Chapter 11
Co–Evolving Relationships and Innovation Dynamics

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ABSTRACT

This chapter takes a critical look at the interplay of three key engagement elements: transactions, conversations, and relationships as they relate to innovation dynamics. It further pinpoints the importance of tracking four key factors—self-organization, tacit knowledge, social capital, and human nature—for the development of innovation rich social relationships. Most significantly, the author identifies a new dynamic organizational component: the shared-access domain or organizational sweet spot, and its significance to the innovative capacity of an enterprise. Research from such diverse fields as anthropology, evolutionary psychology, social neuroscience, and complex adoptive systems are used in an attempt to show commonalities in these disciplines in determining the effects of various organizational contexts/ecologies on the expansion or contraction of the shared-access domain. In essence, the chapter identifies methodologies and interrelated multidisciplinary factors for managing, or rather “unmanaging,” knowledge professionals.

INTRODUCTION

A recent Modern Survey (2008) of the US workforce points out that employee engagement in the US is deteriorating even as the financial crisis worsens. The November 2008 survey results were as follows:

- August ’07: Disengaged 17%, Under Engaged 41%, Moderately Engaged 30%, Fully Engaged 12%.
- August ’08: Disengaged 21%, Under Engaged 40%, Moderately Engaged 27%, Fully Engaged 12%.

Overall, disengaged workers are estimated to cost the US economy more than $300 billion annually.

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The obvious question is, “Why are so many workers in the United States actively disengaged from their jobs?” Is it caused by the decreasing relative wages of the middle class workers, promises of bonuses that go unpaid, results of employee surveys that produce no results, antagonistic work environments or simply a lack of purpose? All these issues certainly have an impact. I suggest, however, that the problem is much more fundamental than that.

Doc Searls (2007), the Senior Editor of the Linux Journal, I believe best describes the intricacies and dynamics of the predicament. He states:

Think of markets as three overlapping circles: Transaction, Conversation and Relationship. Our financial system is Transaction run amok. Metasized. Optimized at all costs. Impoverished in the Conversation department, and dismissive of Relationship entirely. We’ve been systematically eliminating Relationship for decades, excluding, devaluing and controlling human interaction wherever possible, to maximize efficiency and mechanization.

What Searls makes clear is that we have and continue to ignore the human factors in our organizations and business networks. Thus, for practical purposes, we are ignoring the suggestions and innovative ideas of almost 25 million people in the US alone. That is an unimaginable waste of any nation’s resources. What needs to be fully recognized is that the “hidden assets” of social systems are deeply embedded within the relationships of the people we work and live with.

Therefore, we need to look beyond transactions and conversations within and external to an organization’s constituents. That is because we are dealing with the talents and skills of human beings who are “intrinsically social creatures.” Once we are able to reach that conclusion it becomes easier to comprehend that relationships are the essence of life, work and innovation dynamics.

**BACKGROUND**

For the better part of the past two decades I have been investigating the fundamental interplay of a number of individual and group associated behavioral factors and how they relate to the expansion or contraction of the innovative capacity of an organization or a social network. I began by first taking a more thorough look at anthropology and paleontology.

What I discovered was that our hunter-gatherer ancestors had gotten along quite well for 99 percent of the roughly 200,000 year existence of our species (Homo sapiens) without the use of any rigid hierarchical social structures (Ehin, 1995). Thus, top-down administrative frameworks are “relative” newcomers to the societal scene. Hierarchical organizational structures essentially began to evolve around 12,000 B.C. with the advent of agriculture and the domestication of animals. The irony is that this significant fact is seldom talked about in business schools or in company boardrooms.

Next I delved into sociobiology and evolutionary psychology (Ehin, 2000). That was followed by the examination of many of the latest findings in molecular biology, social neuroscience, and complex adaptive systems (Ehin, 2005 and 2009). In general what has become quite clear to me and many others is that biological entities, including humans, cannot and should not be fully controlled. They are emergent and constantly evolving complex adaptive systems. In fact, we now have solid evidence that attempts to control people stifle innovation (Lehrer, 2008).

Hence, for innovation to thrive among people they need to be immersed in flexible biophysical and social environments. When it comes to developing productive social systems we need to be less dependent on Industrial Age cause-and-affect thinking and, instead, begin to rely more on the dynamic principles of self-organizing.

Consequently, it should not come as a great surprise that traditional management concepts