

## Creating Value Through Real-Time Knowledge Generation: Improvisation and Organisational Learning in New Product Development

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### Abstract

This paper aims to study the value created through improvisation in response to surprises during the process of developing a new product or service. Members of academia as well as field professionals are attracted by the positive influence of improvisation on organizational flexibility and for this reason there is a strong interest in studying improvisation in light of increasing turbulence (e.g., Moorman and Miner, 1997; Yeboah Banin et al., 2016). Contrary to classical models that emphasize the importance of planning, there are recent models that stress the importance of ephemeral knowledge created by improvisation in response to unforeseen problems or opportunities (e.g., Pavlou and El Sawy, 2010; Thomke and Reinertsen 1998). Research emphasizes the conditional value of improvisation shaped by external factors, team conditions and firm traits (Kyriakopoulos, 2011; Magni, Proserpio, Hoegl and Provena, 2009; Vera and Crossan 2005). This approach shifts the emphasis from the idealization of the role of improvisation to the exploration of factors that improve the effectiveness of improvisation (Vera and Crossan 2005).

Some authors argue that the extemporaneous nature of improvisation makes dubious the value of and ability to store knowledge generated in real-time (Miner et al. 2001) and so extrapolate value for the firm, customers and other stakeholders. In a study of various innovation projects in two companies, Miner et al. (2001) indicated that companies ought to have specific processes for assessing, storing and leveraging knowledge created through the improvisation process given the local and ad hoc nature of knowledge generated by impromptu activity. In spite of such very promising initial insights, there are not many systematic theoretical works or empirical studies to theorise and examine the links between improvisation and *organizational learning*. Yet, because markets are becoming more and more unpredictable, organisations increasingly ought to improvise in order to cope with such unanticipated

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developments, something that makes the study of organizational learning during the process of improvisation absolutely pressing priority.

Consequently, through the study of improvisation arises a pivotal question: in what ways can organizations successfully use improvisation and create value? To expand our knowledge, we must further examine the effects of improvisation on organizational learning. We propose that improvisation affects organizational learning, although we expect them to do so in different ways.

In conducting this research, we seek to expand the borders of our understanding of how knowledge created in real-time, through acts of improvisation, can enable value to be created to constituents within and outside the firm.

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