

Pattern of power-relating characterizing innovativeness: Case of a successful family-company (Methodological issues)

Alfons de Laat * alfons@hajraa.lt

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Background

Lithuania, a former Soviet Republic, which since it's regained independence in 1990 successfully transformed it's at present fast growing economy (www.eurostat.eu) and became a member state of the EU in 2004. According to the European Trendchart Innovation index (www.trendchart.eu) the dynamic development of the Lithuanian national innovation system is however characterized by a increasing input, efforts and ongoing relatively low output. A paradoxical situation, which does at first sight and might deserve attention within the light of the acknowledge importance of innovativeness as one of the key factors to economic development and the allocation of so called European structural funding accordingly. Paradoxical in the sense of bumping to the limits of present mainstream understanding?

The concept of sense-making is well named because literally it means the making of sense. Active agents construct sensible or sensible (Huber, Draft, 1987 in Weick, 1995) events and "structure the unknown" (Waterman, 1990, in Weick, 1995). The well - known phrase "frame of reference" has traditionally meant a generalized point of view that directs interpretations (Cantrill, 1941, in Weick, 1995). Louis (1980, in Weick, 1995) views sense-making as a thinking process that uses retrospective accounts to explain surprises. She suggests that the activity of placing stimuli into frameworks is most visible, when predictions break down.

The TRENDCHART innovation index comprises the composite indices for Innovation drivers, knowledge creation and innovation, and entrepreneurship indicating the input and the composite indices applications and intellectual property representing the output of the innovation system (Arundel, Hollanders, 2005). The TRENDCHART translates the innovation process into "given" environmental and technological variables, which serve as inputs of the innovation process. They are supposed to be manageable, once the proper insight is available. Their perspective remains an outsider's viewpoint and therefore the knowledge gathered through this research is sometimes very difficult to apply in concrete situations (Steyart, Bouwen, van Looy, 1996). Alternatively Fonseca (2002) defines innovation as the new meaning that is the emergent product of the dissipation occurring in conversations characterized by redundant diversity experienced as misunderstanding. An understanding about innovation embedded in a theoretical framework of Stacey et al (2000). The authors have combined the work of Hegel (1807, in Stacey et al, 2000), Mead (1934), Elias (1939) with insights from complexity theory to suggest what they have called a complex responsive process theory of organization.

Relevance and Novelty

Koen et al (2001) distinguish three phases of innovation: *The Fuzzy Front End* (FFE), *New Product Development* (NPD) and *Commercialization*. The Fuzzy Front End is the messy "getting started period of the new product development process. It is the phase between first considerations of an opportunity and when it is judged ready to enter structured development processes (Kim, Wilemon, 2002; Koen et al, 2001)

The front end is an important phase of the whole innovation process. In the whole process it is the phase with the highest optimization potential (Koen 2001). However, according to Van Aken (2004), the nature of the FFE is still little understood nor is much known on effective management approaches improving it's performance.

FFE Literature a sort of hovers over this area on just one level of aggregation higher, focusing on the national (regional) level from a system point of view, as is needed to get grip on this matter – gaining micro-evidence. Also the work on sense-making seems to skirt these kinds of processes. Weick et al (2005) recently defined sense-making as the "ongoing" retrospective development of plausible images that rationalize what people are doing. And therefore seem to address what perfectly individuals are doing but misses the point of social interaction (Smulders, van der Broek, van de Voort, 2006).

Fonseca's (2002) social constructivist (insider) point of view, accounts for structured products of the NPD as activities of the visible phases of innovation that are preceded by a long period of conversations and

ambiguous actions in which new meaning appears. The new meaning that maybe embodied as some new “thing” that is apparently detached from the messy process of its creation – the Fuzzy Front End, is a different dimension of innovation. He suggests that the importance of redundant diversity experienced as misunderstanding has major implications for innovation management. Interaction which, in order to contribute to innovativeness should therefore not be manipulated – constrained. We come to the more humble realization that it is the quality of participation in ordinary conversation that is the key to innovation (Fonseca 2002).

Enabling and constraining, the process of power* relating, is ubiquitous in all human communicative interaction that is human relating. Human relating, which is self-organizing. Causality is transformative; there is nothing above or below interaction itself that is causing the coherent pattern (Stacey 2001). In other words, the power relating is central to the quality of participation.

Dovey and White (2005) also stress on the central importance of the relational dimension of social capital generation to learning and its sensitivity to power relations. Without rich inter-subjective daily communicative encounters between stakeholders the key learning source of trust, and the social norms that uphold it, cannot be developed. A key leadership task is thus, the facilitation of these encounters by addressing courageously and creatively the issue of power and its management within the organization.

Exploring the relationship between the process of power relating (power relations) and innovation seems therefore, with this understanding, to become a rational undertaking. Gained insider insights might contribute to increased awareness about the relevance of this soft factor for innovation management.

Aim

The following research aim has been defined: to establish and substantiate knowledge about the relationship between the process of power relating and innovation at it's Fuzzy Front-End (FFE) in a business environment.

Focus (subject)

Research focuses on a pattern of communicative interaction that characterizes innovativeness with respect to the process of power relating.

Research question

The related main research question to be answered: How do the process of power relating and innovativeness inter-relate as a pattern of communicative interaction in a successful, innovative company?

Methodological framework

The methodological framework was chosen for the purpose of this qualitative research, based on Grounded theory, has been largely dictated by the research aim and it's above provided background.

An epistemological view positioned closely to the social constructionist version (Charmaz, 1990) of the Grounded theory. Social constructionism draws attention to the fact that human experience, including perception, is mediated historically, culturally and linguistically. That is, what we perceive and experience is never a direct reflection of environmental conditions but must be understood, was a specific reading of these conditions (Willig, 2001). It focuses, contrary to social constructivism, on the way the individual minds constructs what is taken to be reality. Social constructivism in which individual minds construct reality in a way significantly formed by relationships Vygotsky 1962).

According to Stacey (2001, pp.51) “ The social constructionist approach views the social as the process of articulating individual selves and the world. It is a challenge to the primacy of the individual, in effect, placing relationship, the social, as prior and primary.”

Data to be collected at company (micro-level) using semi-structured interviews.

* Power, which manifests itself per definition in a relational manner, one cannot meaningfully say that particular social “has power” without also specifying the role of the other parties in the social relationship (Wikipedia, 2008).

The Spanish and Portuguese word for power is “poder”, and the French word is “pouvoir”. Both words mean “to be able” and this meaning reflects on the meaning of the word “power” in English. Interesting enough the word in Mandarin language for power also derives from the verb “to be able to”, “neng”. “Nengli” (power), literally means “the strength to be able to”, or “can-strength” (Wikipedia, 2008).

Sampling

Considerations were made regarding an appropriate sampling group, the access to valid data. *Firstly*, access significantly limited first of all due the negative emotionally interpretation of the wording “power”, apparently a kind of taboo-topic especially at higher (top) management levels. *Secondly*, the ability to openly self-reflect, required to ensure richness of data, is at least perceived as restricted for most participating in “real” business-life.

From a Foucauldian point of view, discourse facilitates and limits, enables and constrains what can be said, by whom, where and when (see Parker, 1992).

Besides that the practical issue of restricted availability, respectively willingness to allocate time, limits the application of qualitative research by means of semi-structured interview in business environment in general and at top management level in particular.

In short, a complicated situation from a methodological point of view might also explain the poor availability of empirical data in this research direction.

Schön (1983), not satisfied with this positivist paradigm, introduced the notion of the “reflective practitioner” that considers design as an individual reflective conversation with the design task and possible solutions. Dorst and Cross (2001) take the basic idea of Schön a step further by considering design as a co-evolution process of problem space and solution space. Extensive protocol studies by Drost and Cross (2001) confirm that creative design involves a period of exploration in which the problem and solution space are both evolving in parallel, and that they are unstable until (temporarily) fixed by an emergent bridge which identifies a problem-solution pairing. This “bridge” is called “an idea”.

The methodological problem space of the sampling group, as described above, was gradually explored. An exploration (directed by the author’s positive, working experiences with retired specialists as volunteer) resulting in the emerging opportunity to interview retired, former, top managers, who have rich working life experience, are now free, independent, and can probably still be motivated to give some of their time participating in a (self-) reflective about their mostly successful career.

A potential sampling group available in the solution space as formed by the former employer of the author. A today more than 80 year old German, family-company in the field of industrial automation, which differentiates itself by its innovativeness and qualitative products resulting in an average growth in both financial terms and staff of more than 200% over it’s life-time. A company which evolved from a small size company into a globally acting concern with over 50 subsidiaries worldwide and accordingly acted as a driving force behind the development it’s regional and national (German) economy.

An idea transforming initial challenges into a combination of methodological strengths. A probably unique, still well organized, sampling group of former managing directors of subsidiaries established to contribute to the company’s global expansion. About 25 retired persons with working experience covering almost 50 years of company history since the early sixties (the “industrial age”) on the last century.

Furthermore a detached insider position of the author/researcher with it’s specific advantages especially in the light of social constructivism.

Research ethics

Ethical considerations, informed consent, confidentiality etc., made operational in the preparation phase for the interviews including an approval of the company shareholders’ family to conduct the research.

Data collection

The semi-structured interview is designed with an analytical “part to whole” approach with the starting-point that interactive communication (and so power relating) takes places at both the individual and social level (Mead 1934; Stacey 2001). The main research question is divided into sub-questions starting with the relationship between a single innovation and a characterization of a specific sequence of communicative interaction with respect to the process of power relating. Culminating in a attempt to recognize, quantitatively, repetitiveness (similarities), a pattern (tendencies), regarding a specific characterization in terms of communicative interaction, with respect to the process of power relating. Repetitiveness with respect to the different innovation cases of a participant and the set of innovation cases of all participants together. Environmental influences might of course hide the potential patterns of interaction over time and are therefore paid attention for too.

The interview agenda has accordingly been split into two parts: (1) a narrative titled “the soft factors beyond the international contribution to Festo’s innovativeness”; (2) a semi-structured deep interview reflecting on the innovation cases’ organizational context, respectively self-reflecting about personal sense-making.

A narrative about the emerging stage (FFE) of 2-3 innovation cases to which the participant and / or his subsidiary, to his opinion, significantly contributed or which eventually did not emerge despite the participant’s invested energy.

Innovation defined, very broadly as *a particular form of change characterized by the introduction of something new*. This “something” may relate to a product, service or a technology or it may involve the introduction of new managerial or administrative practices or changes in other elements of the organization. Ultimately innovations bring about beneficial change. Innovations, which may vary in magnitude, could either have their roots in your company and were adopted by the headquarter or initial headquarter innovations that were adapted to local market requirements in a co-creative process in cooperation with headquarter, but which finally should have been launched before 1997 if not globally to at least several different markets

Direct use of the wording “power” is avoided or explained as *enabling* and *constraining* factors referent to the quality of conversation in both the introduction to the narrative as well as the deep interview.

Requesting for innovation cases which are at least 10 years old is of course an arbitrary matter concerning the amount of years, but essential for the validity of the data collected. The insider-position of the researcher who was for the past 10 years working for the company involved is above presented as an advantage, but requires carefulness in the light of reflexivity too. Furthermore conditions should be created to enable participants to (self-) reflect openly. Emotional engagement to specific events might have been reduced over time in this particular case as also related statements do not seem to be conditioned by their estimated impact in future company development anymore.

Chronological developments, changes in and so environmental influences were part of both the reflective- (company history supporting by visual material) and self-reflective (description of participant’s career) part of the deep interview. Content is embedded in cues, frames and connections. Students of sense-making need to understand ideologies, third-order controls, paradigms, theories of action, traditions, and stories because their content pervades organizations and color interpretations (Weick, 1995).

Five audio-taped pilot interviews with an average length of almost three hours have been held with participant from European subsidiaries and headquarter. The headquarter perspective, the knot in the network, was especially valuable for cross-checking (reliability) of provided data.

Physical organization of the interview was simplified because the sampling group is still very well networked in a kind of club. Participants were motivated to participate in the research by the attention for the potential value of their experience in combination with insights of modern science and the related possible positive contribution to the future company’s development, one of the club’s objectives.

Provocative, in this context, was the following wisdom of one of the participants: “you cannot buy experience you can only pay for it”.

Piloting

The pilot interview resulted in general in a large amount of rich data. Innovation cases, enabling and constraining factors in interaction were provided and in particular the question about the historic global manager meetings, guided by old pictures from a company brochure, evoked interesting comments. The analytical “part to whole” approach does however not seem suitable. Specific characterizations of interaction (a qualitative description) related to a development phase of a concrete innovation case are sporadic and therefore repetitiveness (quantitatively determined) can also not be searched for.

Alternatively approaching the main research question from a holistic point of view has given a promising first impression. Holistically in the sense of both directly looking for an overall, qualitative pattern of interaction on the one side reading between the lines and evaluating the interview’s location and context, captured in visual maps and photos on the other side.

According Law (2004, p. 88), “allegory is the art of meaning something other and more than what is being said”. Closely related to irony, and also to metaphor, it is the art of decoding that meaning, reading between the literal lines to understand what is actually be depicted. It is sometimes said that allegory is a lost art from and that in Euro-America we have lost the craft of saying or representing things indirectly. If this is right then perhaps it is for two reasons. The first is that allegory flourishes as an art form in contexts where there is explicit repression. It has, then, been cultivated as an explicit art at certain periods in European history. In the present context the second reason is more interesting. This, second reason, has to do with the dominance of literal representation. Descriptions describe directly. Although the conversations with the participants did not

contain signs of irony, the expressed wording seemed indeed context related and leaving space for creative interpretation regarding their exact meaning and at the same time provided lively new insights in both the persons and the company's history, which were not recorded before.

From a practical point of view the pilot-interviews, with persons to whom the researcher had a personal relationship, were rather long proving the still excellent condition of these former top managers. Future interviews should however preferably be held over a period of two days also to enable recapitulation after each part of the interview.

Finally the following practical implication emerged during the process.

As noted by Law (2004, p. 89) above, "an overt commitment to allegory flourishes in circumstances of overt oppression. But if we rephrase this slightly, we find something like this. The powerful (try to) insist that their statements are literal depictions of a single reality. "It really is that way" they tell us".

The Dutch have a proverb about the power of writing: "wie schrijft die blijft" (who writes, lasts). Furthermore, the history of organization is often rationalized in accordance to the so-called hindsight bias (Aronson, 1972). Organizational history as a single reality forms an important frame of reference for any activity including vision-making.

Conducting the interviews, retrospective stories about practice, one is enabled to perceive what Law (2004, p. 152) calls multiplicity "since there are many practices crafting many realities. Truth is no longer the only arbiter and reality is no longer destiny. There are (to put it too simply) choices to be made between the desirability of different realities".

Limitations

Three limitations of the research should be mentioned.

Firstly, the loss of accuracy in expression due to the use of the non-native language for the interviews.

Secondly, the lack of details due to the fact that these events took place at least ten years ago and memorizing has not become easier over time for the aging participants. A limitation, which has regarding facts recorded in document's been overcome with the support of the perfectly systemized company archive, which is available for the research purposes too. The research focuses however on a pattern of interaction and not on the content of the interaction.

Thirdly, a major limitation concerns representativeness. The available data are collected from a single company case (micro-level) using retro-perspective data and focuses on the fuzzy front end only.

Furthermore acquired knowledge aims at the creation of awareness about the relationship between the process of power relating and innovativeness and its potential relevance for innovation management.

Conclusions

The most important conclusion at this stage, not yet having any clue regarding the aim of the research, is that the sampling group can provide valid data, limited accessible via others for a variety of reasons. This is a promising conclusion, which has already triggered ideas about the similar frameworks in other fields of social science. A promising conclusion with respect to the role of the growing group of elderly in society – valuing their experience re-framed with insights of modern science.

A practical kind of self-reflection tool emerged.

Similar interview exercises could have a positive impact enhancing the transformative nature of the way members of an organization perceive their organizational "reality".

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* About the author:

Alfons de Laat is a Master of Science in Industrial engineering and management science. He studied at the Eindhoven University of Technology, the Netherlands. This Dutchman is living since 1993 in Lithuania. He managed, for a globally active company, a small network of different kind of organizations (sales, engineering, technical education) situated in Lithuania, Latvia and Kaliningrad.