### Chapter 3

# Do Team Dynamics Influence the Organizations to Be Innovative?

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#### **ABSTRACT**

Innovating products or services are not an emerging issue rather a reality in today's marketplace. Organizations are relentlessly chasing innovation to compete with their rivals. Considering these phenomena, literature from the different management studies suggest that to being mechanistic it would better to become organic in its operation. The organic structure of the firm also highlights teamwork as a priority to become successful. This study illustrates the effects of team dynamics and mediating effects of organizational learning on organizational innovativeness. By proposing the conceptual model, the chapter presents different practical implications to the practitioners, researchers, and academicians connected to the industry and can be a source for future research Bangladesh and other developing economies to develop different insights.

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#### INTRODUCTION

The world is always evolving, starting from technologies to business and economics. Increasing competition changes the necessities for the organizations to performance better. Innovating product or service is not an emerging issue rather a reality in today's business. To enhance the company's performance, it requires numerous qualities in firm operation (Jiménez-Jiménez et al., 2011; Aragón-Correa et al., 2007). In particular, to comprehend superior quality in operation, innovation can play a vital role for the businesses to adapt change based on the necessities (Garcia et al., 2008; Cho et al., 2007)? An organization is always dynamic with its competitive strategies (Grant, 2005). To deal with the current externalities organizations have to acquire new knowledge and skills to build competitive strategies to improve their performances (Child et al., 2005; Ortenblad, 2001). Kalshoven et al. (2012); Baker et al., (1999) also found in their studies that the new knowledge and skills obtained through organizational learning may enhance a firm's innovative capabilities to confirm competitiveness. Mayondo et al. (2005) argued that the most effective strategy for sustaining and improving a firm's competitive advantage is organizational learning. Team dynamics plays an important role to motivate employees to learn new things and provide new challenges to administer their team efforts. It also helps the employees to understand different organizational contextual ties of organizational trust, interpersonal communication, team expertise, and empowerment (Remedios et al., 2004).

However, very few studies have highlighted the importance of team dynamics and organizational learning for ensuring organizational innovativeness. In order to determine the innovative capabilities for the organizations literature from the different study connects the team dynamics, learning strategies with organizational innovation isolatedly. Especially, as per the knowledge previous studies have not highlighted the effects of team dynamics and organizational learning on organizational innovativeness in the context of business organization in Bangladesh. Hence, model that helps to enhance innovativeness of business organization in Bangladesh would add new knowledge in the contemporary literature of organizational study.

Recently, Bangladesh has shifted from a lower income country to lower-middle income country. The business sector of Bangladesh has played a major role for achieving the current status. In addition, PwC reported that Bangladesh would be placed as a 21<sup>st</sup> largest economy in the world by 2050 (Hawksworth et al., 2017). However, in order to go further, Bangladesh has to compete with the mature competitions for which business sector in Bangladesh have to bring innovation. On the other hand, research studies have not explored the effects of team dynamics and organizational learning on organizational innovativeness in the context of business organization in Bangladesh. In this circumstance, proper understanding of the mechanism for ensuring organizational innovativeness for business organizations in Bangladesh can enable the organizations to compete in highly competitive market.

Hence, the purpose of this study to develop a conceptual framework to illustrate the effects of team dynamics on organizational learning towards organizational innovativeness. This study fills a gap by proposing a framework for developing country like Bangladesh in an area of organizational innovation, which creates a new scope for the further studies. This study integrated team dynamics as an independent variable and organizational learning as a mediating variable. Different literature witnessed that team dynamics is strongly connected with organizational innovativeness, but this study also unfolds the mediating effects of organizational learning between team dynamics and organizational innovativeness remain same when organizational learning strategy is stronger or weaker. Hence, independent and mediation effect

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