

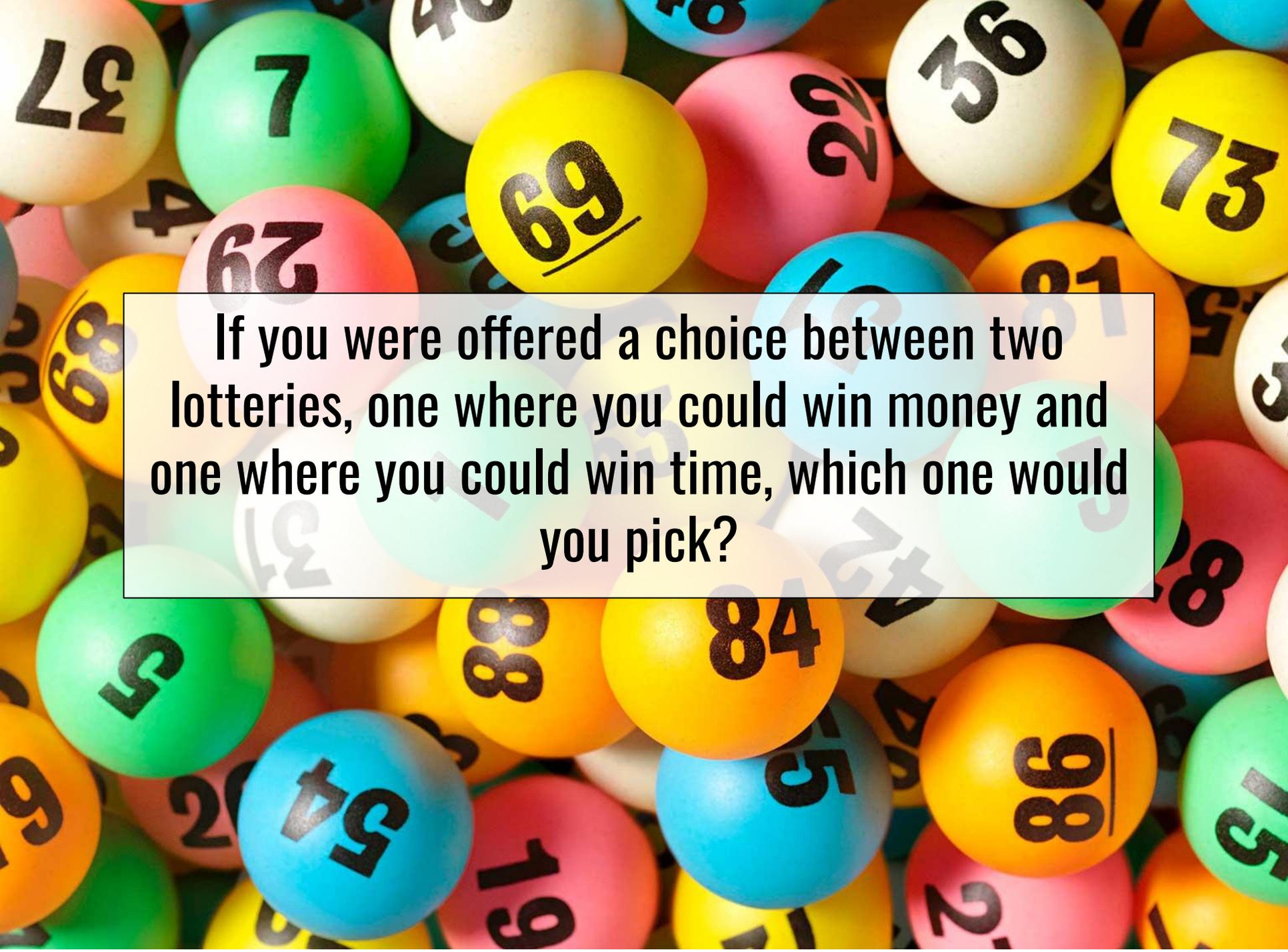
WELCOME!

**If there are multiple people
from your company, please sit
together.**



Organizing Time for Innovation

Heidi M. J. Bertels, City University of New York, College of Staten Island

A dense collection of colorful lottery balls in various colors including green, yellow, pink, blue, and white. Each ball has a black number printed on it. Some numbers are clearly visible, such as 7, 69, 36, 73, 29, 89, 88, 84, 98, 19, 57, 15, 37, 40, 20, 81, 5, 2, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100. The balls are scattered and overlapping, creating a vibrant, textured background.

If you were offered a choice between two lotteries, one where you could win money and one where you could win time, which one would you pick?



Slack time is defined as time
“during which employees choose
what projects to work on and how
to complete such projects.” (Burkus &
Oster, 2002, p 49)

Providing Slack Time for Creativity and Innovation is **costly**

Relationship between Slack Time and Creativity not straightforward (Agrawal et al., 2018; Nohria & Gulati, 1996)

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Allows employees to work on riskier projects not focused on short-term objectives, leading to **innovation** (Bourgeois, 1981; Cyert & March, 1963; Levinthal & March, 1981; Medase, 2020; Thompson, 1967).

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Reduces discipline and selectiveness, leading to **resource misallocation.** (Jensen, 1986, 1994; Staw et al., 1981).

3M



Genentech

Google



ATLASSIAN

Interviews 17 R&D employees involved with slack time



**Expert
Entrepreneur**

**Corporate
Entrepreneur using
Slack Time**

**What sets entrepreneurs apart
from non-entrepreneurs?**

What sets entrepreneurs apart from non-entrepreneurs?

- 1. Entrepreneurs are “born” or have acquired specific traits or psychological conditions (e.g. they are risk seeking)**
- 2. Entrepreneurs take advantage of opportunities created by inefficient market forces, regulation, and scientific breakthroughs.**

Dr. Saras Sarasvathy



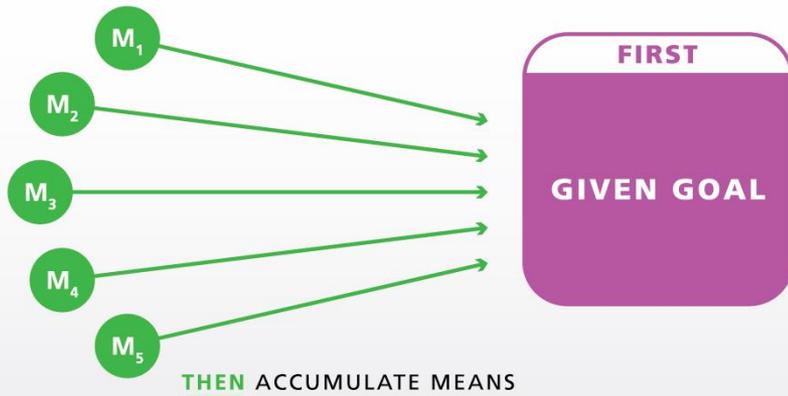
“Serial entrepreneurs use a different thinking process to solve entrepreneurial problems.”



CAUSAL VERUS EFFECTUAL REASONING

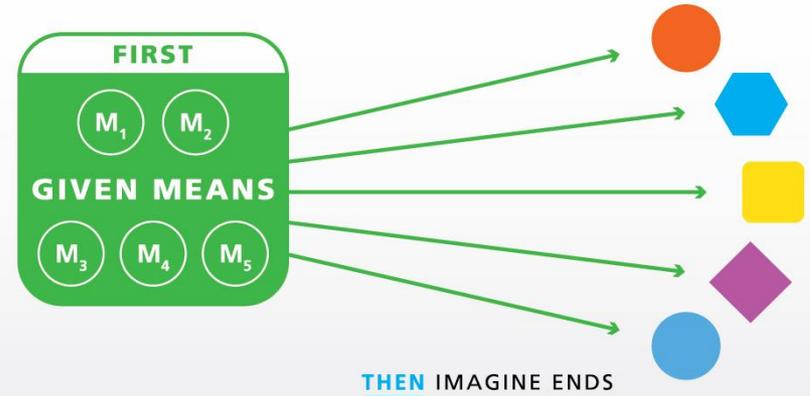
MANAGERIAL THINKING (causal)

Accumulate means necessary to achieve a pre-determined goal.



ENTREPRENEURIAL THINKING (effectual)

Imagine many possible new ends using a given set of means.



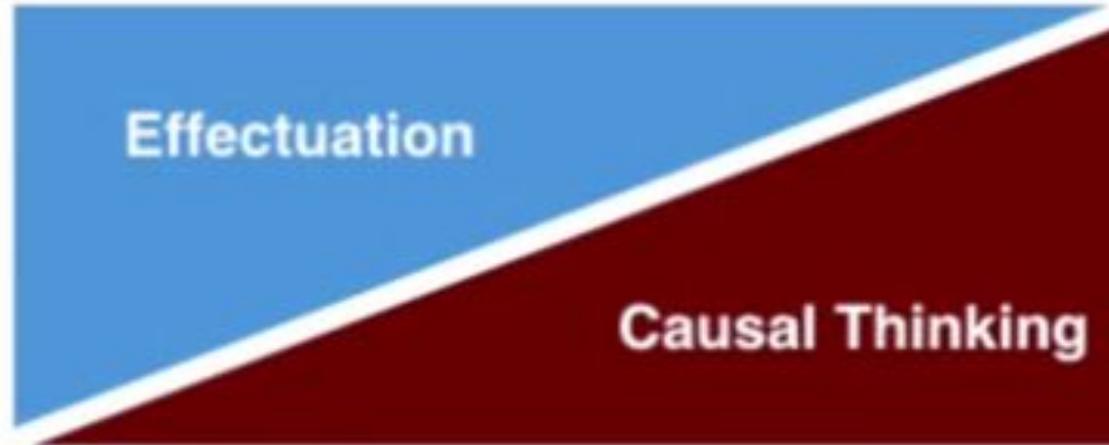
"If I can predict the future, I can control it."

"Know before you go."

"The future is fundamentally unpredictable, but I can control it through human action."

"Go in order to know."

COMPLEMENTARY LOGICS



Expert Entrepreneurs
Startup and Early Growth
New Ventures and New Markets

TIME



Expert Corporate Managers
Large Investment Operations
Large Companies in Mature Markets

SLACK TIME

Set conditions to support
effectual thinking

STAGE-GATE

Dominant thinking

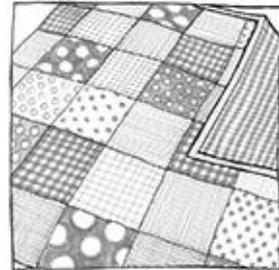
EFFECTUAL THINKING: 5 PRINCIPLES



Bird-in-hand



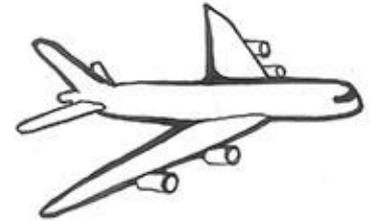
**Affordable
loss**



Crazy Quilt



Lemonade



**Pilot-in-the-
plane**

- Sarasvathy, S. D. (2001). Causation and effectuation: Toward a theoretical shift from economic inevitability to entrepreneurial contingency. *Academy of management Review*, 26(2), 243-263.
- Effectuation.org

EFFECTUAL THINKING

PRINCIPLE 1: BIRD IN HAND

- Start with your means.
- Don't wait for the perfect opportunity. Start taking action, based on what you have readily available



- Who I am
 - My personality, tastes, passions and interests
- What I know
 - My education, training, expertise, and experience
- Who I know
 - My social and professional networks

PRINCIPLE 1: BIRD IN HAND

	PERSONAL	ORGANIZATIONAL
Who am I?	<p>My personality, tastes, passions and interests</p> <ul style="list-style-type: none">● Need to be creative● Want to have discretion<ul style="list-style-type: none">○ Motivation and retention	<p>Company's identity, culture, core values, mission</p> <ul style="list-style-type: none">● Failure is accepted as part of the process● Flexible goals● Flexible slack time allocation<ul style="list-style-type: none">○ Interest○ Comfort-level<ul style="list-style-type: none">■ Mentorship
What do I know?	<p>My education, training, expertise, and experience</p> <p>Entrepreneur's process</p> <ul style="list-style-type: none">● Define problem● Develop hypotheses● Experiment● Pivot or persevere	<p>Company's knowledge</p> <ul style="list-style-type: none">● Research fellow, library, ,,, <p>Company's slack time guidelines</p> <ul style="list-style-type: none">● Define what to investigate● Develop hypotheses● Gather and analyze data● Transfer

PRINCIPLE 1: BIRD IN HAND

	PERSONAL	ORGANIZATIONAL
Whom do I know?	My social and professional networks	Company's networks <ul style="list-style-type: none">● Internal social network, communities of practice● External relations with other companies or universities
What do I have?		Company's resources <ul style="list-style-type: none">● Employee time● Lab time and equipment to run experiments● Off-the-shelf materials● No budget

EFFECTUAL THINKING

PRINCIPLE 2: AFFORDABLE LOSS



- Decision making based on what you are willing and able to risk (“affordable loss”) instead of financial forecasting
- Focus is on limiting the downside

PRINCIPLE 2: AFFORDABLE LOSS

PERSONAL	ORGANIZATIONAL
<ul style="list-style-type: none">● Time invested outside contractual time<ul style="list-style-type: none">○ Work-life balance● Career consequences● Reputational consequences<ul style="list-style-type: none">○ Feeling trusted by company was critical○ Set culture so personal affordable loss stays acceptable	<ul style="list-style-type: none">● Time invested in slack time● Resources made available● Opportunity cost

EXERCISE

Countdown Timer



- 1. Determine your bird-in-hand**
 - a. Whom do I know?
 - b. What do I know?
 - c. Who am I?
- 2. Determine your company's bird-in-hand**
 - a. Whom do I have access to because of my company?
 - b. What organizational knowledge can I access?
 - c. Who is my company/SBU?
 - d. What organizational resources do I have access to?

EXERCISE

Countdown Timer

// EXEC

Combine means to come up with ideas of what you can do now

- Randomly turn one card in each category
- Brainstorm ideas
 - OK to turn another card if nothing sparks
 - OK to start over
 - OK to go back to a card you turned previously

EXERCISE

Countdown Timer

// EXEC

Combine means with others at your organization to come up with ideas of what you can do now

- Randomly turn one card in each category
- Brainstorm ideas
 - OK to turn another card if nothing sparks
 - OK to start over
 - OK to go back to a card you turned previously

Thank you!

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Please join the project!