Why Trust and Energy are important for Innovation – White Paper

Problem

Innovation is an important activity for organisational and, often, project success [1, 2]. Accordingly, managers and academics have been trying to understand how to best foster innovation to improve the level and extent of success from innovation in organisations [3]. Projects often have unique tasks to complete (especially those in engineering) and thus, can generate novel learnings or innovations [4, 5]. However, the need to innovate challenges conventional project management because a traditional approach tends to be rigid and inflexible and not suited to changeable and a fast-paced environment [6]. Hence, the term – "Project management kills Innovation."

To innovate in projects, the manager must balance the exploitation of what is currently known while developing new knowledge to suit new challenges as well as meet the objectives of the project. The reason for failure in projects can thus be due to the inability to respond to the emergence of new circumstances in the project environment as linear objectives such as time and budget take precedence.

The inability to respond to a changing environment has been attributed to ineffective knowledge management (KM) and innovation management (IM) [7, 8]. Consequently, project-based organisations (like many research organisations, consultancies, utilities) are notorious for having failed projects [9]. This problem was examined by Lee Foster [10] to explore innovation processes in a project-based setting and in the context of knowledge mechanisms to further the understanding of this relationship.

Research design

A qualitative, case study-based research was undertaken (for Master's thesis [10]) and used a single case of an innovation-based project in a project based organisation (Seqwater). The data for the case study was obtained through documentation, observations and interviews with project participants. A coding tree was developed, abductively then deductively, to connect the observations between innovation and knowledge constructs with literature.

Findings

Analysis of the data revealed that two critical events were the main drivers for the project to begin. Enablers of the project were a dissatisfaction with the current knowledge base as well as collaboration within and external to the organisation to fill knowledge gaps.

After the initial goal was realised in the project case study, a second goal became apparent which was to operationalise the technology for efficiency purposes. Barriers for achieving the second goal were found to be associated with knowledge governance mechanisms: trust and energy.

The success of the innovation was measured by the level of implementation of the technology within the organisation. However, during implementation, trust in the technology faltered which reduced the level of energy for the project that was required to continue the knowledge building and problem-solving process. Knowledge was required to troubleshoot the problems with the technology and to share the knowledge across the organisation (eg for maintenance or use of the data). Energy was also required from the organisation to provide enough resources to overcome these problems. Furthermore, the level of implementation of knowledge across the organisation was limited due to the absence of a KM plan.

The influence of decision making upon project success was found to be linked to goal setting and to energisation. The importance of trust among project stakeholders and in the innovation were also

highlighted. Both, trust and the goal setting influenced the energy levels amongst project members to proceed with the project and develop the technology. This energisation was found to have an important link back to leaders who, in the first application of this case, had exemplified their support for the project. Knowing these relationships, managers can develop strategies to garner trust between networks prior to project initiation and for when a problem that erodes trust is realised.

Actions for establishing a knowledge strategy should entail developing a knowledge policy and identifying the following: where, when and how KM is to be used; likely communities of practice and how the transfer of knowledge in these networks is likely to function and if it could be improved to mitigate loss of trust and, or energy; extent of existing, relevant knowledge-based objects and where additional resources are needed to improve the level of knowledge transfer; and, which work processes could be improved through KM, including critical revision and actioning of feedback.

InnoWise™

Based on the case study findings and an extensive literature search, a knowledge—innovation framework has been developed with the aim of improving the success of innovations from projects by managing knowledge consciously with an appropriate plan and measures to track progress. As the saying goes, "If you can't measure it, you can't manage it." The framework is designed to address the risks and change that innovation invokes.

The framework describes the process of innovation and its relationship with knowledge mechanisms from the inception of the idea, knowledge creation or development, transfer and implementation as well as critical revision of feedback. The framework acknowledges the need for trust and energy to ensure the process continues until the innovation is fully embedded within the organisation by defining measures at every step. When energy or trust fails, the project is likely to also fail to reach its potential. Having these elements tracked will help managers implement strategies to address the failure early. Thus, having a strategy to support the tracking and management of these constructs will increase the likelihood of innovations succeeding.

Conclusion

Innovate Wisely contends that improving your understanding of the innovation and knowledge processes and their relationship, is key to improving the success rate of innovative outcomes from your projects. If you are interested in further information please contact lee@innovatewisely.com or visit our website, https://innovatewisely.com/ .

References

1. Van de Ven, A.H., et al., *The innovation journey*. 1999, New York: Oxford University Press New York.
2. Schumpeter, J.A., *The Theory of Economic Development*, in *Joseph Alois Schumpter: Entrepreneurship, Style and Vision*, U. Backhaus, Editor. 2003, Kluwer Academic Publishers: Secaucus p. 61-116.
3. Garud, R., P. Tuertscher, and A.H. Van De Ven, *Perspectives on Innovation Processes*. Academy of Management Annals, 2013. **7**(1): p. 775-819.
4. Shenhar, A.J. *One size does not fit all projects: Exploring classical contingency domains*. Management Science, 2001. **47**, 394-414 DOI: 10.1287/mnsc.47.3.394.9772.
5. Turner, J.R. and R. Müller, *On the nature of the project as a temporary organization.* International Journal of Project Management, 2003. **21**(1): p. 1-8.
6. Williams, T.M. and K. Samset, *Project governance: getting investments right*. 2012, Basingstoke: Palgrave Macmillan. xi-xi.
7. Davenport, T.H., *Ten principles of knowledge management and four case studies.* Knowledge and process management, 1997. **4**(3): p. 187-208.
8. Darroch, J., *Knowledge management, innovation and firm performance.* Journal of Knowledge Management, 2005. **9**(3): p. 101-115.
9. Damanpour, F. and M. Schneider, *Characteristics of Innovation and Innovation Adoption in Public Organizations: Assessing the Role of Managers.* Journal of Public Administration Research and Theory, 2009. **19**(3): p. 495-522.
10. Foster, L.A., *Exploratory investigation of innovation management in a project-based organisation*. 2018.
11. Qinghua, H., et al., *Relationships Between Organizational Integration and Project Performance for Construction Projects.* Journal of Applied Sciences, 2013. **13**(20): p. 4121-4126.
12. Conchie, S.M., I.J. Donald, and P.J. Taylor, *Trust: Missing piece (s) in the safety puzzle.* Risk Analysis, 2006. **26**(5): p. 1097-1104.