Managing the Innovation Process

Intra-Organizational Networks
Overview

- Take-Away
- Required Readings
- Supplemental Readings
- Caveats
Take-Away

- Innovation can arise through structural holes
- Innovation is transferred through informal networks
- Innovation can arise through weak ties as well
- Innovation often requires change in social structure
(Burt, 1992)

- "Structural holes – Chapter 1: The social structure of competition"

- **Network Benefits**
  (information – access, timing, referrals)
  (control – tertius gardens, entrepreneurial motivation)

- **Structural Holes**
  (separation between non-redundant contacts)

- **Competition**
  (players with structural holes have higher rate of return)
(Krackhardt & Hanson, 1993)

• “Informal networks: The company behind the chart”

• Informal Networks vs Formal Networks
  (naturally-occurring ties vs reporting relationship ties)

• Three Types of Networks
  (advice, trust, communication)

• Implementing Change
  (identify key players using a network map)
(Constant, Sproull, & Kiesler, 1996)

- “The kindness of strangers: The usefulness of electronic weak ties for technical advice”

- **Weak Ties**
  (relationships with acquaintances or strangers)

- **Electronic Communication**
  (can facilitate access to useful technical advice)

- **Organizational Motivation**
  (important for increasing likelihood of help from a request)
(Gargiulo & Benassi, 2000)

• “Trapped in your own net? Network cohesion, structural holes, and the adaptation of social capital”

• Network Closure vs Structural Holes (cohesive ties vs non-redundant ties)

• Tradeoff (safety from cohesiveness vs flexibility from ‘holes’)

• Adapting to Change (managers with structural holes had an easier time adjusting)
(Rogers, 1995)

• “The diffusion of innovations – Chapter 1: Elements of diffusion”

• **Diffusion**
  (process by which an innovation is communicated through certain channels over time among the members of a social system)

• **Process**
  (innovation – idea, practice, or object perceived as new)
  (communication – create and share info towards understanding)
  (time – first awareness, current stage, and rate of adoption)
  (social system – interrelated units engaged in solving problem)
Caveats

• What if structural holes aren’t feasible to create?

• What if formal networks constrain informal networks?

• What if there are no incentives for weak ties?

• What if network closure is required for consensus?