

Analyzing Failure: A Cornerstone for Growth, Innovation, and Change

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The topic of failure primarily carries a negative perception as it is the result of an unexpected outcome that may carry negative implications on performance or hopeful achievement. However, recent literature suggests that failure can be a catalyst to spark organizational learning, ideation, and innovation. The following paper discusses strategies for the analysis of failure to facilitate learning and propose a model to best examine failure in an effective and timely manner.

Keywords—Failure, Innovation, Strategy, Change

I. INTRODUCTION

The topic of failure primarily carries a negative perception as it is the result of an unexpected outcome that may carry negative implications on performance or hopeful achievement. Edmondson (2011) suggested that leaderships' perception of failure is bad. However, Edmondson (2011) contrasted this perspective by suggesting that failure can act as a pivot point for learning and advancing. Failure includes both avoidable and unavoidable negative outcomes of a desired expectation or result (Cannon & Edmondson, 2001). Cannon and Edmondson (2005) developed three steps that organizations can use to intelligently learn from failing: Identify of failure through the collection of feedback from employees, consumers, non-consumers, general public, and other sources (e.g., reports); Analyzing failure effectively reviewing, interpreting, and providing an assessment on variables attributing to the failure; and Deliberation of the findings and concluding on the association and implications leading to the failure. The approach allows for groups to establish a foundation for movement towards innovation and positive change. The following paper will discuss strategies for the analysis of failure to facilitate learning and propose a model to best examine failure in an effective and timely manner.

II. FAILURE

The outcome of failure is a common result of innovation across enterprises, industries, and markets, but in many instances is not recognized as a potential opportunity for advancement. Innovative organizations perceive failure as a friend just as much as a foe (Evans, 2006). Ghezzi, Balocco and Rangone (2010) implied that "Failures can teach many lessons, and shed light on issues seldom addressed or even spotted when the case under scrutiny is blessed with success" (p.213). Burger and Starbird (2012) supported that failure as a part of the ideation and effective thinking process as it allows for creativity to be executed assessed and modified. Therefore, as organization mature their innovation capacity. The approach of failure analysis is considered as an essential factor, which lessons can be learned and can attribute to innovation. The approach of failure analysis focuses on factors of unsuccessful

events by researching the source(s) of the mistakes and the implemented strategies used. The approach goes beyond looking at the strategies driving the decisions but in a broader sense of strategy focusing on an array of dimensions that can lead to the development a new standardization of procedures in order to prevent similar issues from reoccurring. It is suggested that focus should shift inward and outward to study how and when failure occur, the findings could become leverage for change to avoid mistake and increase organizational performance and competitiveness. Through perspective modification from rejecting and ignoring failure to building a community that embraces failure can enhance the innovative process by supporting idea and knowledge sharing, risk taking, internal and external assessment and investigation, resulting in increased opportunities for innovation.

III. ANALYZING FAILURE

A. Information Harvesting

Within the analytical process of deconstructing failure, it is imperative that the team focuses on the factors the directly or indirectly led to the failure. When managed effectively, this process should cluster variables into characteristics, environments (i.e. internal and external), influences, and behaviors/actions. Therefore, the data collection process should encompass a broad range of sources and methods. The information harvesting process may include focus groups, mixed methods surveying, market analysis, and consumer behavior statistics. Post-information collection and analysis should be conducted within a group of research methods experts, subject matter experts, and external participants, as these perspective will allow for a well-rounded review of the information collected. Wujec (2010) indicated that high performing teams exhibit a strong level of attention from both sides of teaching and learning. Thus, attention to detail and clearly documenting information throughout the innovation process should improve understanding and performance..

B. Diversity of Thought

Innovation is associated with freeing one's mindset which created readiness to explore the unknown and to accept new ideas and allows for the freedom to fail (Stone, 2013). To effectively review failure in its entirety, a team must consist of individuals with diverse viewpoints, backgrounds, and areas of expertise. Rubinstein and Firstenberg (1999) suggested that diversity does not only include differences in gender, ethnicity, age, but also functional diversity such as education and occupational responsibilities. Wujec (2010) found that diversity meshes disparate perspectives to generate disorder in like-

mindful thinking process, but allows for broader discovery as a vehicle to problem solving. Farson and Keyes, (2006) proposed that ideas are more likely to emerge when managers treat each step in innovation process with more interpretation and less evaluation. Therefore, as means to support effective assessment and interpretation, organizations must foster an environment that exercises openness and support of diverse perspectives in the processes of interpreting, sharing and discussing information.

C. Learning

Cannon (2001) speculated that confronting failure can facilitate learning. Additionally, Cannon (2001) suggested that learning from failure necessitates employees to accept and exercise a different learning orientation towards mistakes and conflicts which counters their natural perception and inclination of failure. Hann (2013) supports that “Failure can teach not only what one is doing wrong, but also how to do it right the next time. It can be a useful, even transformational, force for better business practices. And it is best not to shove it under the rug, because it is, at some point, inevitable” (n.p.). DeWitt (2012) posits that “There are valuable lessons in failing. Too often people keep trying the same solution and keep getting the same result. Failure can teach us that it is not that we are bad at something; just that we have to try a different method to find success” (n.p). Drupsteen and Hasle (2014) pointed out that active and systematic studying and learning may lead to the identification of direct and indirect antecedents of failure and help discover determinants of the successful indicators. Thus, organization can learn from failures and through this approach of learning firms can yield richer knowledge and better decisions for change (Baum & Dahlin, 2007).

IV. FAILURE ANALYSIS MODEL

Figure 1 provides a conceptual model for effective failure evaluation as means to support the advancement of ideation and development through continuous assessment and learning.

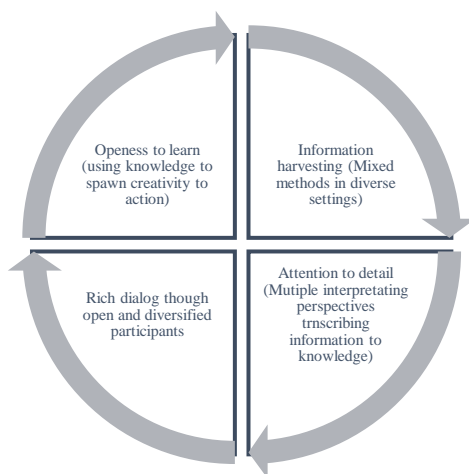


Figure 1 Failure Analysis Model

V. DISCUSSION

As organizations seek to stretch outside of boundaries and into the future, there will exist areas of uncertainty, which will require a level of risk as means to stay ahead of the competition. Though risk presents itself as opportunity, it also contrasts into mounds of failure. However, Comedy and Grama (2016) argued that organizations must embrace failure as means to drive innovative behaviors, especially when organizational emphasis is to solve problems through development and improvement. Edmondson (2011) specified that many organizations support learning and devote time analyzing failure as means to shift behavior, but find that this change is minimal to not occurring. This leads to poor responses of blaming and avoiding the critical conversations. Thus, the cycle for building a learning culture that fosters actions to detect failure, deeply assesses failure, and to support experimentation. Therefore, organizations must establish a foundational method of approaching failure to effectively use it to support success.

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