

# 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?