such as writing product descriptions or identifying performers on music CDs, and then people searching the MTurk site would browse the jobs available and start working on those they were qualified for and thought sounded interesting or lucrative.

"Crowdsourcing websites like MTurk make survey and experimental investigations more efficient."

But as is often the case with an innovation, one of MTurk's most popular applications seems to have caught Amazon by surprise: social science research. In consumer behaviour research alone, over 15,000 studies have been published based on evidence col-

lected from MTurk workers, making it perhaps the most represented pool of participants in the history of my discipline. In the *Journal of Consumer Research*, one of the major journals in my area of specialism, 43 per cent of behavioural studies in the June 2015-April 2016 volumes were conducted using MTurk.

MTurk and analogous platforms such as Prolific have enabled my colleagues and me to collect samples much more quickly and more cheaply than through traditional alternatives (e.g, university participant pools), and those of us who looked into the quality of the resulting data found it to be comparable to such alternatives.

But every powerful new tool creates a new set of risks, and crowd-

sourced data is no exception. Some fear that the people filling out the materials might not be giving them their full attention. Others worry that people who taking many surveys may no longer be naïve respondents, possibly compromising the results. Finally, how do you know the person filling out the survey is who he says he is? After all, as the old *New Yorker* cartoon put it, on the internet, nobody knows you're a dog.

Getting it right

To address these worries, my colleague Joe Goodman of the Ohio State University and I undertook a review of the evidence underlying them, and came up with some guidelines for survey and experimental researchers to harness the benefits of online pools and avoid their drawbacks.

Some of these problems are difficult to prevent, but you can steer away from most by adopting a few strategies. You'll find more if you read our paper, but:

- Avoid asking for a specific quality unless it's a pre-sortable category, such as geography. Without knowing in advance what you want, respondents won't be tempted to lie about themselves simply to get the job.

- Require participants to formally enrol before you show them the study. Requiring enrolment prevents previewing the study (which can compromise its validity) and raises the time costs required by participants. In addition, increasing the effort demanded before the survey de-

creases the attractiveness of quitting halfway through.

- If you are worried about "professional participants", consider using a third-party crowdsourcing support service such as Turk Prime that can help you recruit people with somewhat less experience taking psychological surveys.

- Pay a reasonable rate. Though quality seems to be relatively independent of pay rate, you may compromise your individual reputation and the future attractiveness of participating in your studies and in MTurk in general. (Besides, there are obvious ethical reasons not to exploit those who work for you, right?)

- For similar reasons, resist blocking any MTurk worker. This can get them knocked off the site (also hurting your own reputation in the end).

Other issues

Other issues may take more time to work out. Crowdsourced data has been around for roughly a decade now but protocols for its use are still being worked out. Our work has suggested some guidelines for handling it better, but there are other issues that remain.

For instance, we need time to know the distinctive qualities of the crowd behind the data. For example, one survey has found that American MTurk workers tend to score higher on reporting if they needed to think about an answer (need for cognition) and higher on civics questions. They

tend to be younger and better educated than the general run of people. They are also unusual in that they are slightly more introverted, show greater levels of social anxiety, and have slightly lower self-esteem than the general population. This should serve to remind us that absent more sophisticated recruitment tools, we should always treat crowdsourced samples as non-representative.

Also, the technology itself still has plenty of room for improvement. For example, though third parties can help, these sites don't have a good way yet to handle interaction between participants. Similarly, easier tools to share projects and data across researchers would be helpful. By enabling researchers to collect larger samples, crowdsourcing is already contributing to making consumer research better, but more can be done to facilitate more open collaboration between scientists.

Crowdsourcing websites like MTurk make survey and experimental investigations more efficient. When used conscientiously, crowdsourcing can also help improve consumer science by enabling more numerous and informative studies and increasing participant and researcher diversity. However, online research and crowdsourcing in particular have their own set of risks, and researchers need to design studies in ways that mitigate them. ■

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Innovation is a team sport

*By **Dirk Deichmann***

After reviewing the results of an employee innovation programme at a major European corporation, my colleague Michael Jensen and I came to two conclusions. First, people often prefer to come up with ideas alone. Second, this tends to be a mistake.

Hell may be other people, as Sartre observed, but data suggests they're also an important part of successful innovation: in our study of a European energy company we'll call Enco, we found that ideas that had at least one co-author were 3.2 times more likely to be adopted. Not only were such teams more successful quantitatively, they were also more successful qualitatively: loners offered incremental suggestions, while teams were more likely to come up with more radical concepts.

Enco started its innovation programme as a safe space for its employees to develop ideas that might one day radically transform the energy industry. The programme was open to participants from all levels and functions and encouraged them to come up with concepts for a wide range of things, such as for potential markets, new products and services, or fundamental changes in processes. Successful ideas developed via the innovation programme have yielded, among other things, a new imaging technology that increased production efficiency and a new material that helped create a new market segment for Enco.

The talented tenth

For our study, we reviewed the results of Enco's internal employee innovation programme over a 12-year period between 1996 and 2008, during which 908 idea generators proposed a total of 1,792 ideas to Enco's independent innovation unit. Of those 908 inventors, 598 developed only one idea while 310 proposed two or more.

We defined ideas as successful if they were among the 10 per cent of ideas that passed two rounds of screening and were recommended for investment by the company. Idea generators whose ideas passed the first round of screening were given some time off from their regular duties, and if necessary, some research money to develop their ideas further. After that second stage, they presented their idea to a broader group of experts consisting of employees from the innovation programme and other internal and external individuals with expertise in specific areas relevant to each idea.

Cheering for the home team

Teams are the default organisational unit of the modern corporation for many reasons, not least of which is that a number of studies have found that teams tend to encourage more collaboration and creativity. Not only does the inventor gain more exposure to other ideas, but working with others also gives the person more help in refining their idea and developing their persuasive skills.

However, despite these advantages, we found that Enco innovators tended to avoid joining a team if they could help it, and we wanted to find out why. Given that the advantages of working with a team to develop an idea are well established, why would people choose to work alone?

After conducting some interviews and thinking through the alternatives participants faced, we concluded that innovators had to weigh two principal trade-offs when deciding whether or not to join a team, one practical and one social.

First, being part of a group might gain you more resources, but it requires more co-ordination. While teams have become the standard unit organisations use to tackle complex tasks, these employees of a vast multinational corporation were keenly aware of how easily the communication and co-ordination demands of working with teams can overshadow the potential benefits.

Second, being in a team is less work, but you have to share your rewards. As in the academic world, our impression was that solitary success at Enco offered greater potential for reputational glory than the success of a group project.

However, in certain circumstances, people were more open to working on a team. This often happened if they had already succeeded with their initial idea. Having gone through the process of developing an idea alone, they were perhaps more aware of how diffi-

> *"…being in a team is less work, but you have to share your rewards."*

cult it is to successfully develop an idea and might be more receptive to teamwork. Others may have concluded that they were lucky with their first idea and wanted to hedge their bets the second time around, concluding that the gain of extra resources outweighed the pain of co-ordination.

Still others may have gained confidence from their initial success, which made them more open to sharing the potential rewards of proposing an idea with a larger team. Researchers on scientific collaborations have noticed a similar pattern among academics: many who showed superior performance writing alone early in their career prefer to work with a team as they gain more experience. Here too, their reasons are similar: after their first-time success, scholars tend to

have more to gain from sharing than withholding their expertise. Whatever the precise combination of reasons, previously successful inventors were much more likely to make their submission as part of a team than the average applicant.

Finally, people working on a radical idea were more open to teamwork. We believe more radical ideas demand a wider range of expertise than an incremental improvement, making such innovations more difficult for the individual inventor to develop. For wild ideas too, numbers may also provide some additional reputational safety.

Useful lessons
Enco is a unique company in many respects. However, I believe managers interested in promoting innovation con-

tests can draw several useful lessons from our research:

1. *Teamwork matters but the size of your team does not.* Any time more than one person worked on an idea, its chance of adoption increased dramatically. However, whether the team numbered two or 12 didn't make any difference to the outcome.

2. *Practice makes perfect.* To an extent, innovation is a numbers game. Designing an innovation programme in a way that maximizes the number of entries should encourage more successes.

3. *Encouragement is essential.* Most people submit one idea and then quit. To encourage more entries, the innovation manager should find ways to act as an encouraging coach as well as a judge.

4. *Be a matchmaker.* Finding the right team is not always easy, particularly in a large organisation. A well-structured innovation system could serve an important role in bringing people with complementary ideas and expertise together.

5. *But let inventors pick their own teams.* The voluntary nature of joining a team at Enco appears to have encouraged deeper personal investment than if team membership had just been assigned. Giving people the opportunity to form their own teams probably increases their emotional stake in the project. ▶

Of course, there is a lot we still don't know about the care and feeding of employee-inventors. Future research could address, for example, whether certain trade-offs (such as access to resources versus the co-ordination burden, or sharing the work versus sharing the rewards) made certain idea generators more prone to working with a team than other trade-offs did.

Another avenue for future research could be to examine team formation processes by focusing on their degree of formality. The innovation programme we studied featured a structured idea-development process that

team formation easier, at least when it comes to early-stage ideas.

Conclusions

Our research suggests that idea generators often ignore the advantages of teamwork until they have a successful idea. But partly because they don't work with a team, most won't succeed. On the basis of these findings, we conclude that idea generators should consider the pros and cons of teamwork very carefully – and innovation programme organisers should consider how they organise their process even more carefully.

"Any time more than one person worked on an idea, its chance of adoption increased dramatically."

was managed by an independent unit within Enco, which could award funding and time to help people develop breakthrough ideas.

However, the programme also has informal characteristics in that idea generation is not a formal part of anyone's job and teams are self-organised. Observing a company that also tries to encourage innovation but with even less formal structure could be an opportunity to gain a clearer understanding of team formation processes and the conditions that influence them. For instance, one can imagine that a less formal review process might make

In the final analysis, ideas are a company's most valuable asset. New product and process ideas constitute the lifeblood of growth and competitive advantage. All things being equal, the company that can identify and execute better ideas more quickly than its competitors will eventually win. Yet most companies still go about generating ideas in a somewhat haphazard way that ironically enough serves to systematically discourage the vast majority of potential innovators. An innovation programme is a good idea, but an innovation programme designed to maximize an organisation's creativity would be a better one. ■

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The whys and whens of intra-team power struggles

*By **Lisanne van Bunderen***

Recruiting the right talents to join a company and team is one of the main remits of any self-respecting manager. However, getting those talents to work effectively and harmoniously together is an entirely different challenge. It is therefore of paramount importance that team leaders adapt their power structure accordingly in order to keep office politics to a minimum and prioritize productive work to the benefit of the company and those who comprise it.

Canvass the opinion of entrepreneurs as to why they chose to opt for the relative insecurity of "going solo" and there is a good chance many will say how happy they were to say goodbye to office politics. Ask team managers within companies what the biggest day-to-day working headaches are that they have to confront and there is just as good a chance that power struggles and office politics will also figure high on their list of problems.

No team or company wants or needs its members bickering about pay, office space, information, or status (to name just a few of the most regular gripes on the list) when they should be getting on with the job in hand. Research into the issue has so far identified the types of conflictual issues that tend to arise. However, even more important for the team manager trying to nip such problems in the bud is knowing why and when things come to the boil and to remould their team accordingly.
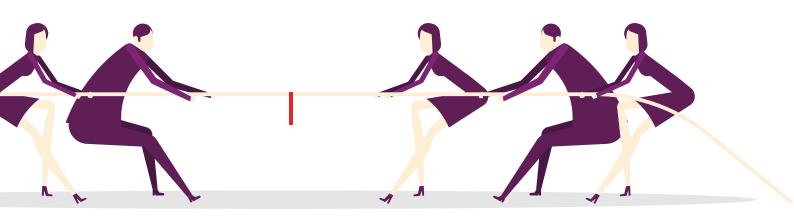
Defining the problem

Academic research into the phenomenon of power struggles within the workplace define them as "competitions over relative control of valuable resources". This covers a broad spectrum of tangible and less tangible bones of contention, including salary, budget, personnel, knowledge, reputation, and decision-making. Varying though these may be in nature, the underlying motives are the same – members of the team or "rival" teams are ultimately jockeying for position, either with a view to raising their own status in the eyes of their superiors in the quest for personal gain or lowering the profile of their competitors with the same objective in mind.

However, what these two strategies (termed in research circles as "other-deprecation" and "self-promotion" respectively) also have in common is a negative impact on the team and/or company in question: the chances of intra-team conflict resolution are impaired and, with it, the actual professional responsibilities that are supposed to be assumed, carried out and achieved.

Fight the power?

Power and its resultant effect on team morale and cohesion are key to the equation. One of the most famous (and erroneous) examples in the recent business past has to be the removal of Steve Jobs from the Macintosh group in order to shift him towards the same corporation's new product development set-up. Resource allocation had been a sticking point between Jobs and others for some time and so he was conveniently shunted aside in order to dampen down his desire to push forward the Mac. Once he got wind of the internal power struggle against him, he retaliated and was duly fired. The rest is history. And yes, Apple went on to bigger and better things, but what if the struggle had been avoided in the first place?

It is here that hierarchy becomes a defining factor. Traditionally it has

been viewed as a unifying and structuring force that can bring co-workers together. However, this depends very much upon the mind-set and set-up that senior management have implemented in the first place. The individualistic working ethic that can often result from the misuse of hierarchy within a team or company will produce very different results to that of a more collectively minded organisation when faced with internal or external threats, as a recent study has sought to illustrate.

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Conditions for conflict

Via two studies, including a laboratory study of 85 three-person teams and two field studies of 158 and 149 organisational work teams, crucial insight has been provided into the why and when of power struggles. Points of inquiry within the studies included ascertaining to what extent the internal team structure, such as the distribution of power and the degree of outcome interdependence instigate disruptive intra-team power struggles. In short, were those actively engaging in office politics egged on by their internal working environment? Threat was also an important part of the equation, as the studies explored how situations of intergroup conflict and uncertainty can cause internal power struggles.

The right dynamic

The key findings from the research conducted illustrate the importance of the internal-external dynamic. A direct correlation was discovered between the internal set-up, power and dependence structure within a team and how it responds to threats from the outside. The option remains open to all team members to counter such threats in a collectivist or individualistic manner, the latter presenting a far higher risk of instigating power struggles. The likelihood of intra-team power struggles occurring was found to be instigated, even encouraged by the kind of working culture instilled within ▸

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a given team. The more individualistic the spirit within a company or team, the higher the chances that members will engage in office politics when facing an external threat.

It is therefore of tantamount importance to create a flatter hierarchical structure that will create and facilitate a more "all in it together" attitude to work, the team, fellow team members and the company as whole. Whilst ultimately someone has to be pulling the strings in their role as team leader, due care and attention should be paid

> *"Creating a healthy corporate culture and environment is not only a structural issue but also a human one..."*

to those working under the team leader in order to ensure that infighting is kept to a minimum. Another option is to create a high level of inter-reliance among fellow team members by producing the right kind of rewards and outcomes, as this is a sure-fire way of boosting team morale and strengthening links between colleagues.

A listening ear

Another practical implication to emerge from the study is the need for leaders of more dysfunctional teams where office politics is rife to adjust their structure accordingly and, above all, adopt a more open and democratic approach to team leadership and teamwork. Creating a healthy corpo-

rate culture and environment is not only a structural issue but also a human one – getting all team members not just feeling involved but actually being involved in discussions is crucial.

Naturally, their hierarchical superior is the one who will have to take a final decision on projects that involve all, but by giving everyone a voice in the process, bickering about status, resources, reputation or any other of the myriad types of intra-team struggles is more likely to be dampened down. In an agile and harmonious team, every

member matters and is duly listened to – safe in the knowledge that their opinion counts and that by being given a professional forum in which to voice it – then they can expect direct and positive outcomes from making a positive contribution. In times of uncertainty and threat, the arguments for such a teamwork model are even stronger still.

Extending the debate

Analysis of the all-too-familiar problem of office politics does not stop here. Future research should consider other factors in the equation, including power struggles in the face of scarce resources, crises and even physical threats. Time is also a factor

that requires attention, in order to see to what extent the duration of an intra-team struggle affects the outcome.

It would also be worthwhile analysing such struggles in relation to the instigator to better understand how the identity or role of the workers responsible for such tensions impact the magnitude and consequences of the conflict in question. However, what rings loud and true is the importance and relative ease of implementing or adjusting team structure in order to then proceed in creating the kind of positive vibes within that will support and nurture a collectivist working culture, for the benefit of the team and the company as a whole.

No one chooses their colleagues but they can make professional life a whole lot easier by learning to work with them. ■

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