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Designing and Leading the Entrepreneurial Organization

MIT Sloan School of Management
Agenda

- Administrivia
  - Three weeks remaining!
  - Progress Report Feedback
    - Office Hours: Tuesday, Thursday & Friday next week.
- IDEO Case Discussion
  - IDEO as an entrepreneurial firm
  - Designing a firm for creativity
  - Using a design firm
- Lessons to date
Case Discussion

IDEO
A Process Model of How Innovation Occurs Through Technology Brokering

**Step 1: Access**
Information gaps across industries. Broad industry experience.

**Step 2: Acquisition**
Technological solutions enter organizational memory via projects/designers.

**Step 3: Storage**
Designers store solutions in memory for future design projects.

**Step 4: Retrieval**
Designers retrieve and recombine elements for new designs.

Design solutions that are new combinations of existing ideas.

Network Position  Organizational Memory

Competitive Advantage

Motivation & Creativity
Sources of Motivation

Internal Motivation
(Psychological Needs)

Extrinsic Rewards
($, Perks, Status, etc)

Intrinsic Rewards
(From the task itself)

Expectations
(About Firm and
Individual Performance)
Effort → Results → Rewards

One theory of Internal Motivation: McClelland’s Three Needs

- Need for Achievement (nAch)
- Need for Affiliation (nAff)
- Need for Power (nPow)
Extrinsic Rewards

- Individuals are extrinsically motivated when they engage in the work in order to obtain some goal that is apart from the work itself.
- Extrinsic rewards = recognition, compensation such as $, perks, status...

*An outside source that intends to control, or be perceived as controlling the initiation or performance of work*
Intrinsic Rewards

- Individuals are intrinsically motivated when they seek enjoyment, interest, satisfaction of curiosity, self-expression, or personal challenge in the work.
- Intrinsic rewards are derived from the interest challenge and enjoyment of the task itself.

*When people are engaged in the task, they are intrinsically motivated.*
Jobs with Motivating Potential

- Meaningfulness
  - Task requires a variety of skills
  - Is a whole and meaningful piece of work
  - The outcomes of the work will “make a difference” to others

- Responsibility
  - Allow substantial autonomy to make decisions about how to carry out the work

- Impact and Learning
  - Includes feedback, preferably from doing the work itself, about performance
Impact of the Organizational Environment on Creativity

Resources  
Innovation  
Organizational Motivation

Management Practices

Creativity Feeds Innovation

Expertise
Creativity Skills
Creativity
Task Motivation

Individual/Team Creativity

Work Environment

References & Resources


