

2023

## Exploring Strategies for Measuring Team Innovation in Small Financial Business

Kimberly Nicole Whitt  
*Walden University*

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# Walden University

College of Management and Human Potential

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Kimberly Whitt

has been found to be complete and satisfactory in all respects,  
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## Review Committee

Dr. Kenneth Levitt, Committee Chairperson, Management Faculty  
Dr. Elizabeth Thompson, Committee Member, Management Faculty  
Dr. Hamid Kazeroony, University Reviewer, Management Faculty

Chief Academic Officer and Provost  
Sue Subocz, Ph.D.

Walden University  
2023

Abstract

Exploring Strategies for Measuring Team Innovation in Small Financial Business

by

Kimberly Whitt

MPHIL, Walden University, 2019

MBA, Union University, 2010

BS, Union University, 2003

Dissertation Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Philosophy

Management

Walden University

August 2023

## Abstract

Small financial business leaders cannot maintain a competitive advantage without effectively measuring work team innovation. The purpose of this qualitative exploratory multiple case study was to explore the strategies that small financial business leaders use to measure work team innovation to maintain a competitive advantage. The conceptual framework undergirding this study was Schumpeter's innovation management theory. The research question asked what strategies small financial business leaders use to effectively measure work team innovation to maintain a competitive advantage. Interview data were collected from 15 small financial business leaders who employ less than 100 employees in Madison, Chester, Gibson, Henderson, and Crockett counties in west Tennessee and are members of a local Chamber of Commerce. Data analysis used descriptive coding method. The findings showed that small financial business leaders understand the importance of using innovation appropriately in their organization to maximize organizational performance on the work team level. Small financial business leaders acknowledged the effect COVID-19 had on the work environment and that the focus of their organization should be on the customers' needs over the needs of their organization. This study's positive social change implications could be that small financial businesses that use innovation appropriately in their organization might increase customer satisfaction and increase organizational success.

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## Dedication

This doctoral dissertation is dedicated to my loving husband, Jeff, and beautiful daughter, Lilah. Thank you both for loving me, supporting me, and keeping me motivated throughout this journey.

Lilah, I hope this journey has shown you that anything you desire is possible if you put in the time and effort to see it to fruition. Keep striving for greatness in all you do.

I appreciate you both for understanding the sacrifices I had to make when I had a deadline to meet. I love you both. Now, let's go make some memories.

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I must acknowledge God and his Word for keeping me on the straight and narrow. Galatians 6:9 (NKJV) says, “and let us not grow weary while doing good, for in due season we shall reap if we do not lose heart.” I am grateful I could lean on his Word and make my doctoral dream a reality.

I am very thankful for my family and friends for their constant support and encouragement during this journey. Thank you for the kind words and motivational pep talks when I was overwhelmed. The comforting words kept me going when I was struggling.

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## Chapter 1: Introduction to the Study

According to the Small Business Administration (SBA, 2019), small businesses employ approximately 47.3% of employees in private employment. Small businesses make up nearly 90% of economies (Haddad et al., 2019) and are one of the main drivers of economic growth (Distanont & Khongmalai, 2018; Sahoo, 2019; Taneja et al., 2016). In the financial industry, the focus of this study, small business employees make up approximately 30.3% of private employment (see SBA, 2019). Because of constant changes in the business environment and intense competition, leaders see an increased need to change their organizational structures to be conducive to improved innovation (Devaraj & Jiang, 2019; Le Blanc et al., 2021). Work teams are used more often to achieve innovation in organizations. Leaders believe the skills and knowledge of several people working together will maximize the innovation output (Le Blanc et al., 2021). A 2016 study by Deloitte Insights found work teams are used in 62% of organizations versus the traditional individual structures. Therefore, leaders must understand how their work team operates to increase team performance (Coun et al., 2019).

In this multiple case study, I sought to explore the strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee use to measure work team innovation. I collected information regarding which strategies small business leaders use by conducting semistructured interviews using open-ended questions on Zoom. The results from my study may provide small financial business leaders with imperative knowledge to help them identify more effective strategies to measure work team innovation, which, in turn, could lead to increased organizational performance. In

this chapter, I introduce the research study and provide specific details regarding the makeup of the research study.

### **Background of the Study**

Leaders who expect their organizations to remain competitive cannot merely look at the operational performance alone (Leyer et al., 2017). Leaders should understand the importance of implementing innovative practices into their organization and effectively measuring the effects of the innovation practices to increase the chance of improving their competitive advantage in the market (Saunila & Ukko, 2012). It is vital in small businesses as the business' success depends on innovation (Haddad et al., 2019; Ndesaulwa & Kikula, 2016). Small business leaders should evaluate the innovation practices within their organization and adjust their practices to increase their organization's competitive advantage.

### **Innovation**

Innovation is critical in ever-changing business environments (YuSheng & Ibrahim, 2020) due to increasing competition, changing customer needs, and unstable markets (Abdi e et al., 2018; Fay et al., 2015). Innovation drives organizational performance (Demircioglu et al., 2019). If organizations are to succeed, leaders must find ways to increase innovation among workers to retain and gain a competitive advantage (Leyer et al., 2017; Mazzola et al., 2018). Just creating the innovation is not enough; leaders must be able to measure innovations (OECD/EUROSTAT, 2018). Leaders who can effectively measure innovation will be able to increase innovation among their workers and adjust to changing customer needs to gain a competitive advantage.

As work teams become the standard organizational structure (Fay et al., 2015; Le Blanc et al., 2021), turbulent work environments make it hard for employees to complete their work alone (Super, 2020). Organizational work teams are considered the building block of an organization and should always be encouraged to be innovative (Ter Haar, 2018). Leaders rely on work teams to increase organizational performance (Rahmi & Indarti, 2019), resulting in organizations gaining a competitive advantage (Gonzalez-Roma & Hernandez, 2016; Van Knippenberg, 2017). With the heavy reliance on work teams comes a greater need for leaders to know how the work team is performing and create an environment that supports innovation (Super, 2020). Leaders should put processes in place to help employees understand how to work together. Part of an organization's success depends on the leaders' ability to guide a work team to use their skills to be creative in innovation strategies (Ndesaulwa & Kikula, 2016). Knowing which innovation methods to continue and which ones to stop is essential to the organizations' sustainability in the industry (Ter Haar, 2018). Implementing processes for working together and encouraging the correct innovation methods will aid leaders in gaining a competitive advantage.

Also, knowing how to measure innovation output correctly is crucial as leaders typically have limited resources but are still expected to remain competitive (Mazzei et al., 2016). If small business leaders want to maintain their organizations' position in the industry, they must be able to measure the innovation performance of their teams (Ter Haar, 2018). The nature of small business necessitates leaders have a strong grasp on effectively measuring innovation for maximum organizational performance. Having



proper innovation measures in place could help leaders know when to step in and assist a low-performing work team or encourage a high-performing team to push for a higher level of innovation (Ter Haar, 2018). Leaders who can measure the innovation output have more knowledge they can use to understand how their organizations' innovation practices affect changes in the economy and social changes (OECD/EUROSTAT, 2018). Correctly measuring innovation output can be the difference in a competitive advantage or not.

### **Financial Industry**

The financial industry plays a significant role in our economy (Blach, 2020; Huda et al., 2020; Nejad, 2016; Qamruzzaman & Jianguo, 2017). Scholars posited that the financial industry comprises the “instruments, institutions, regulations, and markets through which financial services are delivered, interest rates are specified, and financial securities are operated” (Huda et al., 2020, p. 32). Its innovation, effectiveness, and efficiency and the new products, processes, and services have helped transform the economy into what it is today (Blach, 2020; Huda et al., 2020; Qamruzzaman & Jianguo, 2017).

Even though financial innovation is not a new term in the financial market (Gasiorkiewicz et al., 2020), scholars have differing opinions on how long financial innovation has existed. The earliest documented financial transaction dates to the Mesopotamian era (Arthur, 2017a). Various improvements and changes have occurred throughout history to make the financial industry what it is today. Recent financial leaders have watched the financial economy grow exponentially due to globalization and

financial market regulation changes (Huda et al., 2020; Lupu & Criste, 2020; Nejad, 2016; YuSheng & Ibrahim, 2020), new technological advances (Akdere & Benli, 2018; Arthur, 2017a; Gasiorkiewicz et al., 2020; Lupu & Criste, 2020; Nejad, 2020), increased competition (Qamruzzaman & Jianguo, 2017), new communication systems or forms of trade, and the development and popularity of the Internet (Lupu & Criste, 2020).

Financial leaders have seen significant innovation changes in the financial industry in the last few decades (Lupu & Criste, 2020). Financial leaders should realize the industry is not perfect, resulting in the need for financial innovation to help with the flaws in the sector (Blach, 2020). Those who implement financial innovations in their organization should know that implementing this type of innovation could be risky, come at a high cost, and be uncertain at times (Arthur, 2017; Zouari & Abdelmalek, 2020). Leaders should understand the risk involved and weigh the pros and cons to determine if the benefit outweighs the cost of the risk.

### **Gap in the Literature**

Also, more research exists for all organizational levels except the work-team level (Ter Haar, 2018) regarding innovation performance. Little research has been published on the work-team level leaving a gap in scholarly literature regarding innovation performance (Ter Haar, 2018). More research can always be conducted on work teams, innovation, and measuring innovation as these areas are in high demand currently and in the foreseeable future (Ter Haar, 2018; Silva & DiSerio, 2021). As innovation evolves and affects organizations, researchers should publish more research to help leaders continually improve their work teams' innovation performance.

## **Problem Statement**

Innovation is an essential component of organizational performance (Anderson et al., 2014) and should be considered a core value in an organization (Basu, 2017; Mazzei et al., 2016). A 2017 global study by PricewaterhouseCoopers indicated that nearly 50% of executives surveyed felt innovation positively impacted their bottom line. Executives interviewed in the Technology Vision Survey in 2019 reported innovation in their organizations had accelerated 94% over the last 3 years (45% - significantly accelerated; 49% accelerated). King (2017) asserted work teams have become common in organizations due to the notion that teams can produce higher levels of innovation and, thus, should be encouraged to increase innovation within the organization.

Leaders must be able to measure their work teams' innovation (King, 2017) if they are to be effective. Scholars have noted that innovation will be the driving factor for an organization's competitive advantage in the future (Ter Haar, 2018). Luamba et al. (2021) noted that a leader's failure to use innovation in the organization would have a negative impact on organizational growth. Thus, innovation will accelerate the need for leaders to implement various strategies to improve organizational performance and to measure innovation effectively. However, literature is lacking in what leads to innovation in small business (Silva et al., 2021). Altuzarra (2017) stated that scholars should continue to increase their knowledge on all aspects of innovation. Doing so could increase the amount of literature available regarding various aspects of innovation.

Silva et al. (2021) noted that small business innovation is different from large businesses innovation. Innovation methods that work for larger businesses may not work

for smaller businesses which may cause a decrease in the performance of small businesses. Small business leaders may not use traditional methods of innovation and the standard innovation measuring techniques. Using traditional innovation methods may also make it harder to measure innovation in small businesses as small business leaders may not use a structured innovation process (Silva et al., 2021). Some business leaders incorporate innovation in their day-to-day activities which makes it hard to know which method is working and which method to measure (Silva et al., 2021). A cost-benefit analysis would be a useful tool to help leaders analyze which day-to-day activities to continue and which ones to terminate.

Therefore, business leaders who do not have a variety of strategies in place to effectively measure work team innovation risk losing their organization's competitive advantage (Tikas & Akhilesh, 2017). The general problem is that small business leaders cannot rely solely on traditional innovation methods to measure innovation due to the smaller size of their organization (Silva et al, 2021). The specific problem is that small financial business leaders are not able to maintain a competitive advantage without effectively measuring work team innovation (Ter Haar, 2018).

### **Purpose of the Study**

The purpose of this qualitative exploratory multiple-case study was to explore the strategies that small financial business leaders use to measure work team innovation to maintain a competitive advantage. Small financial business leaders who supervise work teams in Madison, Gibson, and Chester counties in west Tennessee were the participants in this research study.

### **Research Question**

The research question that grounded this study was as follows: What are the strategies that small financial business leaders use to effectively measure work team innovation to maintain a competitive advantage?

### **Conceptual Framework**

The conceptual framework that grounded this study was based on the concept of Schumpeter's (1934) innovation management. Schumpeter believed that innovation could benefit an organization and aid in the business' growth (Luamba et al., 2021). Schumpeter mentioned the primary activities of innovation were "introducing new products, changing production methods, expanding markets, finding new resources for production, and developing new structures that align with the organizational goals" (Luamb et al., 2021, p. 425). Mazzola et al. (2018) posited innovation management has a positive relationship with innovation performance. Muninger et al. (2022) described innovation management as the "tactics or methods implemented by organizations to conduct innovation activities" (p. 143). Maital and Seshadri (2007) stated innovation management involves using business design, creativity, resources, and business processes to achieve a competitive advantage. Leaders who understand how important innovation is to their organization and can effectively measure innovation and its effect on the organization have a higher chance of increasing their competitive advantage (see Saunila & Ukko 2012). A 2015 innovation survey conducted by Accenture revealed that 84% of leaders felt innovation was crucial in their strategies to grow the business. Leaders who cannot effectively use innovation practices in their organization will see a decline in the

organization's competitive advantage. Leaders would benefit from a thorough understanding of innovation and how to effectively measure it.

Early in his career, Schumpeter (1934) believed leaders who wanted to earn a profit must implement innovation by reducing costs or increasing product demand. Schumpeter noted innovation was a principal business activity leaders must utilize if they are to increase growth and profits. To succeed, leaders should identify the strategies that work within their organization and develop the innovation capabilities of the workers if their organizations are to be successful in the long run (see Mendoza-Silva, 2020). Brix (2019) described innovation capability as the activities that increase workers' knowledge, skills, abilities, and behaviors so the organization can gain a competitive advantage. Migdadi (2022) described innovation capability as a crucial component for an organization to achieve and sustain a competitive advantage.

Porter (1985) coined the concept of competitive advantage within the strategic management theory (Bacanu, 2016). Negulescu (2020) noted how vital competitive advantage is to an organization's innovation strategy. Leaders who can effectively create innovation strategies and measure innovation output can help their organizations gain a competitive advantage. However, innovation in small business is hard to identify and measure as a lack of resources causes innovative processes to blend with the organization's day-to-day activities (Silva et al., 2021). Therefore, leaders who want to increase their competitive advantage must find a way to separate innovation from daily activities.

As the business environment is rapidly changing, leaders are moving toward developing work teams within the organization. King suggested that increased competition, creativity, and the need for collaboration have focused more on work teams (2017). As leaders realize the importance of work teams (Wang et al., 2018), more and more are using work teams as part of their innovation strategy (Widmann et al., 2016). However, leaders should tread carefully to ensure they know which strategies to use and how to measure the performance output of the work teams (see Xu et al., 2019). In this research study, I sought to explore the strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee used to measure work team innovation. In Chapter 2 I discuss the conceptual framework more in depth.

### **Nature of the Study**

Using the appropriate research method is crucial to a research study when data is collected, analyzed, and published for others to use. Researchers use the qualitative research method to collect nonnumerical data (Taylor et al., 2016) to answer a research question. Researchers also use the qualitative research method when they want to understand a social phenomenon affecting a group of individuals. Johnson (2015) provided several advantages to using qualitative research when conducting a research study.

Qualitative research allows the researcher to discover more data than using the quantitative method (Johnson, 2015). Conducting interviews allows the researcher to ask questions based on the interviewees' answers to understand more about the phenomenon studied. By using the qualitative method, the research study participants have more of a

voice in the study (Johnson, 2015). Study participants can expand on a particular topic if they feel the need, leading to greater data attainment. The researcher can take the data and uncover themes that are not in current literature, leading to theory realization. The researcher has more flexibility in interpreting this type of data leading to greater theme identification (Johnson, 2015).

The social phenomenon in this research study was innovation performance; the individuals affected are those on a work team level in an organization. Collecting data using semistructured interviews allowed me to explore the strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee used to measure work team innovation. Small financial businesses with less than 100 employees were the focus of the study. Using a qualitative research method was ideal in this study as I sought to explore which strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee used to measure work team innovation. The quantitative research method deals with numbers and quantifiable data whereas the qualitative method deals with themes and coding of verbal or written data.

This research study was a qualitative exploratory multiple-case study. Researchers use qualitative exploratory case study research when they seek to understand a system and a phenomenon that may be occurring in that system and describe its importance to the field of literature (Starman, 2013; VanderStoep & Johnson, 2009). Farquhar (2012) stated that case studies allow the researcher to gather data where a phenomenon occurs, enabling the researcher to evaluate it in its correct context. A phenomenological approach did not work in this research study as I did not assess the lived experiences of individuals



(see Williams, 2021). An ethnographic approach also did not work for this research study as I did not seek to explore cultural issues. Yin (2018) noted that researchers use exploratory case studies when the researcher aims to gather information to use in future studies. In this study, I sought to explore what strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee used to measure innovation on the work team level. Identifying those strategies could allow for further research to develop more strategies or a framework for all business leaders to use when measuring work team innovation.

Using small financial businesses with less than 100 employees in Madison, Gibson, Chester, Crockett, and Henderson counties in west Tennessee, I conducted semistructured interviews using open-ended questions by Zoom to collect data for the research study. Study participants from Crockett and Henderson counties were included as I did not have enough study participants from the original three counties to reach data saturation. Yin (2018) asserted that interviews are one of the best sources of information for case studies, but other evidence should also be collected to validate the interview data. The interviews were transcribed after completion adding to the evidence for the research study. Though the interview data was a large component of the data collected, I used triangulation to validate the interview data. Scholars exhibit triangulation by using more than one type of evidence to interpret the data and avoid misrepresentation (Stake, 2006). I observed the behavior of the study participants during the interviews and made notes as needed. I did not need to request documents from the study participants and organizations that validated the data from the interview. The interviews and other types of evidence

gathered allowed me to understand which strategies small financial business leaders used to measure work team innovation.

I interviewed 15 small financial business leaders for this study. At this point, I felt I had reached data saturation. Hennink and Kaiser (2022) noted that data saturation occurs when no new theoretical insight is obtained from interviewing more study participants. Data saturation alerts scholars to the notion that the information gathered is “comprehensive and well-grounded in data” (Hennick et al., 2022, p. 1). Once I achieved data saturation, I analyzed the data using techniques suggested by Maxwell and Yin. The techniques suggested by Maxwell (2013) were (a) use memos, (b) use categorizing techniques such as coding and thematic analysis, and (c) use connecting techniques. The techniques suggested by Yin (2018) were (a) using computer programs to assist with coding, (b) playing with the data using a ground up approach to look for patterns, insights, or concepts, (c) explanation building, and (d) cross-case synthesis. I used a mixture of the techniques mentioned to analyze the study data.

### **Definitions**

*Competitive advantage:* Gaining a competitive advantage is an organization’s ability to perform better than competitors, offering clients a service that customers prefer over its competitors (Jones et al., 2018).

*Innovation:* Innovation occurs when employees use new or improved processes to aid an organization in gaining an advantage over its competitors (Gault, 2018).

*Innovation management:* Innovation management involves all the tools, activities, and processes a leader uses to achieve a competitive advantage for their organization (Melendez et al., 2019).

*Organizational performance:* Organizational performance is an organization's effort to achieve its organizational goals (Ali & Islam, 2020).

*Organizational work team:* An organizational work team is a group of individuals working toward achieving organizational goals using the highest quality work methods (O'Neill & Salas, 2018).

*Strategy:* Strategy can be described as the choices a leader makes to achieve the goals set forth for the organization (Sheth & Sinfield, 2022).

*Sustainability in the industry:* Sustainability is the ability to continue doing business indefinitely (Warren & Szostek, 2017).

*Work team level innovation:* Work team level innovation is innovation achieved at the work team level of an organization (Ter Haar, 2018).

### **Assumptions**

In this qualitative exploratory multiple-case study, I aimed to explore the strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee used to measure work team innovation. Data was collected using semistructured, open-ended questions by Zoom. I based this study on the following assumptions. First, I assumed I created the right question set to answer my research question. If I did not ask the right questions during the interview, I may not have had another chance to ask follow-up questions if I determined I did not collect enough

information when analyzing the data. Second, I assumed the answers I received to questions I asked during the semistructured interviews would provide ample information to answer my research questions. Third, I assumed the interviewees gave me complete and honest answers by not omitting information that benefited this study. To counteract the interviewees' hesitancy, I explained the measures taken to ensure their confidentiality. I explained the importance of gathering complete data for the research study. Fourth, I assumed work teams existed in the financial industry. Knowing the financial industry can be cutthroat, some financial institution leaders may not allow teams in their organizations. Lastly, I assumed the study participants were a representative sample of the population in the research study.

### **Scope and Delimitations**

Innovation and the changing business environment have forced leaders to find new ways to be competitive. As work teams are becoming the standard organizational structure for organizations, leaders are responsible for ensuring their work teams can effectively innovate (King, 2017). However, more literature has been published on innovation within all organizational levels, except for the work-team level (Ter Haar, 2018). Therefore, more research studies are needed on work team performance within an organization; thus, one of the reasons I decided to conduct this study. Silva et al. (2021) noted that scholars should continually expand their knowledge on different aspects of innovation as it is constantly evolving; thus, another reason for this study.

I also chose to conduct this study in west Tennessee since no other study like this existed for the area. West Tennessee comprises small, rural towns where small businesses

make up much of the employment. Without small businesses, some towns may not exist. Therefore, the sample for this research study was leaders of small financial businesses with less than 100 employees in Madison, Gibson, and Chester counties in west Tennessee. The small businesses had to be members of a local Chamber of Commerce. Unfortunately, some financial institution leaders chose to exclude their organization from this study and, thus, may have caused me to miss information that would be ideal for this study.

As this study focused on one geographical area, I believe this research study should be duplicated in other geographical locations and industries by other researchers seeking the same kind of data. In addition, choosing to conduct this research study at a time other than tax season or end of the year could allow for better research results as fewer business interruptions would be present.

### **Limitations**

Limitations, challenges, and barriers exist in any research study. These are considered situations that prevent a researcher from obtaining complete information to conduct the study (see Cypress, 2019). Specific to this study, I identified limitations, challenges, and barriers that could cause incomplete data. First, I was concerned leaders would not be open to providing their innovation strategies due to a fear of competitors gaining access to that knowledge. Therefore, I ensured the information remained confidential from one interviewee to the next. Second, I could not control which managers agreed to participate in the research study. If the managers I interviewed did not accurately represent the financial industry in west Tennessee, I may have missed out

on pertinent information to the research study. Additionally, west Tennessee is more of a rural area, and many of the chambers of commerce in that area were not as up to date as others. Because of this, I may not have had access to all the financial institutions that were a part of a particular chamber of commerce. Lastly, some leaders chose to forgo a Chamber of Commerce membership or may not have access to one due to their location. This could have caused me to miss out on pertinent information for the research study.

### **Significance of the Study**

This study may be significant to understanding the strategies small financial business leaders use to measure work team innovation. Leaders of work teams who can effectively implement innovation strategies in their work practices could see an increase in organizational performance. In addition, the results of this study could benefit small business leaders in other geographical areas in the United States and other industries. While there is no one best innovation strategy, any small business leader could use the findings from this study to implement changes in their organization. Doroodian et al. (2014) noted leaders should have processes in place to assess the effectiveness of innovation strategies so those processes can be managed effectively. If the correct innovation strategies are in place, a leader could see the effect of the innovation strategies and make necessary changes that could increase organizational performance. The results from this study could potentially provide small financial business leaders in west Tennessee with imperative knowledge to help them implement processes to increase innovation on a work team level.

Positive social change involves the way individuals change their way of thinking and work to create a better society for others (Stephan et al., 2016). The results from this study could provide leaders with the knowledge they need to implement processes to implement innovative strategies in the work teams to produce positive social change in their organizations and communities. Sharma and Good (2013) asserted positive social change could increase organizational performance, resiliency, and interpersonal relationships. Small business leaders could use the results from this study to implement social change processes in their organizations and their community.

### **Significance to Practice**

This study's results could benefit leaders of small businesses in other geographical areas in the United States. It could also be helpful in different industries. While innovation is measured differently in each sector, leaders of small businesses could use the findings from this study to implement changes in their organizations. As leaders of small businesses, one of the goals for their organization should be to have processes in place to measure innovation on all levels of the organization. Doroodian et al. (2014) noted that leaders should have procedures in place to assess and measure innovation processes to manage those processes effectively. If the measurement tools are in place, a leader can effectively measure innovation and make necessary changes that could increase organizational performance.

### **Significance to Theory**

Existing literature is rich in measuring innovation on all organization levels other than the work team level. Only a few approaches to measuring innovation on this level

exist in the literature; no framework exists for measuring innovation on this level. The results from this study could provide leaders of any industry or geographical area with imperative knowledge to help them implement processes to measure innovation on a work team level. In turn, this could lead to increased organizational performance. Future scholars could also use the results of this research study in future research studies. This study could add to the existing literature on the strategies leaders use to measure innovation.

### **Significance to Social Change**

Positive social change involves the way individuals change their way of thinking and work to create a better society for others (Stephan et al., 2016). Sharma and Good (2013) asserted positive social change could increase organizational performance, resiliency, and interpersonal relationships. The results from this study could provide leaders with the knowledge they need to implement processes for measuring innovation to produce positive social change in their organizations and communities. In addition, small business leaders could use this study's results to implement social change processes in their organizations and their community.

### **Summary and Transition**

Chapter 1 presented an introduction to the study I conducted seeking to explore the strategies small financial business leaders in west Tennessee used to measure innovation on a work team level. Many studies existed on innovation on the organizational, business unit, and individual levels, but few existed on work team levels (Ter Haar, 2018). There was a strong need for this study as work teams are the norm in



organizations (see King, 2017). Schumpeter (1934) stated the importance of innovation in an organization if an organization were to grow. This theory still holds today as innovation is vital to an organization's sustainability (see Anderson et al., 2014). Chapter 2 reviews the current literature.

## Chapter 2: Literature Review

The specific problem I addressed in my study is that small financial business leaders are not able to maintain a competitive advantage without effectively measuring work team innovation (see Ter Haar, 2018). Innovation is crucial in small businesses as leaders typically have limited resources but are still expected to remain competitive (Mazzei et al., 2016). In addition, work teams are becoming increasingly important in organizations as leaders strive to achieve a competitive advantage in an ever-changing environment (Van Knippenberg, 2017). A vast amount of literature exists on measuring innovation or innovation frameworks on all levels of organizations except for the work team level (Ter Haar, 2018). With work teams becoming a mainstay in organizations, researchers should conduct more research to identify the strategies leaders use to measure work team innovation (Ter Haar, 2018). As this study focused on small businesses in a rural setting, leaders must be able to effectively measure their work teams' innovation output if their organization is to maintain a competitive advantage.

This chapter consists of three sections. In the first section, I discuss my strategy for the literature search. In the second section, I discuss the conceptual framework for this study. In the third section, I discuss the literature on innovation, innovation performance, work team innovation performance, small business innovation, the financial industry, and financial innovation.

### **Literature Search Strategy**

My strategy for the literature review for this study was to use Walden University's online library and Google Scholar to search for peer-reviewed journal

articles using key terms that correlated to this study's concepts and methodology. The management databases on Walden University's online library I searched were Business Source Complete, Emerald Insight, SAGE Journals, and Science Direct. I also searched the following multidisciplinary databases: Academic Search Complete, ProQuest Central, and Directory of Open Access Journals. I narrowed the search to articles published from 2015 to 2022. The keywords used in each database were the following: *innovation*, *innovation performance work teams*, *work team innovation*, *small business*, *small business innovation*, *organizational performance*, and *competitive advantage*. Articles seminal to the research study were saved for review and used in this research study.

When searching for literature on qualitative research, the methodology for this study, I was most successful using books instead of online databases (see Gentles et al., 2015). I consulted books from Creswell and Creswell (2018), Maxwell (2013), Merriam and Tisdell (2015), and Yin (2018). When searching for literature on case study methodology, Gentles et al. (2015) suggested the best scholars on said method were Merriam (2009), Stake (1995, 2005, 2006), and Yin (2018). I also searched qualitative journals for articles published from 2015 to 2022.

### **Conceptual Framework**

The conceptual framework for this research study was grounded in Schumpeter's (1934) concept of innovation management. Schumpeter's (1935) theory consists of five fundamental concepts: (a) introduce new products, (b) develop new methods or processes, (c) create a new market, (d) develop new ways to replenish used inventory, and (e) ensure innovation processes are implemented throughout the company. He

asserted leaders must be innovative if their organization is to survive in the market (Schumpeter, 1935). He asserted leaders must be innovative if their organization is to survive in the market (Schumpeter, 1935).

Schumpeter (1934) described innovation as new processes or products that aid leaders in creating a competitive advantage to earn profits. He surmised that leaders must implement innovation by reducing costs or increasing product demand if they want to see a profit (Schumpeter, 1934). Innovation is an essential business activity leaders must utilize efficiently if they are to increase growth and profits (Schumpeter, 1935). Leaders who want their organizations to survive must focus on innovation (Alireza et al., 2015). A 2015 innovation study conducted by Accenture revealed that 84% of leaders felt innovation was a key component in their strategies to grow the business. If leaders expect innovation performance to improve in their organizations, they need to communicate the importance of innovation to employees and implement innovation strategies that will improve employee output.

To succeed, leaders need to identify strategies that work within their organization and develop the innovation capabilities of their workers if their organizations are to be successful in the long run (see Mendoza-Silva, 2020). Brix (2019) described innovation capability as the activities that increase workers' knowledge, skills, abilities, and behaviors so the organization can gain a competitive advantage. Migdadi (2022) described innovation capability as a crucial component for an organization to achieve and sustain a competitive advantage. To increase employee innovation capabilities, leaders

must continually monitor their employees' performance and implement activities to increase the innovation capability of their employees.

Porter (1985) first coined the concept of competitive advantage within strategic management theory (Bacanu, 2016). Negulescu (2020) noted how vital competitive advantage is to an organization's innovation strategy. Leaders who can effectively create innovation strategies and measure innovation output can help their organizations gain a competitive advantage. However, innovation in small business is hard to identify and measure as a lack of resources causes innovative processes to be blended with the organization's day-to-day activities (Silva et al., 2021). Therefore, leaders who want to increase their competitive advantage must find a way to separate innovation from daily activities.

Innovation management uses business design, creativity, resources, and business processes to achieve a competitive advantage (Maital & Seshadri, 2007). David (2019) defined innovation management as two-fold: (a) involves a shift in how leaders think and act and (b) has an impact on management efficiency and value a simple product does not. Mazzola et al. (2018) asserted innovation management has a positive relationship with innovation performance.

As the business environment is rapidly changing, leaders are moving toward developing work teams within the organization. King (2017) alluded to the fact that increased competition, creativity, and the need for collaboration have put more of a focus on work teams. As leaders realize the importance of work teams (Wang et al., 2018), more and more are using work teams as part of their innovation strategy (Widmann et al.,

2016). However, leaders should tread carefully to ensure they know which strategies to use and how to measure the performance output of the work teams (Xu et al., 2019). In addition, leaders should understand the importance of implementing innovative practices into their organization and effectively measuring the effects of the innovation practices to increase the chance of improving their competitive advantage in the market (Saunila & Ukko, 2012). In this research study, I sought to explore those strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee used to measure the innovation success of the work team level within their organizations.

### **Literature Review**

The purpose of this literature review was to understand the current literature published on the topic of this research study. Topics included in this literature review include innovation, innovation performance, work team innovation performance, small business innovation, financial industry, and financial innovation. Each topic is discussed in detail to ensure the study outcomes supplement the current literature on work-team level innovation performance.

### **Innovation**

Innovation is critical in ever-changing business environments (YuSheng & Ibrahim, 2020) due to increasing competition, changing customer needs, and unstable markets (Abdi e et al., 2018; Fay et al., 2015). Innovation is the response of leaders and employees to the changes in the business environment (Molden & Clausen, 2021; Taneja et al., 2016; Wang et al., 2021) and can lead to many advantages for leaders and customers (Demircioglu et al., 2019). These advantages include gaining and sustaining a

competitive advantage (Taneja et al., 2016; YuSheng & Ibrahim, 2020), economic growth (Daharat et al., 2022), raising overall living standards in an organization's community (Aboal and Tacsir, 2018; OECD/EUROSTAT, 2018; Demircioglu et al., 2019), and lowering unemployment (Demircioglu et al., 2019). Innovation drives organizational productivity (Demircioglu et al., 2019; Valenzuela-Fernández et al., 2021; Daharat et al., 2022). Daharat et al. (2022) posited that leaders who adopt innovative practices in their organization will see an increase in novel concepts that position the organization for organizational excellence. Daharat et al. (2022) further stated that innovation plays an important role in the value creating of an organization and in maintaining an organization's competitive advantage. Leaders who can use innovation to their advantage by implementing the correct strategies will see an increase in their organization's competitive advantage.

Leaders feel the pressure when responding to the changes in the business environment because they feel a greater need to be innovative and produce new products that meet customers' needs (Jiang et al., 2019). Customers' needs are constantly changing forcing leaders to quickly adapt to those changes (Daharat et al., 2022). Leaders who implement innovation in their organization could respond to economic challenges quicker than leaders who do not innovate (Cegarra-Navarro et al., 2016). Leaders who can be innovative before their competitors could drive more innovation, especially if competitors feel the new product or service is worthy of copying (OECD/EUROSTAT, 2018) and have a better chance of survival (Daharat et al., 2022).

Innovation impacts an organization most when it weaves throughout the entire organization, not just a particular area (Oliva et al., 2019). Fay et al. (2015) suggested innovation would be higher in an organization if the responsibility for innovating were spread throughout the organization. Leaders must use innovation in all aspects of the organization and measure their innovative practices (OECD/EUROSTAT, 2018) to achieve and sustain a competitive advantage (van Knippenberg, 2017). It is this competitive advantage that leaders can use to capitalize on creating new products to encourage customers to choose their product over the competitor (Dedahanov et al., 2017).

### ***Innovation Defined***

Scholars cannot agree on one specific definition of innovation as it has different meanings depending on its use (Belkhir & Mathew, 2018). Schumpeter defined innovation as a “new combination of capital, labor, and technology” (Akdere & Benli, 2018, p. 725), not just the innovation of new products (Marom et al., 2019). The Oslo Manual (2018) defined innovation as “a new or improved product or process (or a combination thereof) that differs significantly from the unit’s previous products or processes and that has been made available to potential users (product) or brought into use by the unit (process)” (p.32). Innovation can include new products, services, inputs, production methods, processes, markets, technologies, administrative procedures, organizational structures, and access to new materials (Blach, 2020; Fay et al., 2015; Okon-Horodynska et al., 2020; Oliva et al., 2019; Schumpeter, 1934) that responds to customer expectations (Ibidunni et al., 2020). Innovation is a force within an organization



that drives employees' productivity to achieve a competitive advantage (Demircioglu et al., 2019). Regardless of the definition used, scholars agree innovation includes pursuing novel ideas (Marom et al., 2019) and consists of four features: change in an organization, improvement in an organization, added value for organizations' customers, and leaders realize the value-added result for the customer (Haddad et al., 2019). Leaders should be familiar with the various innovation definitions and implement the ideas that will be value-added services to clients that would help improve the organization's competitive advantage.

### ***Innovation Across the Organization***

For this research study, innovation occurs when employees use new or improved processes to aid an organization in gaining an advantage over its competitors (see Gault, 2018) and can be anywhere in the organization (see Csath, 2012). As I focused on small financial businesses in west Tennessee, using the resources at hand wisely to encourage innovation and growth is of the utmost importance (see Ardito et al., 2021). Since innovation is a critical factor in the success or failure of an organization (Nejad, 2016; Oliva et al., 2019; Sahoo, 2019), innovation must be rooted in all aspects of the organization if the organization is to survive and gain a competitive advantage (Mazzei et al., 2016; Schumpeter, 1942; YuSheng & Ibrahim, 2020). Valenzuela-Fernandez et al. (2021) stated that leaders who want to create a competitive advantage needed to create what they called "internal DNA of innovation" (p. 649). Leaders must stay abreast of the innovation of their employees to know how and when to make changes to maintain the

current competitive advantage. They must be able to relay their vision to the employees so the employees will want to work toward innovation (Haddad et al., 2019).

Innovation is a continual change that improves current products, processes, and services (Super, 2020) by changing the organization's operations, structure, or processes (Beyhan Yasar et al., 2019; Cegarra-Navarro et al., 2016; Mendoza, 2015). Leaders who do not foster an innovative environment may see their organization fall short of their competitors (Dunne et al., 2016; Slavec & Aleksic, 2020). However, leaders who foster an innovative environment will see their company better positioned to take advantage of opportunities that arise to increase their competitive advantage (Cegarra-Navarro et al., 2016; Dunne et al., 2016; Slavec & Aleksic, 2020). Leaders who can meet the challenges of the business environment will see an increase in their organization's competitive advantage (Negulescu, 2020). Using innovation sets organizations apart from their competitors (Nejad, 2016). Innovation causes organizations to improve their business processes and marketing activities while producing quality products or services that fill customer needs (Oliva et al., 2019).

### ***Innovation Capability***

However, leaders must ensure their employees are capable of innovation if innovation is to occur (Rajapathirana & Hui, 2018; Sahoo, 2019). In other words, leaders must be able to develop the innovation capabilities of their organization (Sahoo, 2019; YuSheng & Ibrahim, 2020). Migdadi (2022) noted that innovation capability is crucial in an organization's ability to gain and maintain a competitive advantage. To develop their employees, leaders must care about the organization and want to see if they succeed

(Taneja et al., 2016). Innovation capability is the organization's ability to use new processes, technologies, and marketing opportunities to create products and services to satisfy customer needs (El Hanchi & Kerzazi, 2020; Rajapathirana & Hui, 2018; Valenzuela-Fernandez, 2021). Leaders must create an environment of learning where leaders and employees recognize all the sources of new knowledge (Demircioglu et al., 2019) and ensure employees know how to use the knowledge gained to be innovative (Anderson et al., 2020), as knowledge is required for innovation (Ibidunni et al., 2020). The knowledge can be from internal and external sources (Demircioglu et al., 2019; Taneja et al., 2016). The culture leaders create should be one of continuous improvement and learning (El Hanchi & Kerzazi, 2020). It is not enough to just create the environment, though; leaders should ensure employees understand their expectations and follow through adhering to the requirement.

Leaders must recognize opportunities and apply them to their organization to increase the innovative capabilities within the organization (Hou et al., 2019). Leaders who can create or improve the innovation capabilities of their employees will see a change in their organization resulting in new products, processes, marketing methods, and organizational changes (Demircioglu et al., 2019; Donate et al., 2019) over noninnovative organizations (YuSheng & Ibrahim, 2020). Leaders could also see an increase in the organizational performance of their organization (Migdadi, 2022; Taneja et al., 2016).

Small business leaders tend to fall short in recognizing opportunities and applying them to their organizations (Silva et al., 2021). Small business leaders may not have the

resources available to them to separate daily activities from innovative activities. This could cause small business leaders to miss an opportunity disguised as a daily activity. Small business leaders need to increase their creativity and business knowledge to identify innovative opportunities to increase organizational performance (Luamba et al., 2021; Silva et al., 2021).

Innovation capability has four types: product innovation capability, market innovation capability, process innovation capability, and organizational innovation capability (Mendoza-Silva, 2021). Product innovation capability occurs when employees can create new products or take existing products and modify characteristics for their customers (Mendoza-Silva, 2021). Market innovation capability occurs when leaders can identify new markets to target with new and updated marketing tactics (Mendoza-Silva, 2021). Process innovation capability occurs when leaders and employees can improve on the processes, systems, or procedures currently in place and make them more efficient (Mendoza-Silva, 2021). Finally, organizational innovation capability occurs when the leadership in an organization makes changes to the organizational structure, processes, or work climate to become more efficient (Mendoza-Silva, 2021).

### ***Measuring Innovation***

Just creating the innovation is not enough; leaders must be able to measure how successful the innovations are (OECD/EUROSTAT, 2018). However, measuring innovation is a challenge (Whitacre et al., 2019). The novelty of innovation can be hard to measure as it is subjective (OECD/EUROSTAT, 2018) due to the uses and importance of the innovation to the end-user. Many different techniques exist for measuring

innovation (Ter Haar, 2018). Leaders should use the technique that works best for their organization. Ponta et al. (2021) expressed the importance of measuring performance by enhancing the organization's value and improving decision-making. Conducting a cost-benefit analysis could help leaders with their decision making. Four dimensions of innovation could help leaders measure innovation success in their organization: knowledge, novelty, implementation, and value creation (OECD/EUROSTAT, 2018; Hou et al., 2019). Understanding how to measure innovation helps leaders understand innovation (Ponta et al., 2021). Leaders who can understand which innovation measures are successful will be able to increase organizational innovativeness (Ter Haar, 2018).

Knowledge within an organization can be defined as leaders and employees understanding new information and using that new information during business production and process (OECD/EUROSTAT, 2018). The new information can come from internal and external sources (Hou et al., 2019). This information could also come from past performance and future opportunities (Ponta et al., 2021). Leaders have a hard time today trying to determine what worked in the past that works today.

According to Altuzarra (2017), no specific frameworks exist to help leaders understand what strategies have been successful. Sheth and Sinfield (2022) echoed this in their article on comparing innovation strategies. In their article, Sheth et al. (2022) noted that existing literature is rich with innovative strategies, but the literature lacked an analytical framework to compare innovative strategies to better focus leaders when making informed decisions. Leaders who cannot effectively implement a system or framework jeopardize their potential long-term success (Daharat et al., 2022). The lack of

a system could cause workers to duplicate their efforts leading to frustration and a decline in productivity (Daharat et al., 2022). In their article, Sheth et al. (2022) introduced a framework to help identify strategy patterns for decision making. Researchers can use this framework and others that may be created to create a framework that all leaders can use.

Leaders use knowledge and novelty to implement innovation throughout the organization. Of course, a learning curve exists with new information (see OECD/EUROSTAT, 2018), and everyone in the organization must learn how to implement the new information. Implementation of a product or service occurs when leaders make deliberate efforts to make the product or process available to possible users (OECD/EUROSTAT, 2018; Ponta et al., 2021). One key suggestion Altuzarra (2017) made was that leaders should strive to continue with innovation and not give up. After implementation, an important step is to assess the product or service's success and make changes based on the results (OECD/EUROSTAT, 2018). By doing this, leaders can determine if the innovations added value to the end user's products or services. Added value is not a guaranteed result of innovation, but leaders hope this is the case (OECD/EUROSTAT, 2018). Leaders should constantly be cognizant of how much value users feel the products or services add (see OECD/EUROSTAT, 2018).

### ***Types of Innovation***

Leaders who implement different types of innovation in their organization tend to see their organizational performance increase, which positively affects growth, customer satisfaction, and processes (Bodlaj et al., 2020; Mendoza, 2015; Rajapathirana & Hui,

2018; YuSheng & Ibrahim, 2020). Innovation can be technological or non-technological (Exposito & Sanchis-Llopis, 2019; Oliva et al., 2019). Technological innovations include product/service and process innovation, while non-technological innovations include organizational and marketing innovation (Exposito & Sanchis-Llopis, 2019; OECD/EUROSTAT, 2018). There are two types of technological innovation: product innovation, which consists of changes in an organization's products, and process innovation, which consists of changes in an organization's processes (OECD/EUROSTAT, 2018). The two types of non-technical innovation are organizational innovation and marketing innovation (Demircioglu et al., 2019).

**Product Innovation.** Product innovation occurs when significantly new or improved products or services are introduced to meet customer needs (OECD/EUROSTAT, 2018; Oliva et al., 2019; Taneja et al., 2016). Leaders often use this type of innovation to differentiate their organization from the competition (YuSheng & Ibrahim, 2020). Moreover, this innovation could increase organizational profits (YuSheng & Ibrahim, 2020) as an estimated 28% of firms' profits can be attributed to innovation (Nejad, 2016).

**Process Innovation.** Product innovation typically requires a complementary process innovation (OECD/EUROSTAT, 2018). Process innovation occurs when significantly new or improved processes or business functions are implemented within the organization to achieve the goals set for the organization (OECD/EUROSTAT, 2018; Oliva et al., 2019; Taneja et al., 2016). This type of innovation involves enhancing the capabilities of the leaders, people, and organization while increasing the organization's

efficiency (YuSheng & Ibrahim, 2020). Joseph Schumpeter likened process innovation to the new ways of producing and capitalizing on a product or service (Rajapathirana & Hui, 2018). Effective process innovation typically results in a better-quality product or service for customers (OECD/EUROSTAT, 2018). According to the OSLO Manual (2018), process innovation has six functions: production of goods and services, distribution and logistics, marketing and sales, information and communication systems, administration and management, and product and business process development.

**Organizational Innovation.** Organizational innovation occurs when leaders of an organization make changes to the administrative and management functions (OECD/EUROSTAT, 2018; Oliva et al., 2019; Taneja et al., 2016). In other words, this type of innovation involves changing how an organization is managed (see Oliva et al., 2019; YuSheng & Ibrahim, 2020). Organizational innovation can also be thought of as a change in the organization's business practices, both internally and externally (Oliva et al., 2019; Rajapathirana & Hui, 2018). Leaders who successfully implement organizational innovation could see an increase in employee and customer satisfaction and a reduction in operating costs (Rajapathirana & Hui, 2018; YuSheng & Ibrahim, 2020).

**Marketing Innovation.** Marketing innovation occurs when changes are made to the marketing process within an organization which includes the design, placement, promotion, or pricing of a product or service or introducing the new products or services into new markets to better serve an organization's customer base in hopes of increasing sales (Rajapathirana & Hui, 2018; Taneja et al., 2016; YuSheng & Ibrahim, 2020).



Leaders using this type of innovation can anticipate future market needs and opportunities (YuSheng & Ibrahim, 2020). Creating the right marketing innovation has led to long-term success and a competitive advantage for organizations (Rajapathirana & Hui, 2018). Leaders who want their organization to succeed for many years will need to ensure the right type of marketing innovation is used throughout their organization.

### **Innovation Performance**

Innovation performance is the output of an organized effort between leadership and employees using the organization's necessary tools, activities, and processes to achieve the organizational goals (Ali & Islam, 2020; Melendez et al., 2019). Leaders who can effectively implement innovation and create an environment of collaboration between themselves and their employees could achieve continuous innovation for their organization (see Taneja et al., 2016). Another definition could be the ability of an organization's employees to decrease process time to create innovative products and deliver those products to the customers on time (Pomegbe et al., 2020). Mendoza-Silva (2021) defined innovation using the term innovation capability.

Innovation capability occurs when a leader can motivate the employees to continually use their knowledge and skills to create new ideas, processes, procedures, systems, and products for the organization and the organization's stakeholders (Izadi et al., 2020; Molden & Clausen, 2021; Sahoo, 2019). Innovation capability could be considered a key contributing factor to organizational performance and a competitive advantage in the 21st century (Inkow, 2020; Lei et al., 2020). Leaders who can effectively handle innovation and implement innovation capability have a better chance

of competing with larger competitors than leaders who do not (see Izadi et al., 2020; see Saunila, 2020).

Increasing innovative performance is imperative for a leader if organizational performance is to increase (see Gurlek & Cemberci, 2020). To improve innovation, leaders should strive for efficiency and efficacy in their organization, using their employees' skills and knowledge and the organization's resources to achieve innovation capability (see Inkow, 2019). Innovation efficiency is described by the benefits it brings to the organization (Ghasemaghari & Calic, 2020) and is considered a necessary driver of innovation (Taneja et al., 2016). Innovation efficacy can be described as the time and effort it takes employees to reach the efficiency benefit (Ghasemaghari & Calic, 2020).

### ***Small Business Innovation Performance***

Innovation looks different depending on the organization's size (Silva et al., 2021; Whitacre et al., 2019) and can be in the form of developmental, financial, or commercial activities leaders implement within the organization (OECD/EUROSTAT, 2018). Silva et al. (2021) acknowledged the lack of existing literature regarding what leads to innovation in small business. Since small businesses make up a sizable portion of economies (Haddad et al., 2019), research is needed to fill this gap. Traditional innovation models are not geared toward small businesses (Silva et al., 2021) leaving small business leaders to struggle to find strategies that work within their organization. Small business leaders must think outside the box when developing innovation strategies (Silva et al., 2021). Silva et al. considered their article a starting point to adding to the literature on how leaders develop small business innovation. At the conclusion of their study, Silva et al.

(2021) recommended three action items for agencies that supported small business. They also recommended five action items for researchers (Silva et al., 2021).

One area small business leaders see as a struggle is the ability to gain access to the resources they need for innovation. The small scale of the organization causes some suppliers to shy away from offering those resources. In this situation, small business leaders must be creative in using the resources at hand to create an innovative environment (Pomegbe et al., 2020). For example, leaders could involve certain resource suppliers in the innovation process by utilizing collaborative innovation capability (see Wang & Hu, 2020). In doing this, leaders select key suppliers who benefit their organization the most.

Leaders are forced to invent creative ways to achieve innovation in their organizations (Ebersberger & Kuckertz, 2021). Of particular interest is the COVID-19 pandemic occurring as this research study is taking place. The pandemic has caused many businesses to close their doors due to the extreme nature of the environment. However, leaders who can be creative with their resources are surviving the pandemic (Brammer et al., 2020). The full effect of COVID-19 is still unknown at the time of this research study.

### **Work Team Level Innovation Performance**

Innovation has the most impact on an organization when it spreads throughout the entire organization, not just a particular area. Fay et al. (2015) suggested innovation would be higher in an organization if the responsibility for innovating were spread throughout the organization. For this research study, the work team level will be the level of the organization studied. It has also been mentioned leaders who spread teamwork

throughout the organization would see a higher level of innovation (Lisbona et al., 2020). Today's turbulent work environment makes it hard for employees to complete their work alone, thus the need for teams in organizations (Super, 2020). A work team can be thought of as a group of people working together, yet interdependent, to achieve the goals set forth by the organization (Fay et al., 2015; van Knippenberg, 2017; Wang et al., 2020).

Employees working together as a team is crucial to organizational performance (Caniels et al., 2019). Employees could benefit from being on a work team because work teams are made up of employees who bring different skills to the team and are committed to the organization's goals by communicating and holding each other accountable (see Devaraj & Jiang, 2018). Innovative work teams are a core component of the work environment (Fay et al., 2015; Super, 2020), as the teams' actions tend to result in organizational performance (Rahmi & Indarti, 2019) and should be fostered to aid in gaining a competitive advantage (Gonzalez-Roma & Hernández, 2016). Benefits to having work teams include less work for supervisors, more complex tasks can be performed that typically could not be performed by individuals, more significant job enrichment, and a greater synthesis of employees working together to achieve superior results (Lisbona et al., 2020).

Team innovation involves purposefully introducing new products or services, ideas, processes, or procedures within the team (Gonzalez-Roma et al., 2016; Wang & Hu, 2020). Team members must realize they need to adapt to changes in the norm if their team innovation is to improve (Gonzalez-Roma et al., 2016; Super, 2020). Each member

of the work team no longer thinks of themselves as an individual employee but, instead, as part of a team working toward achieving the goals set by the organization (Pei, 2017; Rahmi & Indarti, 2019; Xu et al., 2019;). Going from working individually to being a part of a team takes some time. There will be bumps along the way, but as the team accomplishes each task, the team members should begin to see everyone's strengths and weaknesses, how each person works, and what changes are needed to optimize the team's innovative performance (see Super, 2020).

Many leaders today prefer to use teams as they are usually composed of employees with various backgrounds, education, expertise, and perspectives (Devaraj & Jiang, 2019; Dunne et al., 2017; van Knippenberg, 2017) which aid in the innovation process. Each team member brings their expertise and knowledge to the team to help solve problems and innovate in a changing environment (Devaraj & Jiang, 2019; Fay et al., 2015; Super, 2020). Individual differences could produce greater synergy and innovative outcomes for the organization (Rahmi & Indarti, 2019). Super (2020) noted synergy exists when new team members bring additional information to the team, leading to more ideas that can turn into something the whole organization can use. Van Knippenberg (2017) suggested each team member must be devoted to the team and the organization if innovation is to rise. Friedrich et al. (2016) posited teams should adopt a continuous learning mindset (Super, 2020) and hold each other accountable for increasing knowledge on the industry.

Teams should strive to innovate continually (Gonzales-Roma et al., 2016). By doing this, team members would increase their knowledge, build a more robust team

environment, and create a climate conducive to initiating change (Friedrich et al., 2016). Creating this environment would enable the work team to innovate continually, which is one of the reasons work teams are formed (Gonzalez-Roma et al., 2016). Teams who can innovate on a larger scale will perform better than teams who innovate on a small scale (Gonzalez-Roma et al., 2016). However, this will mean extra work for each team member (Gonzales-Roma et al., 2016). Innovative team members should realize the time commitment this would be.

With team members' differences comes a greater need for leaders to know how the team is performing and create an environment that supports innovation (Super, 2020). Setting up an innovative team environment includes the following: a) ensuring team members know the vision and goals of the organization, b) ensuring team members feel their voice is heard, c) ensuring team members are dedicated to performing at peak performance, and d) ensuring team members know the leader and other upper-level managers fully support the innovative activities of the team (Super, 2020). The leader is also responsible for ensuring the team has the necessary innovative resources (Super, 2020). Leaders must know each team's status to know whether any changes need to be made for maximum performance (Ter Haar, 2018). If a work team is performing well, working together efficiently, and improving their innovation, the leaders should ensure this continues (Super, 2020; Ter Haar, 2018).

However, leaders who see a work team struggling to work together or struggling to innovate need to be able to step in and provide suggestions to the work team to get the team members on track (Super, 2020; Ter Haar, 2018). Leaders who cannot do this are

not using their resources wisely, which could cause their organization to lose any competitive advantage (Ter Haar, 2018). Unfortunately, literature on innovative teams' leadership is limited (Super, 2020). As a result, leaders do not have the information they need to function as effective leaders in innovation. Further research is required to determine how leadership affects innovative teams.

### **Small Business Innovation**

In a rapidly changing business environment, innovation is a critical component of business activity if leaders want to see their organizations survive and achieve a competitive advantage (Exposito & Sanchez-Llopis, 2019; Freixanet et al., 2020; Haddad et al., 2019;). It is imperative in small businesses as their success depends on innovation (Haddad et al., 2019; Ndesaulwa & Kikula, 2016). Even more important is the fact that small businesses make up nearly 90 percent of economies (Haddad et al., 2019) and are considered a primary driver of economic growth (Distanont & Khongmalai, 2018; Sahoo, 2019; Taneja et al., 2016). Because of the small size of their organizations, many leaders can turn their problems into opportunities quicker than the leaders of larger organizations (Taneja et al., 2016). Small businesses help with economic development by creating new jobs and income, reducing unemployment and poverty, supporting competition, increasing trade balances, and enhancing innovation among organizations (Blach et al., 2020; Distanont & Khongmalai, 2018; Haddad et al., 2019; Muller et al., 2018; Taneja et al., 2016). Distanont and Khongmalai (2018) asserted economies would see steady growth as small businesses develop. Many of today's large businesses started as small businesses (Distanont & Khongmalai, 2018).

### ***Innovation Implementation***

In his early work, Schumpeter insisted small businesses would be a driving force for innovation due to small business leaders' constant use of creativity to find new business opportunities (Blach et al., 2020). Limited resources, whether material or financial, force leaders to use creative practices to induce innovation (Bodlaj et al., 2020; Mazzei et al., 2016). Part of an organization's success depends on the leaders using their skills to be creative in innovation strategies. Therefore, small business leaders must implement innovative practices in their organizations (Ndesaulwa & Kikula, 2016). Innovation positively correlates to organizational performance in small businesses (Haddad et al., 2019).

In the findings from their research study, Haddad et al. (2019) suggested several actions leaders could take to implement innovation in the organization. The first suggestion was to encourage all employees to think creatively and offer new ideas for implementation (Haddad et al., 2019). The second recommendation was to create a culture within the organization that fosters innovation and encourages everyone to use innovation in all aspects of their work duties (Haddad et al., 2019). Leaders who do not have innovation strategies in place could hinder employees from reaching the goals set for the organization (Haddad et al., 2019).

The third suggestion was to create and disseminate the vision and goals for the organization so employees know what they are working toward (Haddad et al., 2019). The fourth suggestion was to evaluate and test the ideas generated by the employees (Haddad et al., 2019). Leaders should realize innovation starts with an idea (Haddad et



al., 2019), but not every idea should be implemented. Only those that will help the organization achieve the goals should be considered. Leaders who can measure innovation output have the knowledge they can use to understand how their organizations' innovation practices affect changes in the economy and social changes (OECD/EUROSTAT, 2018).

The fifth suggestion was to create an environment where the leaders would encourage feedback on the ideas from everyone and be willing to accept any criticism that comes from the idea (Haddad et al., 2019). To prevent bias, Haddad et al. (2019) suggested presenting the ideas without mentioning who had the idea so no one would have a predetermined opinion about a particular idea. The last suggestion by Haddad et al. (2019) was maintaining a line of communication with customers. An organization does not exist without its customers. Leaders should realize the customer has a stake in the organization's success and could be an asset.

Another way leaders could increase innovation performance is by leveraging knowledge transfer relationships (Ibidunni et al., 2020) and creating an innovation culture (Haddad et al., 2019). Blach et al. (2020) asserted small businesses are still vital to a knowledge-based economy as leaders can use what they learn from other organizations to identify new opportunities for innovation. As a result, leaders will be able to implement new processes, create new products, and ensure their organization's reputation (Blach et al., 2020; Boachie-Mensah & Acquah, 2015; Haddad et al., 2019;) while sustaining their organization's competitive advantage in unknown environments (Ndesaulwa & Kikula, 2016).

### ***Innovation Disadvantages***

Small businesses are at a disadvantage concerning innovation partly because of organization size but also because of competition from larger firms, possible regional size, and small market share (Harel et al., 2019). Leaders must constantly battle their economic environments to stay ahead (Taneja et al., 2016). The small size of an organization could stifle innovation as leaders have issues gaining access to appropriate resources such as materials, funding, and capability (Blach et al., 2019; Dunne et al., 2017; Mazzei et al., 2016; Taneja et al., 2016). These challenges could result in the inability of employees to be innovative (Dunne et al., 2017). Leaders must use their current resources effectively and efficiently to help achieve innovation (Maldonado-Guzman et al., 2019). The challenges require small business leaders to create an environment that fosters innovation (Taneja et al., 2016) and help employees improve their performance to sustain their competitive advantage (Dabic et al., 2021; Mazzei et al., 2016).

Even though much literature exists on innovation, most focus on large corporations (Maldonado-Guzman et al., 2019). Further research is still needed on innovation as it pertains to small businesses. First, a researcher needs to understand the term “small business.” To do this, a standard definition should be created. Many definitions exist for what constitutes a small business (Haddad et al., 2019). Haddad and colleagues (2019) asserted that creating a standard definition could help align future studies to produce results other scholars could use to build further studies.

## **Financial Industry**

The financial industry plays a significant part in our economy (Blach, 2020; Huda et al., 2020; Nejad, 2016; Qamruzzaman & Jianguo, 2017). Scholars posited that the financial industry comprises the “instruments, institutions, regulations, and markets through which financial services are delivered, interest rates are specified, and financial securities are operated” (Huda et al., 2020, p. 32). Its innovation, effectiveness, and efficiency, along with the new products, processes, and services produced, have helped transform the economy into what it is today (Blach, 2020; Huda et al., 2020; Qamruzzaman & Jianguo, 2017). Financial institution leaders who can utilize the organization's services for the betterment of the economy could aid economic growth and stability in the industry (Qamruzzaman & Jianguo, 2017; Zouari & Abdelmalek, 2020). Economic growth could result from attaining more capital, utilizing resources more efficiently, improving the quality of financial products and services, and technological advancement (Qamruzzaman & Jianguo, 2017).

### ***Types of Financial Organizations***

When people think of the financial industry, most automatically assume that it means banking, but that is not the case. The financial industry comprises a broad range of businesses (Arthur, 2017) that use various tools, regulations, and markets to meet customers' needs (Huda et al., 2020; Qamruzzaman & Jianguo, 2017). This industry is broken into four main categories - monetary financial institutions, other financial institutions, insurance companies or intermediaries, and other types of institutions related to financial intermediation (Arthur, 2017). First, monetary financial institutions include

banks and some credit unions that involve taking funds from customers and placing those funds in funds or equity institutions (Arthur, 2017). Second, other financial institutions include non-banking credit and consumer credit institutions that provide payment services, mortgage lenders, leasing, investment and hedge funds, venture capital, and pension funds (Arthur, 2017). Third, insurance companies or intermediaries pool and diversify risk (Arthur, 2017). Finally, financial intermediation institutions include brokers who assist customers in deciding how to invest their funds and financial planning or acting as asset management companies (Arthur, 2017).

### **Financial Innovation**

Financial leaders have seen significant innovation changes in the financial industry in the last few decades (Lupu & Criste, 2020). Initially considered a need in the market (Arthur, 2017a), financial leaders have watched the financial economy grow exponentially due to globalization and financial market regulation changes (Huda et al., 2020; Lupu & Criste, 2020; Nejad, 2016; YuSheng & Ibrahim, 2020), new technological advances (Akdere & Benli, 2018; Arthur, 2017a; Gasiorkiewicz et al., 2020; Lupu & Criste, 2020; Nejad, 2020), increased competition (Qamruzzaman & Jianguo, 2017), new communication systems or forms of trade, and the development and popularity of the Internet (Lupu & Criste, 2020). These changes have helped shape the financial economy into what it is today (Gasiorkiewicz et al., 2020) and will continue to evolve in the future (Blach, 2020). The advances in the financial industry have directly impacted how business is conducted in the financial industry, from day-to-day operations and from domestic to international business (Nejad, 2016). Because of these changes, leaders must

ensure they listen to customers and provide products and services that customers desire (see Arthur, 2017a; see Blach, 2020; see Gasiorkiewicz et al., 2020).

### ***Industry Challenges***

Leaders in any industry understand their industry has challenges; the financial industry is no different. One major challenge is that customers' needs, technology, and competition are continually changing (YuSheng & Ibrahim, 2020). Another is that leaders often do not have proper security and governance measures in place; only when problems arise are these types of measures discussed (Arthur, 2017). Financial leaders should realize their industry is not perfect, leading to the idea financial innovation is needed to help with the flaws in the industry (Blach, 2020). Those who implement financial innovations in their organization should know that implementing this type of innovation could be risky, come at a high cost, and be uncertain at times (Arthur, 2017; Zouari & Abdelmalek, 2020).

However, leaders can utilize their resources in such a way to lessen some of those challenges (Arthur, 2017; Blach, 2020) to produce the most significant benefit for themselves and their customers (Huda et al., 2020). Financial innovation is used to lessen the risks, lower the costs associated with the risks (Huda et al., 2020), increase the organization's competitive advantage, improve organizational performance, and protect the market (Blach, 2020). These advantages prompt struggling economies to promote financial innovation (Huda et al., 2020), such as the location of this study. Blach (2020) suggested financial innovation should be used to complement an organization's existing

practices. Using this type of innovation should enhance the effectiveness of those practices (Blach, 2020).

### ***Financial Innovation***

Scholars are torn over a universal definition of financial innovation as one does not exist (Gasiorkiewicz et al., 2020; Li & Xu, 2022). When searching the literature, numerous definitions existed for financial innovation. One definition of financial innovation involves “the creation and popularisation of new financial products, processes, markets, and institutions” (Arthur, 2017, p. 1). Another definition of financial innovation is the “producing and promoting of new financial services and products, emerging new practices to assist financial activities, designing new arrangements for financial institutions, and, most importantly, interacting with customers to ensure better services” (Huda et al., 2020, p. 32). Mollaahmetoglu and Akcali (2019) suggested a similar definition to the previous two but added a marketing element. Their definition included creating business models and ideas for new markets (Mollaahmetoglu & Akcali, 2019). Nejad (2016, p. 1045) described financial innovation as “the development, introduction, and management of a product service, business model, or a process that is developed to directly serve the financial industry.”

While these definitions vary slightly, the overarching description of financial innovation could be that it is a continual process of change in the financial industry (Gasiorkiewicz et al., 2020) that involves many different aspects of an organization (Khraisa & Arthur, 2018). Financial innovation involves leaders creating more complete, effective, and efficient markets for users (Gasiorkiewicz et al., 2020; Zouari &

Abdelmalek, 2020). Wang & Huang (2021) posited that the financial industry is “the most crucial part of the system” (p. 1) when it relates to innovation. Organizational leaders who cannot get funding to run the organization will see a decrease in organization performance which could affect the entire financial industry and overall economy (Wang et al., 2021).

### ***Stages of Financial Innovation***

Financial innovation can manifest in several ways. For example, financial innovation is broken down into different types, functions, or stages (Blach, 2020; Mollaahmetoglu & Akcali, 2019; Nejad, 2016). Leaders should be able to identify the stages of financial innovation within their organization. Those stages are innovation source, innovation idea, innovation invention, innovation implementation, innovation effect, innovation withdrawal, and innovation diffusion (Blach, 2020).

In the first stage, the innovation source, the leader must identify what factors influence the innovation (Blach, 2020). In the second stage, the innovation idea, the leader must be able to act on the source of the innovation. In the third stage, the innovation invention, the leader must be able to take the idea and use the resource available to him to create the innovation. In the fourth stage, the innovation implementation, the leader must be able to apply the newly created invention to the processes within the organization. In the fifth stage, the innovation effect, the leader must assess how the implemented innovation affected the organization. In the sixth stage, the innovation withdrawal, the leader must be able to use the feedback he received from the fifth stage and decide if he should continue to use the innovation or remove the

innovation from the organization due to ineffective results. In the last stage, innovation diffusion, the leader must be able to capitalize on the innovation to increase the organizational performance and competitive advantage of the organization.

### ***Types of Financial Innovation***

The different types of innovation are process innovation, organizational innovation, and product innovation (Mollaahmetoglu & Akcali, 2019). Process innovation involves new processes that help employees create new or existing products and services for customers. Organizational innovation involves creating new organizational structures (Mallaahmetoglu & Akcali, 2019; Qamruzzaman & Jianguo, 2017). Product innovation involves the creation of new products or services for customers (Mollaahmetoglu & Akcali, 2019; Qamruzzaman & Jianguo, 2017). When new processes are implemented, there is a greater chance that new products and services will be created as well as new organizational structures within the organization (Arthur, 2017).

The new processes could be used to aid in the functions of financial innovation. Financial innovation functions are as follows: payments, investments, financing, pricing, and risk management (Blach, 2020). The payment function involves increasing the organization's liquidity (Blach, 2020; Nejad, 2016). The investment function involves expanding the types of investments offered to the customers based on the return they seek. The financing function involves the organization gaining access to customer funding. The pricing function involves improving asset valuation and risk assessment.



The risk management function involves increasing avenues for transferring risk to other organizations.

### ***Financial Innovation History***

Even though financial innovation is not a new term in the financial market (Gasiorkiewicz et al., 2020), scholars have differing opinions on how long financial innovation has existed. Akdere and Benli (2018) posited financial innovation had been around since the seventeenth century, while Tufano (Akdere & Benli, 2018) declared it had been around since the seventh century. Arthur (2017a) posited financial innovation dates to the Mesopotamian civilization. In that time frame, the economy was a gift economy and barter system. Around 3000 BCE, money began being used to pay for goods and services, leading to the first personal loans. As time progressed, banking firms developed, and financial instruments such as bank deposits and acceptances were created. The first annuity was recorded in Egypt between 1700 and 1100 BCE.

The need for a more accessible trading system for lenders and buyers caused the creation of “metal” money in China around 1000 BCE (Arthur, 2017a). A few hundred years later, around 700 to 600 BCE, what we know as the modern coin was introduced in Lydia and Western Turkey. China developed paper money in the eleventh century, leading to much easier trading than coins. When state-backed paper money was created in 1024, trading became easier again, but the fast-approaching Dark Ages halted the financial industry development for several years. During this time, bank deposits and acceptances disappeared.

The twelfth and thirteenth centuries were a time of resurgence for the financial industry. As Europe saw a growth in its economy and trade, Italy was the first to bring back bank deposits and acceptances, which caused an increase in trade and helped jumpstart the economy (Arthur, 2017a). This growth led to the development of capitalism and a desire by capitalists for new financial products and services. As the sixteenth century approached, bonds and equities were created to satisfy the needs of the capitalists, with the first equity issued in 1553 by a Russian joint-stock company and the first bond issued in 1555 by the French. During this same time, companies began issuing bonds and creating financial instruments such as convertible and preferred stocks to satisfy investors.

The growth in the financial industry around the seventeenth century caused a need for secondary trading and better organization in the financial market. Thus, the first known recording of the securities trading market occurred in Antwerp and Amsterdam around 1611 (Arthur, 2017a). Trading practices improved because of the growth in the securities trading market, which led to an increase in financial innovation and risk management during the seventeenth and eighteenth centuries. Mutual funds were established by the Dutch around 1773. London has the first recorded instance of checks dating back to 1659, with the first check clearinghouse dating back to 1774. London also had the first recorded insurance company in 1667. Between the nineteenth and twentieth centuries, the corporation was recognized as a legal entity in the Roman legal system. This led to many changes in the financial industry. One such change was individuals would only be liable for their initial investment in an organization. Other financial

activities further developed the financial industry, causing previously created financial instruments to be further developed.

In the United States, the Civil War and railroad expansions caused a need for more capital, leading to new financial securities such as “income bonds, commercial paper, warrants, and commodity futures exchanges” (Arthur, 2017a). Another financial security, the electronic fund transfer, was first recorded in the United States around this time. The financial industry remained stable in the early twentieth century because of the Great Depression and World War II (Arthur, 2017a). During this time, Schumpeter acknowledged that financial innovation had been around for centuries, but the term “financial innovation” did not become popular until then (Akdere & Benli, 2018). Around the middle of the 20th-century financial innovation came to the forefront of the business world as technology boomed, causing changes to how business was conducted (Akdere & Benli, 2018). Innovation quickly grew in the mid-twentieth century due to technological changes and the economy (Arthur, 2017a). Such innovations developed in the financial industry were “floating rate notes, zero-coupon bonds, and synthetics and poison pill securities” (Arthur, 2017a).

Technological advances between the 1950s and 1980s spurred the creation of debit and credit cards, ATMs, and online or telephonic banking systems (Arthur, 2017a). Securitized loans and currency swaps were introduced between the 1960s and 1970s, leading to more asset-back securities. One such security was the collateralized debt obligation (CDO), created in 1987. The mid-1990s brought about credit default swaps (CDS). Scholars feel these types of securities and their governance played a part in the

financial crisis in 2008/2009. Further financial advances in the early 2000s include subprime mortgages, big data initiatives, and virtual currency.

### ***Financial Technology (FinTech)***

Digital transformation is a new process that is changing the way organizations conduct business in the financial industry (Kitsios et al., 2021). Leaders who utilize digital transformation in their organizations can offer customers more services using an electronic platform while ensuring accuracy in transactions at a cost savings to the organization (Kitsios et al., 2021; Farahani et al., 2022). Considered disruptive innovation (Anshari et al., 2021), a term coined by Schumpeter, leaders are moving away from the traditional in-person transaction to one of an online transaction, providing customers with options they now desire in an electronic world. These electronic options have led the way for a new type of financial service, financial technology, or FinTech (Anshari et al., 2021; Hentzen et al., 2021). FinTech was a result of combining the various electronic types of technologies (Mehrban et al., 2020). While these technologies are necessary to appeal to today's consumer, financial institutions utilizing FinTech must be aware of the privacy and security concerns that come with the new services (Mehrban et al., 2020). A 2016 survey reported by Silicon Valley Bank claims that only 35% of leaders felt they had adequate security measures in place to protect consumer data (Gai et al., 2018).

Artificial intelligence (AI), a type of FinTech, is a process that many consumers are now taking advantage of. AI occurs when a system interprets data, learns from the data, and then uses that data to make informed decisions without the use of a human being (Anshari et al., 2021; Hentzen et al., 2021). Although slow to develop, AI is

quickly becoming an expectation in the financial services industry in multiple areas (Hentzen et al., 2021). AI has been used in areas such as fraud detection, cybersecurity, trading, credit assessments, and wealth management (Hentzen et al., 2021). AI has enhanced the ability to analyze Big Data (Farahani et al., 2022). Big Data can now be analyzed more quickly allowing users to make decisions quicker with better results (Anshari et al., 2021; Farahani et al., 2022). But AI does have its challenges. One such challenge is that not all financial decisions can be performed utilizing AI (Anshari et al., 2021). Some financial decisions must still be made by humans due to various issues that AI cannot interpret. While AI is an important part of organizations today, literature is still lacking in various areas of AI (Hentzen et al., 2021). Much research is still needed to fully understand the important part AI can play in the business environment.

### ***Financial Innovation Challenges***

The ever-changing and growing business environment spurred the growth of the financial industry between 2000 and 2007 (Arthur, 2017a), and with that came challenges. Qamruzzaman & Jianguo (2017) posited that financial leaders had faced challenges from the rapid advances in financial innovation over the last decade. Those challenges resulted from changes in the financial section's structure, the changing financial services, and the introduction of new assets in the market (Qamruzzaman & Jianguo, 2017). One such challenge was the financial crisis in 2008. The financial crisis in 2008 spurred increased attention on financial innovation (Khraisha & Arthur, 2018). The crisis, called the “gale of creative destruction” by Schumpeter, provided a glimpse

into a business cycle where periods of upturns can help leaders of an organization generate profits.

The upturns could be considered economic disruptions due to organizational innovations (OECD/EUROSTAT, 2018). Some scholars suggest these disruptions are good for the economy as they stimulate economic growth (Akdere & Benli, 2018). Zouari and Abdelmalek (2020) noted the financial crisis of 2007 and 2008 led to risky financial innovations and instability in the market. While financial innovation was not explicitly mentioned, economic crises could be caused when leaders fail to properly oversee the innovation strategies in their organization (Zouari & Abdelmalek, 2020). Because of this, leaders needed to evaluate the innovative strategies used in their organizations to see what changes needed to be made.

Lastly, financial leaders must take proper precautions when protecting organization and consumer information. Even though an organization's security measures may seem impenetrable, it is not. The term RegTech describes the pairing of regulatory features with technology to monitor, report, and maintain compliance within the industry (Arner et al., 2017). The automation that RegTech utilizes provides leaders with a greater sense of relief regarding safeguarding data (Arner et al., 2017). RegTech does not come at an inexpensive cost. Due to previous industry failures and government regulations, leaders who implement RegTech spend a sizable amount of money to ensure their organizations are complying with required regulations (see Arner et al., 2017).

### **Approach Justification**

I chose the qualitative multiple case study method because I am exploring the strategies that small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee use to measure innovation performance of work teams. Yin (2018) noted that case studies should be used when researchers seek to uncover extensive knowledge on the phenomenon being studied. He suggested that the information obtained from multiple-case studies tends to be stronger than the information obtained from single-case studies (Yin, 2018). Yin goes on to say that case studies allow the researcher an in-depth focus on the case using real-world information (Ridwan, 2017; Yin, 2018). Deigh and Farquhar (2021) used the multiple-case study approach in their study to see how leaders of financial services organizations in sub-Saharan Africa were creating corporate social responsibility within their organizations. Paiola et al. (2022) recognized the importance of using the multiple-case study approach when they conducted their study on the effect of the Internet of Things on small and medium enterprises.

I chose to conduct this research study because small business leaders are at a disadvantage in maintaining competitive advantage when compared to leaders of larger businesses because of their inability to effectively measure work team innovation. Small business leaders cannot rely solely on traditional innovation methods (Silva et al., 2021); they must think outside the box and be more creative with their innovation strategies. There is minimal literature on work teams regarding innovation. Johnsson (2018) expressed the importance of utilizing work teams to increase innovation. I also chose this study as Silva et al. (2021) noted that scholars should continually increase their

understanding of the aspects of innovation. As innovation continues to evolve, innovation will remain a subject requiring constant updating.

Ter Haar (2018) expressed the importance of measuring innovation as it relates to organizational performance. Small business leaders who cannot effectively measure innovation could decrease their organizational performance and competitive advantage. Another issue small business leaders may have is the inability to recognize what obstacles or enablers exist within the organization when they try to implement strategies to measure innovation (Luamba et al., 2021; Silva et al., 2021). As the geographic area of interest in this research study is west Tennessee, an analysis such as this must be performed as no data exists for this area.

### **Summary and Conclusions**

In this chapter, I examined the existing literature for innovation, innovation performance, work team level innovation performance, small business innovation, the financial industry, and financial innovation. The research study was grounded in Schumpeter's theory of innovation management. Existing literature examined showed how vital innovation is to the organization. Without it, organizations may not have a competitive advantage. While innovation should be implemented through each level of the organization, scholars suggested that work teams be created to achieve a competitive advantage. The need for work teams and innovation plays a crucial role in small businesses as they make up most of the businesses. Scholars agree the financial industry has been in existence for quite some time and has seen many changes throughout the years, especially in the last several decades, because of the rapidly advancing economies.



The financial industry has played a significant part in our economy and helped shape it into what it is today. Small businesses in the financial industry have an essential role in the economy as small businesses make up a substantial portion of the business industry.

Chapter 3 presents research methodology.

### Chapter 3: Research Method

The purpose of this qualitative exploratory multiple-case study was to explore the innovative strategies small financial business leaders use to effectively measure work team innovation to maintain a competitive advantage. Organizational work teams could be considered the building block of an organization (Valls et al., 2016) and should always be encouraged to be innovative (Ter Haar, 2018). Innovation is an essential component of organizational performance (Anderson et al., 2014) and should be considered a core value in an organization (Basu, 2017; Mazzei et al., 2016). Because the number of organizations trying to increase innovation continues to rise (Ter Haar, 2018), leaders must continually develop, maintain, and restore innovation (Mazzei et al., 2016). This study could add to the literature identifying which strategies small business leaders use to measure work team innovation effectiveness.

In this chapter, I discuss the research design and methodology chosen for this study. I explain why I chose a multiple-case study method over other qualitative methods. I explain my role in dealing with potential researcher bias and how I controlled it in this study. I discuss the method I used to determine participant selection and how I recruited participants for the study. I describe the instruments, methods, and data analysis I used for data collection. I explain how my steps addressed trustworthiness, issues of credibility, transferability, dependability, and confirmability. Lastly, I discuss and justify the ethical procedures I followed to ensure the confidentiality of the study participants.

## **Research Design and Rationale**

The phenomenon I explored in this study was strategies small financial business leaders use to measure work team innovation to maintain competitive advantage. A breadth of literature exists for strategies measuring innovation on all organizational levels except for the work team level (Ter Haar, 2018). Innovation occurs when employees use new or improved processes to aid an organization in gaining an advantage over its competitors (Gault, 2018) and is considered an essential component of organizational performance (Anderson et al., 2014). Leaders should foster work team innovation as this level within the organization is vital to the organization's success (Jiang et al., Rousseau & Aube, 2018)

A quantitative approach would not be appropriate for this study. Researchers use the quantitative approach to develop hypotheses, conduct tests, and analyze variables' relationships (Park & Park, 2016). This approach focuses on numbers to produce results that researchers interpret. Qualitative researchers, however, develop research questions, conduct field studies, and interpret the results. The research questions help determine which method a researcher should use for the study (Patton, 2015). For this study, I wanted to determine which strategies leaders use to measure work team innovation. The research question that grounds this study is as follows:

What are the strategies that small financial business leaders use to effectively measure work team innovation to maintain a competitive advantage?

I chose to conduct a qualitative exploratory multiple-case study to answer the study research question. A qualitative inquiry could be used when little is known about a

topic (Cypress, 2019). Scholars use qualitative inquiry when they desire to understand a phenomenon and interpret individuals' actions in their natural context (Moser & Korstjens, 2017). Ridder (2017) posited qualitative research design could produce content-rich information because the researcher does not have a theory or bias toward the study. Researchers use standard qualitative methods: phenomenology, grounded theory, ethnography, narrative research, and case studies.

The design I chose for this study was the exploratory multiple case-study method. Researchers use the qualitative exploratory case study method when they seek to understand a phenomenon that may be occurring and describe its importance to the field of literature (Starman, 2013; VanderStoep & Johnson, 2009). Farquhar (2012) stated that case studies allow the researcher to gather data where a phenomenon occurs, enabling the researcher to evaluate a phenomenon in its correct context. I sought to explore strategies that small financial business leaders use to measure work team innovation to maintain competitive advantage.

I chose the exploratory case study design over the other methods because this type of design helps the researcher explore a phenomenon and answer "what" questions (see Yin, 2018). Unlike grounded theory and phenomenology, a case study approach allows for a more fluid research study instead of fitting inside a specific set of parameters. The grounded theory approach is used when researchers seek to uncover new theories while collecting data (Creswell et al., 2018). I did not seek to uncover new theories in this research study. Using the phenomenological approach, researchers spend extensive amounts of time with the study participants to uncover patterns and relationships of a

phenomenon (Creswell et al., 2018). In this study, I did not seek to uncover relationships or patterns. Ravitch and Carl (2016) asserted qualitative design is considered emergent because research can evolve and change as a study progresses. The narrative design did not fit this study because this type of design tells a story. Yin (2018) asserted that case study design is comprehensive because it covers design to data collection and analysis. I chose a multiple case study design for this study because I interviewed more than one small business leader. Using multiple cases allows for more data and could create replication in the data to create a new theory (Ridder, 2017).

### **Role of the Researcher**

Researchers are the central instruments in qualitative research for conducting the research study (Maxwell, 2013). Ravitch and Carl (2016) explained the researcher is responsible for using the appropriate qualitative processes to select participants, collect data, analyze the data, and publish their findings for other scholars. In addition, the researcher should be able to find the meaning behind the data and disseminate that to others. Therefore, as the central instrument in this research study, I took all the steps necessary to ensure I collected content-rich data and analyzed that data without any bias.

Qualitative research studies are unlike that of quantitative research studies. Qualitative researchers must interpret the collected data and find meaning behind it while quantitative researchers test theories by evaluating the relationship between variables (Creswell et al., 2018). Ravitch and Carl (2016) described qualitative data analysis as “deliberate, systematic, and structured acts of interpreting data and then describing data in ways that reflect both process and insight (p. 219).” The interpretation of data could be

enriched by a researcher's experiences and background and by relationships the researcher may have with study participants. However, bias and ethical issues could play a part in the study based on the researcher's personal experiences, background, and relationships. Because of this, researchers should acknowledge this information in the study (Greene, 2014). I did not interview anyone I had a personal or business relationship with for this research study to eliminate bias from that standpoint. During the interviews I did not try to coax any study participant toward a particular answer. I listened to the question responses and followed up with questions as needed. Once I began analyzing the data, I looked for similarities in the data to draw conclusions, not any bias I may have had. Using MAXQDA helped validate the data. I also followed Walden's Institutional Review Board (IRB) guidelines carefully to eliminate any bias in this research study.

### **Methodology**

Choosing the correct type of methodology for a research study is crucial. The methodology chosen should answer the research question (Yin, 2018). Konecki (2019) noted using the correct methods for a study makes the study more credible. I chose to use a multiple-case study design for this research study. The Walden University's IRB approval number for this study is 11 04 22 0743628. The approval expires on November 3, 2023. Stake (2013) remarked that a multiple-case study design should be conducted when the researcher is trying to discover how a phenomenon responds in different environments. In this study, I sought to determine which strategies small financial business leaders use to measure work team innovation to increase innovation performance. A single-use case study would not be appropriate for this study as I sought

to explore what innovation strategies numerous small financial business leaders use to measure work team innovation. The leaders were from different financial institutions in my geographic area.

### **Participant Selection Logic**

Once the setting for the research study is determined, the researcher then needs to determine how many cases or study participants should be selected to attain sufficient data for analysis and to be considered valid (Boddy, 2016). Data collection is continued until a researcher feels data saturation has been reached (Boddy, 2016). Guest et al. (2020) suggested that researchers achieve data saturation when the collected data is no longer new or significant to the study. This typically does not happen with one interview. Buddy (2016) suggested the ideal sample size when conducting interviews is between 15 and 30 participants. For this study, I interviewed 15 small financial business leaders in Madison, Gibson, Chester, Crockett, and Henderson counties in west Tennessee until I reached data saturation. Crockett and Henderson counties were added to the study as I did not have enough study participants from the original three counties to reach data saturation. During the interviews, I took field notes to add to the richness of the data during the analysis phase of the research study.

This study used purposeful sampling as it provides content-rich, in-depth data (see Patton, 2015). Because of the small number of study participants, purposeful sampling was the best choice to produce the richest data. I used criteria-based case selection and snowball sampling as the purposeful sampling strategies. The criterion-based case selection strategy involves using set criteria to identify participants who meet the criteria

set for the research study. The requirements to be a study participant were as follows: the study participants' organization had to be a small financial business in Madison, Gibson, or Chester counties in west Tennessee, had to employ less than 100 individuals, must be a member of a Chamber of Commerce in Madison, Gibson, or Chester counties in west Tennessee, and work teams had to be used in the organization.

Potential candidates were sent an introductory email to ask if they would consider participating in the study (see Appendix B). In that email, I attached the informed consent form and the eligibility questionnaire. Potential study candidates were asked to respond with "I consent" if they consented to continuing in the research study process. All candidates were sent a thank you email for responding to the questionnaire. Those who did not meet the criteria were sent an email explaining why they did not meet the criteria (see Appendix E). Those who did meet the criteria were sent an email with further details on the next steps in the research study process (see Appendix F). In the email, I asked the participant for a time to speak by telephone that was convenient for the participant to discuss the research study further and set up the interview time.

The second method uses the snowball sampling approach. I used my current network of professionals from LinkedIn and social media to solicit possible study participants. I posted a graphic providing minimal information for the study and asked anyone who may be interested to email me for more information (see Appendix C). In the reply email to the possible participant (see Appendix C), I provided more information regarding the study and attached the informed consent form and the eligibility questionnaire. Potential study candidates were asked to respond with "I consent" if they



consented to continuing in the research study process. All candidates were sent a thank you email for responding to the questionnaire. Those who did not meet the criteria were sent an email explaining why they did not meet the criteria (see Appendix E). Those who did meet the criteria were sent an email with further details on the next steps in the research study process (see Appendix F). In this email, I asked the participant for a time to speak by telephone that was convenient for the participant to discuss the research study further and to set up the interview time.

### **Instrumentation**

The data collection instrument used in this research study was semistructured interviews. Bearman (2019) noted that semistructured interviews are common in qualitative research as researchers seek to gain a deeper understanding of the research topic. Using semistructured questions allows a researcher to collect more rich and effective data by using flexibility when asking questions in case the researcher feels a question needs more clarity (Bearman, 2019). I considered the following when developing the interview questions: (a) innovation strategies other small business leaders have used in the existing literature, and (b) the interview questions would align with the parameters of the research study.

Once I created the interview questions, I emailed four colleagues in the financial industry who lead work teams to get feedback on the questions. Two colleagues responded to the request. One colleague noted the questions looked good and did not have anything to add. The second colleague offered a few questions to add to the interview. I added those questions to my interview protocol. The interview protocol is in

Appendix G. The interview consisted of two sections: participant information and the interview questions. I anticipated the answers to each interview question would align with the study's parameters. The questions were worded in a simple, easily understandable way so the study participants would not misconstrue the question. Using Zoom for the interview, the questions' responses were recorded within the software. After the interview was completed, Zoom's software transcribed the interview.

### **Expert Review**

As part of the IRB approval requirement, the proposed interview questions were sent to a Walden faculty member who is a qualitative research subject matter expert to provide an opinion on the validity of the questions. The expert reviewer suggested making several changes to my questions as the first set did not align with my study. The feedback from the Walden faculty member was used to revise the interview questions. I also sent them to a few network contacts I have in the financial industry to get their feedback on the interview questions. A copy of the solicitation email and responses is included in Appendix A.

### **Procedures for Recruitment, Participation, and Data Collection**

Potential study participants could not be contacted until Walden University's IRB committee had approved. Once approval was received, I began searching for and selecting potential candidates. This study was conducted using study participants who worked in Madison, Gibson, and Chester counties in west Tennessee in the southeastern United States. Small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee whose organizations are members of a local Chamber of Commerce

were considered for participation in the study. Participants were selected using the purposeful sampling technique.

Researchers use the purposeful sampling technique to choose the participants they feel will provide the best information for the research study (Maxwell, 2013). To create a list of possible candidates to contact, I asked my network of contacts who they know in the financial industry that I could contact for consideration. I also created a list of possible institutions and contacts from those who were members of the Chambers of Commerce in west Tennessee. Of the 849 small businesses in west Tennessee, 115 were members of a local Chamber of Commerce in Madison, Gibson, and Chester counties (U.S. Chamber of Commerce, 2022). I emailed the contact at all 115 financial institutions introducing the study and asked for their consideration to participate in the study (see Appendix B, see Appendix C).

The potential participants who agreed to consider participating were sent an email with the informed consent form and verification questionnaire providing specific details about the study with a call to action by the potential participants. Potential study participants were required to respond to me via email if they agreed to participate in the study. Once the questionnaires were returned, I determined which candidates were eligible to continue in the research study. If the participant did not meet the criteria for the research study, I omitted that participant and documented the reason for omitting the candidate. The participant was sent a thank you email explaining why the participant did not meet the criteria. The participants who did meet the criteria were sent a thank you email letting them know they met the criteria for the study and were chosen to move

forward in the research study. The potential participants who declined to participate in the study from the invitation email were excluded from the study. I documented the rejection and reason for rejection.

Semistructured interviews were conducted using Zoom, a videoconferencing software. Yin (2018) noted the importance of face-to-face interviews. Because of the current pandemic in the United States, Zoom was used as a supplement to face-to-face interviews. Each participant was interviewed separately to provide a relaxed environment and confidentiality of the information provided by the participant. The interviews were scheduled at the participant's convenience and lasted 25 to 60 minutes. The participants were informed that the interview would be audio recorded only, with their permission, and transcribed by Zoom. All participants were asked the same set of questions during the interview. Follow-up questions were asked depending on participant response to the initial questions.

The study participants received an email 30 minutes before the start of the interviews with a Zoom link. At the beginning of the interviews, participants were briefed on the purpose of the study, interview expectations, expected interview length, data analysis, publication reporting, and member checking. Creswell et al. (2018) stated member checking can add to the trustworthiness of the data collected as the study participants are sent a report after the data is analyzed to verify their thoughts came across in the study. Briefing the participants before the study could add to the richness of data provided by participants because they may understand the phenomenon of the study. The study participants were able to ask any questions before the interviews began. During

the interviews, I took field notes to supplement the interviews. Researchers use field notes to document important aspects of the data collection process that would provide detailed descriptions for future analysis (Phillippi & Lauderdale, 2018).

I was respectful of each participant. Participants were not asked to answer any confidential company or personal information. If a participant appeared uncomfortable answering a question, I discontinued seeking an answer and moved to the next question. No study participants appeared uncomfortable during the interviews. However, a few of the study participants asked if we could skip a question and come back to it so they could think about a response. I obliged the request and came back to the skipped question at the end of the interview. If a participant desired to stop and postpone the interview, I would oblige the participant. The recording would be stopped and saved. Another interview time would be set at the convenience of the participant. No study participant asked to stop the interview.

At the end of each interview, the researcher conducted debriefing procedures for each participant. Each participant was informed there were no more questions for them to answer at that time. I asked if the participants had any thoughts or concerns regarding the interview. I noted any comments made by the participants. Each participant was thanked for taking the time to participate in the research study and asked if they could be contacted if any follow-up was needed once data analysis began. Each study participant was sent a copy of the final transcript to determine if the transcription was accurate based on their recollection of the interview. No study participants requested changes to the

transcriptions. At the end of the research study, with Walden University's approval, I will provide each participant with a summary of the study.

An Excel spreadsheet was created to track the contact information of study participants and correspondence between the study participants and myself. The data collected during the participant selection and interviews will be kept in this file. This file is password protected, held on a password-protected laptop and backed up to a password-protected online storage website, Dropbox and Google Drive, for five years after CAO approval by Walden University.

### **Data Analysis Plan**

Data analysis is such a critical part of the research study that researchers suggest that researchers should analyze data as it is received and continuously during the data collection phase of the research study (Maxwell, 2013; Saldana, 2016). Maxwell (2013) asserted that analyzing qualitative data can be done in several ways. Maxwell suggested three main analysis techniques: a) using memos, b) using categorizing techniques such as coding and thematic analysis, and c) using connecting techniques such as narrative analysis (2013). The researcher must choose the correct analysis technique that best fits the data collected to answer the research question and address any concerns regarding data validity (Maxwell, 2013). I felt like enough data was collected during the interviews. Thus, no further contact was warranted for the research study.

Maxwell (2013) suggested the first step to take when beginning to analyze data is to read over the interview transcript and other documents that have been attained. A Zoom audio recording is available for each interview in this research study. I listened to

the audio recording, read over the interview transcript, and read over field notes taken during the interview before beginning the data analysis. While completing this step, Maxwell (2013) suggested the researcher take notes (memos) on observations to formulate categories and themes for the data analysis. The memos are a way to help facilitate the data analysis phase of the research study.

During the categorizing phase of the research study, I searched for similarities in the data and coded the data into categories of words that had similar meanings pertaining to the research question (Maxwell, 2013). I used a mixture of the descriptive and process coding methods explained by Saldana as the basis for the data analysis. Ideal for use by novice researchers, the descriptive coding method is a coding method where the researcher breaks the data into similar groups using words or phrases (Saldana, 2016). The process coding method is a coding method where researchers identify routines followed by humans (Saldana, 2016). In this research study, I sought to explore which strategies small financial business leaders in Madison, Gibson, and Chester counties in west Tennessee use to measure work team innovation.

Yin (2018) suggested using the cross-case synthesis method for data analysis when a multiple-case study research design is used. Cross-case synthesis involves analyzing each participant as an individual case, identifying patterns within the case, and comparing those patterns to the cross-cases. Using both within-case and cross-case synthesis to analyze the data allows researchers to have a greater chance of generating theoretical propositions than using only within-case analysis (Barratt et al., 2011). I used

the cross-case synthesis method to analyze each case individually and then as part of a group using all the interviews.

Yin (2018) suggested that a researcher use the following four strategies to analyze research data: a) rely on theoretical propositions that guide a research study, b) analyze data from the group up to identify concepts, c) create a descriptive framework to organize the research data, and d) define plausible rival interpretations. Only the second strategy, analyze data from the group up to identify concepts, was appropriate for this research study as I sought to explore innovative strategies that small business leaders use at the work-team level. This strategy also follows along the same lines as the descriptive coding method suggested by Saldana (2016). This strategy could help answer the research question for this research study. The other strategies mentioned above were not options for this research study and, therefore, not used in this research study.

I began the data analysis using Microsoft Word and Microsoft Excel to interpret the data. Initially, I felt using CAQDAS programs would not benefit the study as the sample size was only 15 participants. However, I became overwhelmed with the amount of data to analyze and transitioned to MAXQDA, a Computer Assisted Qualitative Data Analysis (CAQDAS) program to code the data. Saldana (2016) explained that CAQDAS is a program that allows a user to store, organize, and manage data to aid a researcher in data analysis. As a novice researcher, I had a significant learning curve trying to use the program (Patton, 2015) but was able to use the program tutorials to understand how to use the program. After adding all the interview transcripts into the software, I began by searching each transcript for similar words that allowed me to generate codes from the



data. I reflected on the codes and grouped the codes into categories. From those categories, I identified the themes for this research study.

### **Issues of Trustworthiness**

Many scholars think of qualitative research as lacking rigor and trustworthiness due to its interpretive nature (Shufutinsky, 2020). But many scholars still feel trustworthiness is appropriate for qualitative research (Stahl & King, 2020) as the term itself signifies quality. Ellis (2018) posited that trustworthiness refers to the quality of the research process and how the research methods, data analysis, and findings were presented. Lincoln and Guba (1985) established four criteria of trustworthiness: a) credibility, b) transferability, c) dependability, and d) confirmability. Yin (2018) outlined another set of four criteria: a) internal validity, b) external validity, c) reliability, and d) construct validity. When comparing both sets of criteria, researchers surmise that credibility and internal validity were similar, transferability and external validity were similar, dependability and reliability were similar, and confirmability and construct validity were similar (Korstjens & Moser, 2018). Therefore, both sets of criteria were the basis for ensuring trustworthiness and rigor in this research study.

Maxwell (2013) recommended using a research identity memo to help complete a design map for the study. The research identity memo helps a researcher identify beliefs and experiences that cause bias in the research study (Maxwell, 2013). I used the research identity memo to identify beliefs and experiences I had that could affect the study. Using that information, I ensured no personal bias in any part of the research study.

The relationship between the researcher and study participants is critical to the study. Maxwell (2013) asserted the researcher/participant relationship was ever-changing and that the relationship was how the study would be conducted. Acknowledging personal or professional relationships before collecting data is an integral part of the process. Before selecting a participant, I determined if personal or professional relationships existed between the study participant and myself. If I identified a relationship did exist, I disqualified the study participant from the research study.

I was mindful that I maintained the ethical rights of the study participants during our interactions and did not let the study objectives override those rights. Haines (2017) posited the rights of study participants must be at the forefront of the study, not the study objectives, during all phases of the research study, from identifying and selecting study participants to publishing the research data. Using a qualitative case study research approach can create vagueness in the study as the type and number of study participants used, the recruitment process, and the data collection method used may not be fully known until the researcher is conducting the study (Haines, 2017). Because of this, I ensured this research study complied with the Walden University research regulations and the IRB regulations.

### **Credibility**

Qualitative researchers are expected to ensure the research study design and participants' responses and experiences fit the research question. Researchers should choose the correct strategies for ensuring credibility and internal validity in the research study (Ravitch & Carl, 2016). Ellis (2018) noted credibility occurs when the reader can

feel confident the research is correct. I used two types of purposeful sampling, member checks, and data saturation in this study to ensure credibility and internal validity. Creswell et al. (2018) suggested sending a final report to study participants to verify the themes created match the responses the participants were trying to relay during the interview. During data coding, I did not feel I was missing any themes and did not have to contact the interviewees to see if my themes matched what they tried to relay during the interview.

I also used reflective journals and bracketing to eliminate bias in the research study. Deggs and Hernandez (2018) expressed the importance of journaling in the data collection and analysis process. Both scholars believed researchers should use reflective journaling to increase the richness of data collection and analysis (Deggs et al., 2018). Shufitinsky (2020) acknowledged referring to the reflective journal during data analysis could put the researcher back in the “setting, emotion, tone, and understanding of the data” (p. 54). Vicary, Young, and Hicks (2017) noted how using a reflective journal could add validity to a research study by helping create an audit trail.

### **Transferability**

Transferability and external validity in a research study refer to the results being able to provide enough information so the research study can be duplicated by other researchers while maintaining its data integrity or used to make judgment calls in similar situations (Yin, 2018). I ensured that I maintained the integrity of the research study by thoroughly explaining each step of the process so other researchers could use my study in their future research studies. To ensure transferability and external validity in this study, I

provided detailed descriptions of each stage of the research study process, so readers had a better understanding of the study to generalize the results based on their population.

### **Dependability**

Dependability in a research study occurs when a researcher has followed a series of documented procedures other researchers can replicate and achieve similar results (Yin, 2018). Ravitch and Carl (2016) asserted that a research study could achieve dependability with a well-designed research study. To achieve dependability in this research study, I utilized the following strategies: a) used detailed descriptions and documentation for my study methodology; b) ensured the criteria for selecting study participants was documented; c) ensured the interviews were recorded, transcribed, and saved properly; d) ensured I had documented the data analysis process; and e) ensured I had interpreted the study participants' information correctly. I also kept a reflective journal throughout the research process. All the steps I took in the research study were part of the audit trail. Future researchers should be able to follow the audit trail to evaluate my research study and confirm that the findings from the research study are valid (Carcary, 2020).

### **Confirmability**

Confirmability in a research paper exists when someone, participants of the study or other researchers, can corroborate or verify that the study findings are valid (Ellis, 2018) and not the researcher's opinions. An audit trail can provide confirmability of my research study. To ensure confirmability in this research study, I used reflexivity practices to look inward to determine what biases or powers I brought to the research

study that could skew the results and worked to eliminate those issues. Thurairajah (2019) asserted reflexivity is not just suggested for qualitative researchers but expected of them during a research study. I ensured I exercised reflexivity through all aspects of the research study.

### **Ethical Procedures**

Care must be taken when research involves human subjects to ensure ethical procedures are followed (Yin, 2018). Therefore, before beginning my research study, I obtained approval from the IRB at Walden University. The IRB reviewed the details of my research study to determine if I had an ethical research study and had measures in place to ensure study participant confidentiality. I followed the guidelines set forth by the IRB at Walden University before, during, and after the interviews. Upon approval from the IRB, I began the steps outlined in the data collection section of this chapter.

Maintaining participant confidentiality is integral to ethical procedures (Yin, 2018). To ensure participant confidentiality, participants were identified using a PIN containing demographic information. For example, a Caucasian female manager with seven years' experience was identified as FC7. Participants were not asked for any personal information. The interview data and transcription were stored on a password-protected laptop, a password-protected Google Drive, and an online, password-protected Dropbox account. A copy of a letter from Zoom executives regarding safeguarding data is in Appendix H (Zoom Security, 2020). Safeguarding data from Dropbox can be found on the website under the Privacy section (Dropbox Privacy, 2022). The Support Center on Google's website provides information on the safeguards of information (Google

Support Center, 2022). The data will be kept for five years from CAO approval, as required by Walden University. After that period, all files will be deleted from the three storage areas.

### **Summary**

In Chapter 3, I discussed the research design and methodology chosen for this research study. I justified the reason I chose a qualitative research method instead of a quantitative research method. I explained the justification for using a multiple-case study methodology over other qualitative methods. I explained the researcher's role in the case study and explained how I controlled it in this study. I explained my method for participant identification, selection, and recruitment. I described the instruments, methods, and data analysis I used for this study. I explained the steps I took to address trustworthiness and rigor issues in this research study. I explained how I ensured the confidentiality of the study participants in this research study. Finally, I discussed how I dealt with ethical issues that arose from this research study. Chapter 4 will explain the results of the data collection phase of this research study.

## Chapter 4: Results

The purpose of this qualitative exploratory multiple-case study was to explore the strategies that small financial business leaders use to measure work team innovation to maintain a competitive advantage. Zoom interviews were used to collect data. The participants of the study were managers of teams at financial institutions in west Tennessee. The research study was limited to small financial businesses with less than 100 employees in Madison, Gibson, and Chester counties in west Tennessee. As data saturation was not reached with study participants in those three areas, small business managers in the financial industry from neighboring counties, Crockett and Henderson, were included in the research study. The research question was “What are the strategies that small financial business leaders use to effectively measure work team innovation to maintain a competitive advantage?” To address the research question for this study, I will cover the following sections in this chapter: Research Setting, Demographics, Data Collection, Data Analysis, and Evidence of Trustworthiness. I will also provide a summary at the end of the chapter.

### **Research Setting**

The COVID-19 pandemic caused Walden University to mandate interviews must be conducted using some type of web conferencing format. I chose to use Zoom for this as I already had access to it through my employer. Zoom was a great choice as the program would automatically audio record the interview and transcribe it after the study participant and I finished. I only had to make minor tweaks to the transcriptions.

Because my work background is not in the financial industry, I was able to use sampling techniques to obtain study participants free of bias. I was able to ask the interview questions without any form of bias on my end as I had no prior experience in the industry. Study participants were able to freely respond to the questions. I did ask a few probing questions from some of the answers the study participants gave, but it was merely to gain more information than what was given. No personal or organizational conditions affected study participants or influenced results of this research study.

The budget was not an issue during the research study. At the onset of seeking study participants, those who did not meet the criteria were sent denial emails and a \$5.00 VISA gift card was mailed to them. A total of one denial gift card was sent. Those who participated in the study were mailed a \$10 VISA gift card. A total of 15 thank you gift cards were sent. A total of \$155 was spent on this research study.

### **Demographics**

I used the purposeful sampling technique and snowball approach to identify the study participants. I began searching for participants immediately after IRB approval. It took a couple of months to find candidates as holidays and the end of the year responsibilities prevented many participants from having the opportunity to meet. I was able to identify 15 candidates for my study. As my study focused identifying innovation strategies that small financial leaders used to improve organization performance within their teams, three specific criteria were required of each study participant. Each study participant must be employed at a small financial business in Madison, Gibson, or Chester counties in west Tennessee employing less than 100 individuals, must be a



member of a Chamber of Commerce in Madison, Gibson, or Chester county in west Tennessee, and work teams must be used in the organization. Due to a lack of participation from small financial business leaders in the initial three criteria areas, I did have to expand my research area to Crockett and Henderson counties in west Tennessee. See Table 1 for a demographic breakdown of each study participant.

**Table 1**

*Study Participant Demographics*

Gender	Occupation	Years Leading a Team	Industry
Female	Loan accounting analyst	1	Mortgage
Female	SVP, area mortgage manager	13	Mortgage
Female	Agency manager	13	Insurance
Female	Mortgage loan originator	12	Mortgage
Female	Mortgage loan originator	4	Mortgage
Male	Financial planner	10	Financial planning
Male	Financial advisor	13	Financial planning
Male	Insurance agency owner	20	Insurance
Male	Vice president, insurance	21	Insurance
Male	Chief financial officer	21	Credit union
Male	Insurance agency owner	22	Insurance
Male	Special accounts coordinator	2	Credit union
Male	Financial advisor	5	Financial planning
Male	Director of sales and development	6	Insurance
Male	Community relations manager	9	Banking

**Data Collection**

I followed the data collection plan outlined in Chapter 3. I collected the data during the Zoom video conferencing with 15 study participants. Each interview was between 20 minutes and 45 minutes. Per the approved data collection method, study participants received the informed consent form when they received the participation invitation. At the onset of the Zoom interview, I asked each participant if they had any

questions regarding the study before we started. No study participant had questions regarding the study. At the end of each interview, the study participant was asked if I could contact them again if I had further questions. Each one consented to an additional contact if I had more questions. After I reconciled the audio interview with the transcription, each study participant was emailed the final transcript to verify its validity.

The interviews were conducted at two locations – my home office and my work office. At each of these locations, the door was closed so no one could hear the interviews. At my home office, I was able to schedule the interviews when everyone was away to prevent any interruptions. At my work office, the door automatically locks when closed so no one was able to enter my office until I opened the door after the conclusion of the interview. Thus, the interview content was confidential for each study participant. The interviews were spread out over 12 weeks, as two major holidays fell during this time and many study participants were unable to find a time to be interviewed for the research study. Other than the holidays, no other unusual circumstances occurred during the data collection process.

The interview was audio recorded by Zoom and then automatically transcribed by Zoom. I also took field notes during each interview to review along with each transcription.

### **Data Analysis**

I initially decided to use Microsoft Word and Excel to code and analyze the data for this study. However, seeing the amount of information from each study participant, I decided to use MAXQDA to help code and analyze the study data. To ensure the

transcriptions were accurate, I reviewed each recording along with the field notes and made any necessary adjustments. Each participant was assigned a PIN based on their race, gender, and the number of years each small financial business leader had led a team so each response would be anonymous. The PIN numbers were used in MAXQDA to identify each while still maintaining study participant confidentiality. Once that was completed, I separated each question into one document set and added the corresponding answers from each study participant.

During the data collection process, I began to identify similar words and ideas as each interview was conducted and began developing themes for the data. At the onset of data analysis, I evaluated the words, ideas, and themes already identified and began looking at the data to form codes. From the data, I identified the following open codes: (a) different innovation definitions, (b) technology, (c) customer service, (d) education, (e) teamwork, (f) organizational performance, and (g) COVID-19. Using the interview transcriptions, audio recordings, reflective journal, and identified codes, I identified eight ideas using the descriptive coding technique from the data collected: (a) different innovation definitions, (b) innovation goes hand in hand with technology, (c) systems and processes are an important part of organizational performance, (d) tracking performance is an important aspect of organizational performance, (e) must address changing customer needs, (f) team must be flexible, (g) everyone needs to be willing to grow/change, and (h) work environment has changed due to COVID-19.

From those ideas, I was able to narrow the themes into seven main themes for the research study: (a) innovation is defined differently by everyone, (b) technology is a

crucial component for organizational performance, (c) focus on customers' needs, (d) changing work environments require all team members to be flexible in the workplace, (e) COVID-19 as a factor in financial industry evolution, (f) performance tracking for increased organizational performance, and (g) employees must have a continual learning mindset. The study results section of this chapter will provide a detailed analysis of each main theme. Table 2 provides a list of codes and themes and the frequency of each theme mentioned during the interviews.

**Table 2**

*Codes, Frequency, and Themes*

Code	Frequency	Theme
Different innovation definitions	15/15	Innovation is defined differently by everyone
Customer service	15/15	Focus on customers' needs
COVID-19	15/15	COVID-19 as a factor in financial industry evolution
Organizational performance	13/15	Performance tracking for increased organizational performance
Teamwork	12/15	Changing work environments requires flexibility
Technology	11/15	Technology is a crucial component for organizational performance
Education	10/15	Employees must have a continual learning mindset

I did not consider any of the study participant interviews to be truly discrepant cases. I commented at the end of each theme detailed below on the differing data collected from study participants. I did not conduct any follow-up interviews as the study participant responses and my reflective journal cleared up any questions I had regarding

participant comments. I did not request any documents from the study participants as the interview responses did not warrant the need for extra documentation.

### **Evidence of Trustworthiness**

#### **Credibility**

To ensure and increase credibility in this research study, I compared the audio recordings, the interview transcriptions, and my reflective journal to understand the data from this research study. As mentioned in Chapter 3, if I felt I was missing themes from the transcription, I contacted the interviewees to see if my themes match what they were trying to relay during the interview. All study participants were willing to answer follow-up questions. Once I analyzed the data by reviewing the audio recordings and interview transcripts, referring to my reflective journal, and using MAXQDA to identify codes and themes, I felt I had a thorough understanding of the data. Thus, I did not have a need to ask follow-up questions.

I reviewed my reflective journal against the transcriptions to make sure I understood what the research study participant said during the interview. The answers I received for each question were simple and straightforward to allow for easy interpretation. I was able to understand their innovation strategies from our interview and create themes to thoroughly understand the research study. I felt that I reached data saturation early in the research study process but continued seeking study participants until I had interviewed 15 study participants to ensure I did not miss valuable information. To reach the suggested number of study participants, I had to expand the research areas to Crockett and Henderson counties in West Tennessee. I had also sent my

interview questions to colleagues in the financial industry to get their feedback on the types of questions and if those questions helped answer my research question. A Walden University faculty member who is a qualitative methods expert also reviewed my interview questions before data collection began.

### **Transferability**

I used purposeful sampling in this research study and verified that each study participant met the study criteria requirements to ensure research study validity. The criteria for this research study were the study participants had to be members of a local Chamber of Commerce, had to be leaders of a team in a small financial business in Madison, Chester, or Gibson counties in west Tennessee with less than 100 employees. However, I did expand the criteria areas to Crockett and Henderson counties in West Tennessee to recruit more study participants. The requirements created for this research study were created to provide data for the gap identified in this research study.

To ensure research transferability of this qualitative study, I provided a detailed explanation of the research study process regarding recruiting study participants, identifying qualified study participants, collecting and recording study data, and analyzing the study data. I provided detailed descriptions of the study participants and the context for the research study so other researchers could apply the results of this study in other settings.

### **Dependability**

To achieve dependability in this research study, I used the following strategies: used detailed descriptions and documentation for my study methodology; ensured the

criteria for selecting study participants is documented; ensured the interviews are recorded, transcribed, and saved properly; ensured I documented the data analysis process; and ensured I interpreted the study participants' information correctly. I also kept a reflective journal throughout the research process and compared the transcriptions with the journal to ensure accuracy. All the steps I took in this research study are part of the audit trail. Future researchers should be able to validate the study results and replicate this research study.

### **Confirmability**

I used confirmability to strengthen the trustworthiness of this research study. I kept a reflective journal throughout the interview process. I would write down anything that came to mind, regarding the study, so I could refer to the notes during the data analysis phase of the research study. The journal became part of the audit trail for this research study.

To ensure confirmability in this research study, I used reflexivity practices to determine what biases or powers I brought into the research study and ensured I eliminated any bias that I had. Even though I feel data saturation was reached early in the research study, I continued to interview study participants to ensure I was not biased in the research study. I ensured I remained objective with each interview to gain accurate and valid data for the research study.

### **Study Results**

I sought to identify the innovation strategies small financial business leaders use to effectively measure work team innovation to maintain a competitive advantage. Study

findings revealed leaders used a combination of innovation strategies within their teams to increase productivity. Technology was a major component of the strategies mentioned. Small business leaders used various software, systems, and processes to ensure their teams were innovative. Providing for continual customer changing needs was a main innovative topic expressed by small business leaders. While technology is the forefront of innovation today, many leaders still feel customer needs are just as important. Putting the focus back on the needs of the customer constituted as an aspect of innovation in the minds of the small business leaders from this research study.

From the interviews, seven codes emerged: (a) different innovation definitions, (b) technology, (c) customer service, (d) education, (e) teamwork, (f) organizational performance, and (g) COVID-19. Using the interview transcriptions, audio recordings, reflective journal, and descriptive coding, I was able to expand the codes into the themes for this study: (a) innovation is defined differently by everyone, (b) technology is a crucial component for organizational performance, (c) focus on the customers' needs, (d) changing work environments require flexibility, (e) COVID-19 as a factor in financial industry evolution, (f) performance tracking for increased organizational performance, and (g) employees must have a continual learning mindset. Each theme is described below.

### **Innovation is Defined Differently by Everyone**

Every study participant defined innovation in different ways. Participant CF4 stated that, to stay at the top of innovation, "innovation has to come in tandem with technology." Participant CF12 commented that technology is the "way of the future," and



employees would need to embrace the technology if the organization is to be successful. Participant CM21 stated that “innovation is coming up with concepts and ideas that help you get to the next level of something new.” Participant CF13 noted how business is changing every day and, to be competitive, “you have to be able to adapt and adjust with it.” Participant CM2 described innovation as “coming up with something completely off the wall” or doing “something different that we haven’t done before.” Participant CM9 noted that innovation was “constantly having to find something new” for his customers that “set us apart from other institutions.”

Participant CM13 compared his previous institution with his current one. His previous institution focused on what was best for the company whereas his current employer focused on what was best for the client. He feels putting customers’ needs first is what drives innovation. Participant CM21 focused on the question “what are you doing differently” when considering implementing innovation into his organization. Participant CM22 noted that he does not like to be the first in the market to try an innovation. He waits for the bugs and kinks to be worked out before he rolls out the innovation in his organization.

### **Focus on Customers’ Needs**

Every study participant noted the importance of focusing on changing customer needs and adjusting their products and services based on those changes. Participant CM21 commented that his employees must think outside the box to provide for the needs of customers as “we now have a whole other level of service that we’re really just scratching the surface on.” Participant CF4 noted that the loan officers in her department

realized the changing customer needs and began offering more types of loans for their customers other mortgage professionals cannot offer. She acknowledged COVID-19 caused many customers to begin doing business online. Her organization did not have a strong online presence and she knew this was hurting their production.

Participant CM13 acknowledged that customers have gotten so accustomed to doing business on the phone, by email, digitally, etc. that the customers do not want to go back to the old way of doing business. The customers have become accustomed to the quick response time and policy issuances that they expect this all the time now.

Participant CM9 also acknowledged customers still like doing business online or by some digital means. This has caused issues with the bandwidth in his organization. He is working to overcome those issues so his employees can provide better customer service to their clients.

In contrast to Participant CM9, Participant CM2 acknowledged his organization is behind the competition regarding offering products or services that customers desire. While he feels his organization is competitive based on its size, he still feels his organization is “definitely behind” when compared to others in the financial industry. He knows what the problems are and is trying to educate the higher ups of the importance of making the necessary changes to catch up.

### **COVID-19 as a Factor in Financial Industry Evolution**

All study participants noted their work environment has changed since COVID-19 started. Participant CF4 noted how flexible her schedule is now. She can work from home or the office. Participant CF1 explained that her organization has implemented a work

from home policy. She acknowledged that not everyone has a position that allows them to work from home; those individuals are offered a flexible work schedule as they need it. Participants CF13 and CM10 commented on the efficiency their organization has experienced from employees working from home. Both noted the important role Zoom meetings are now playing in that efficiency.

Participant CM9 acknowledged that he felt individuals who work from home are not held accountable for their work like they would be if they were physically in the office. He has had some tough conversations with employees who would rather remain at home. He said he was not against working from home on occasion but did not want it to become the norm in their organization.

Participants CM5 and CM21 did not feel COVID-19 changed their work environment that much. Participant CM5 was already doing a lot of electronic and digital business. He had previously worked in another state and was still able to do business with his contacts from there. Because he is now in Tennessee, the business had to be conducted in a virtual setting. Participant CM21A commented that “as an organization we never really embraced working from home.” He did comment that his organization has lost some good employees because of that.

Participant CM13 was the outlier and noted that he has done business as usual in the office since the start of COVID-19. For him, he was able to be more efficient working from the office rather than at home. He alluded to his old employer and the poor customer service that customers experienced once the employees were sent home to work. That was not something he wanted his customers to experience.

### **Performance Tracking for Increased Organizational Performance**

Thirteen of the 15 study participants commented on the importance of having processes and systems in place to aid in the efficiency of their department and the effect it had on organizational performance. Participant CF1 noted how her department used Microsoft Excel to simplify and speed up the decision-making process. She commented that using Microsoft Excel was also used across other branches which helped keep things uniform within the organization. Participant CM5 expressed the importance of combining processes within the organization to ensure everyone is doing the same thing. He commented that “it’s been a good way to kind of find the things that are working really well, and then bringing it together so that it’s cohesive across the board between all of us.”

Participant CM2 explained that he is in a newly created position at his organization that was created to “meet a need that was not being met at the time.” He is responsible for building new procedures for that position and area within the credit union and updating those procedures as the credit union grows. Participant CF13A remarked how her organization’s performance increased because of the systems put in place and their ease of use.

Participant CM21A explained a system his organization uses each quarter to discuss problems. Executives are required to host an innovation lab each quarter. During this lab, people from each department attend and work through a problem facing the organization. The goal of the innovation lab is to “figure out a better way to address that issue.” The solution is then distributed to each department for future reference.

Participant CM6 noted how many of his insurance producers are still using Microsoft Excel, which, for him, slows the process down. He must contact each producer to get their numbers to see what their production has been. This is time consuming. According to him, they are always looking at ways to improve and move their company forward using new processes and systems that work for everyone.

The study participants were all asked what performance measures they had in place to ensure their employees were meeting organizational goals. All study participants had some form of quantitative type performance tracking measures. Participant CM1 noted that her performance measuring was “more numbers driven” using Microsoft Excel as a quick way to run reports to track employee performance. Participant CF13 stated that she constantly reviewed performance reports for her employees. Some reports were viewed daily, some weekly, and some monthly. This ensures nothing falls between the cracks. She commented that “you have to measure everything that you really want to focus your performance on.”

Participant CM2 also stated that his organization has several people that monitor performance continually. Those individuals “compile those into spreadsheets, and they present it to us in useful forms.” He went on to say their organization is very data analytics driven. This keeps his organization competitive. Participants CM22 and CM5 had a different take on the performance measures. For them, their employees did not have formal performance measure to hit; it was more of an individual target. If the individuals did not hit their personal target numbers, the commission reflected that.

Participant CM6 looked at the tenure of each employee when setting their performance measures. He stated that “if you’re here fifteen years, I expect more than if you’re here a year.” He noted that what works for someone who has a longer tenure may not necessarily work for someone who has a shorter tenure. He felt it was unfair to base performance measures the same across the board.

Participant CM20 uses software that tracks every employee’s performance. Everyone must upload their performance and goals for review. Reports are pulled once a month and reviewed to see what changes need to be made. Participant CM21 uses weekly meetings to discuss performance, what activities worked, what activities did not, and ways performance can be improved. He compared the meetings to Sunday lunch with everyone sitting around discussing things as a group to offer suggestions for improvement and full transparency.

### **Changing Work Environments Require Flexibility**

Employees who are part of a work team must be willing to be flexible when it pertains to organizational performance. Twelve of the 15 study participants commented on the importance of flexibility from their team members. Participant CF1 noted that the small size of her department necessitated each person remaining flexible when it concerns getting the job done. She said, “we both have just enough wiggle room in our day that we kinda make it work.” Participant CF4 described the flexibility her team has with regards to their working location. They can work from home, their main branch, or their satellite branches. Each person must be flexible enough to work from each different location and still be as productive as if working in one location.

Participant CF13 noted the changing work environment and customer needs forces her employees to be flexible to ensure they understand industry changes, can implement those changes, and provide good customer service. She said, “you have to innovate, to adjust with those factors outside of your control.” Participant CM10 mentioned the regulations his organization faces daily when doing business. He mentioned the regulations change often and his employees need to be able to be flexible in adjusting for those changes. He also mentioned COVID-19’s part in causing each employee to adjust how he/she conducts business. Direct competition has also caused a change in the way they do business. Some of their competitors are not required to follow the same regulations as his business. His employees must find a way to still be competitive while maintaining their regulation standards.

Participant CM20 acknowledged his employees do not really have a choice regarding flexibility in the workplace. They must use the software mandated by their organization when it becomes available. They do, however, have the flexibility in how the products are marketed and “how we can best use this in our job... in this area that we serve.” He did mention the flexibility his staff also has when it comes to filling in for coworkers who may need to be out of the office for some reason.

Participant CM5 acknowledged that his team member also assists another leader in the office with projects from time to time. That team member and both leaders need to be organized to handle the changing workload but flexible enough to allow the team member to work for both individuals as the need arises. He also mentioned that some of his older colleagues were set on using the same software, forms, etc. they have been

using for years. Those colleagues do not want to change; they want to continue to do things the way they always have, even if the new way is better and more efficient.

### **Technology is a Crucial Component for Organizational Performance**

As mentioned above, 11 of the 15 study participants mentioned that technology was a major component of innovation. That was not the only time technology was mentioned throughout the interview. Different aspects of technology were mentioned in almost every question response. Participant CF1 mentioned her department utilizes Microsoft Excel to speed up and simplify their work. Participant CF4 noted the importance of creating an online presence in today's market if an organization wants to be competitive. Participant CF12 expressed the importance of using technology to keep abreast of the latest news within the industry and informing her department and customers of said news.

Participant CM22 cited a Harvard study for the basis of using technology in his agency to communicate with his customers a certain number of times a year. The participant used various technological communication channels to keep in touch with his customers for various holidays, anniversaries, etc. that his competition may not consider as contact worthy. Participant CM20 noted that "it's not even a question about embracing the Internet... it's a part of who we are." Participant CF4 noted how her department had not embraced technology as it should before she came on board. She was instrumental in bringing more technology to the department as she saw the value in using it.



### **Employees Must Have a Continual Learning Mindset**

Employees who are unwilling to learn new skills can decrease customer service of an organization. Ten of the 15 study participants commented on the idea that their employees should possess a growth/change mindset. Participant CF1 stressed the importance of learning new skills in her organization. She commented that her employees are always allowed to seek out continuing education opportunities. She said “if we don’t have time to develop processes or study the new system and properly train them... they’re going to be sitting there clicking buttons in front of customers and having to stay solemn faced instead of keeping” a warm, friendly conversation going. This would hurt the customer friendly environment she tries to employ.

Participant CF13 acknowledged that her employees were expected to constantly study the market to know what is going on, educate themselves on the changes, and figure out what they can do to adjust their work performance to still be relevant in the market and provide more services for their clients. She said her employees have lots of resources available to them to help them learn. She stated “it’s very important that you have a good training and development group” that puts an emphasis on training and developing employees.

Participant CM9 discussed the breakdown in the communication channel at his employer. To overcome that, his employer has set up a “private wealth university” that involves bringing in industry professionals to educate employees on “new innovation that may have come out or new ways to deliver the product.” Participant CM10 alluded to a room full of filing cabinets filled with files from several years back that must be kept for

regulatory reasons. His organization is now in the process of pushing everyone to become paperless. He said it was “all about ease of doing business... we try to get everything as efficient as possible, because it really frees us up to be able to do the things... that are important to keep the business running.” He said COVID-19 has been a catalyst in pushing everyone to go paperless.

Participant CM21A acknowledged having company-wide training sessions on days his organization is closed for some holidays. During those training sessions, employees are asked “what do we need to stop doing today?” This type of question helps the leader see the organization from the perspective of the employees to know what may or may not be working.

Participant CM6 acknowledged the negative impact he has seen in the workplace over the last few years. He commented that “the majority of people’s brains are all about way not to do something that to do it.” He noted the numerous excuses his employees are now giving for not doing their job. He tries to counteract that mindset by telling his employees they “can achieve anything you want to achieve if you set your mind to doing it.”

### **Discrepant Cases**

While I did not have any completely discrepant cases I did comment, within each theme, on those study participants who had differing opinions than the other study participants. The discrepancies were noted as they pertained to the various aspects of leading their work teams. I do not consider any of the discrepant cases as major factors to discredit the data provided by each study participant.

### **Summary**

In this chapter, I outlined the research setting, the demographics of the study participants, the data collection process, the data analysis process, trustworthiness, and provided a detailed review of the research study results. Chapter 5, I will discuss the results, offer conclusions, and recommendations.

## Chapter 5: Discussion, Conclusions, and Recommendations

The purpose of this qualitative exploratory multiple-case research study was to explore the strategies that small financial business leaders use to measure work team innovation to maintain a competitive advantage. I sought to understand what strategies small financial business leaders used to improve the competitive advantage and organizational performance in their organization. Due to the rural geographic nature of the research study location, I felt conducting a research study of this nature could identify successful strategies that future small financial business leaders could use when measuring work team innovation and organizational performance. For this research study, I used the following research question: What are the strategies that small financial business leaders use to effectively measure work team innovation to maintain a competitive advantage? Study participants willingly shared their methods and processes regarding innovation strategies. From the semistructured Zoom interviews, seven main themes were identified and analyzed.

### **Interpretation of Findings**

Several of the findings from my research study confirm the information I discovered while completing the literature review in Chapter 2. I have identified those similarities in this section using the themes identified in the research study. I identified seven main themes from the research study: (a) innovation is defined differently by everyone, (b) technology is a crucial component for organizational performance, (c) focus on the customers' needs, (d) changing work environments require flexibility, (e) COVID-19 as a factor in financial industry evolution, (f) performance tracking for

increased organizational performance, and (g) employees must have a continual learning mindset. In each section I will show the connection between the literature from Chapter 2 and the findings from my research study identifying innovation strategies small financial business leaders use to measure performance within their work teams.

### **Innovation is Defined Differently by Everyone**

Belkhir and Mathew (2018) noted that scholars do not agree on a specific definition for innovation as innovation means different things to different individuals depending on its use. My research study data confirmed this as each participant I interviewed had a different way of defining innovation. The seven major themes identified in this research study align with Schumpeter's (1935) innovation management concepts of introducing new products, developing new methods or processes, and implementing innovation throughout the organization. Study participants mentioned the importance of developing new products to meet customer demand, creating methods and processes to monitor and increase their organizational performance and weaving innovation throughout all aspects of their organization.

These concepts also align with Haddad et al.'s (2019) suggestion that innovation consists of change and improvement within an organization and recognizing the positive results of adding value for customers. Molden and Clausen (2021), Taneja et al. (2016), and Wang and Hu (2021) noted that innovation was the leader's and employee's response to the changing business environment. As the financial industry evolves, innovation will evolve causing leaders to add more and different aspects of innovation.

### **Focus on Customers' Needs**

An organization cannot exist without its customers. Every study participant acknowledged the importance of their organizations' customers and providing products and services that the customers desire. This aligns with the thoughts of many scholars mentioned in Chapter 2. The study results showed that each study participant understood that communicating with their customers and listening to their needs outweighed what the organization wanted. Participant CM13 noted the difference in his previous organization and his current one. His current organization is customer focused but his former organization was not. He feels putting customer needs first is what drives innovation. This aligns with Hadad et al.'s (2019) notion that it is important to maintain constant communication with customers to understand their needs.

Leaders should realize the customer has a stake in the organization's success and could be an asset. Daharat et al. (2022) commented on the continually changing needs of customers. If organizations are to be successful, everyone in the organization needs to focus on those needs and quickly adapt to the changes. Every study participant noted the importance of focusing on changing customer needs and adjusting their products and services based on those changes. Participant CM21 commented his employees are encouraged to think outside the box to address customer needs as "we now have a whole other level of service that we're really just scratching the surface on." As customer needs continually evolve, leaders will need to continually communicate with them to ensure their needs are being met.

The advances in the financial industry have impacted how financial leaders direct their employees to do business (Nejad, 2016). In evaluating how business is done, leaders can determine if the innovations added value to the end user's products or services. Many of the small business leaders alluded to finding ways to add value for their customers due to their changing needs. Leaders must realize customers are the crux of their business and employees should be encouraged to continually seek out ways to add value for the customers to increase organizational performance and maintain a competitive advantage. This aligns with the idea that leaders should be able to evaluate the new products and services offered to see how much added value the customers feel (see OECD/EUROSTAT, 2018). While leaders cannot guarantee added value is a result of innovation, they should strive to ensure it is (see OECD/EUROSTAT, 2018).

### **COVID-19 as a Factor in Financial Industry Evolution**

Many research articles have been published on the effect the COVID-19 pandemic has had on the business environment. Like the financial crisis in 2008, the COVID-19 pandemic, occurring during this research study, caused many businesses to close their doors to the public due to the extreme nature of the environment. Taneja et al. (2016) asserted that leaders must respond to economic conditions if they want to stay ahead. The study results showed that every study participant commented on how COVID-19 had changed their way of doing business. Participant CM21 commented his employees are encouraged to think outside the box to address customer needs as "we now have a whole other level of service that we're really just scratching the surface on." This aligns with the study by Ebersberger and Kukertz (2021) that suggested leaders are

forced to invent creative ways to achieve innovation in their organizations. This also aligns with Pomegbe et al. (2020) who posited that small business leaders had to be creative with their resources to create an innovative environment.

Leaders who could be creative with their resources survived the pandemic (Brammer et al., 2020). The study results showed the COVID-19 pandemic forced leaders to rethink their way of doing business. Each leader had to find strategies that work for their organization during each phase of the pandemic and implement the new strategies quickly. While it seems that the pandemic has less impact on organizations now, small business leaders in this research study acknowledged it still has a small impact and causes them to constantly find new strategies to overcome changing customer and industry needs. Small business leaders acknowledged during the interviews they will continue to monitor the pandemic and its effect on their organization and make necessary changes to improve their organizational performance and maintain their competitive advantage.

### **Performance Tracking for Increased Organizational Performance**

The research study results showed small financial business leaders understood the importance of continually monitoring their organization's performance and making changes to meet changing customer needs. Thirteen of the 15 study participants acknowledged they had some form of performance tracking within their organization. This aligns with YuSheng and Ibrahim's (2020) idea of the importance of innovation in an ever-changing business environment. Many study participants acknowledged that



innovation was continually evolving, and they needed to stay abreast of their respective markets if they were to maintain their competitive advantage.

The OECD/EUROSTAT (2018) manual acknowledged that leaders who can measure innovation output will be better able to understand how their organizations' innovation practices affect their organization. The study results confirmed this as every study participant had implemented some form of quantitative performance tracking measures to monitor and improve their organizational performance. Ter Haar (2018), the for the author of the article on which I based my study, suggested leaders who can use performance measures effectively and identify which innovation strategies work for their organization could increase their organizational performance. Participant CF13A commented on the increase in her organization's performance because of the systems put in place and their ease of use. Participant CF13 stated that she constantly reviewed performance reports for her employees because she felt "you have to measure everything that you really want to focus your performance on." Gurlek and Cemberci (2020) echoed Ter Haar's thoughts by noting the importance of increasing innovation within the organization if organizational performance was to increase. Successful leaders will continue to look for ways to measure innovation performance and suggest ways to improve innovation to maintain their organization's competitive advantage.

### **Changing Work Environments Require Flexibility**

Twelve of the 15 study participants mentioned the need to make changes to their current way of business if their organization was to be innovative and competitive in their industry. Mazzei et al. (2106), Schumpeter (1942), and YuSheng and Ibrahim (2020) all

asserted that innovation should be rooted in all aspects of the organization if the organization is to survive and gain a competitive advantage. Participant CF13 noted how business is changing every day and, to be competitive, “you have to be able to adapt and adjust with it.” Many study participants expressed the important role each of their employees played within the work team and the organization. This aligns with many scholars’ suggestion that each member of the work team must think of themselves as part of a team working toward achieving the goals set by the organization (see Pei, 2017; Rahmi & Indarti, 2019; Xu et al., 2019;).

Study participants provided examples of flexibility such as jumping in and helping teammates when needed and being flexible with work locations. This aligns with Gonzales-Roma and Hernandez (2016) and Super (2020) articles reiterating employees who are part of a work team must be flexible and adapt to change when it pertains to organizational performance. Super (2020) acknowledged the bumps in the road teams may experience but, as the team begins to accomplish tasks, team members will begin to see everyone’s strengths and weaknesses, how each person works, and what changes are needed to optimize the team's innovative performance. This aligns with Davaraj and Jiang’s (2018) notion that it is important to understand the differing skills among team members. Davaraj and Jiang stated that this benefits an organization as team members communicate better and hold each other accountable.

Leaders are seeing a shift in the generational make-up of employees today and must be able to acknowledge the change in skills among their employees. Leaders who can acknowledge these differences can capitalize on the strengths of each employee to

increase organizational performance and maintain a competitive advantage. This aligns with Gonzales-Roma and Hernandez (2016) when they suggested leaders should foster their work team to maintain their competitive advantage as work teams are a core component of the workplace today (see Fay et al., 2015; Super, 2020).

### **Technology is a Crucial Component for Organizational Performance**

Eleven of the 15 study participants alluded to some aspect of technology as a component of innovation and organizational performance. Participant CF12 commented that technology is the “way of the future,” and employees would need to embrace the technology if the organization is to be successful. Participant CF4 stated that, to stay at the top of innovation, “innovation has to come in tandem with technology.” Study participants felt this was the way to make their organization stand out from the competition and gain a competitive advantage. Small business leaders in all industries should understand the importance of innovation and technology in terms of their organizational performance and competitive advantages.

Exposito and Sanchis-Llopis (2019) and Oliva et al. (2019) posited that innovation could be technological or not. The study participants acknowledged the importance of implementing technology throughout their organization, which aligns with Kitsios et al. (2021) and Farahani et al.’s (2022) suggestion that leaders who use some means of digital transformation in their organization could offer more services to their customers using electronic platforms and ensure transaction accuracy which leads to increased organizational performance. My study also aligns with Schumpeter’s (1935) disruptive innovation concept suggesting leaders are making the move to online

transactions (see Anshari et al., 2021), providing customers with the options they now desire in an electronic world. Participant CM20 noted that “it’s not even a question about embracing the Internet... it’s a part of who we are.” Technology and innovation are used synonymously today. When small business leaders think of innovation they immediately think of technology. My study results confirmed that technology and innovation were crucial elements of organizational performance and maintaining a competitive advantage. The findings from this research study and future studies like this one could provide leaders with more information on the importance of including innovation and technology in their day-to-day activities.

### **Employees Must Have a Continual Learning Mindset**

Luamba et al. (2021) and Silva and DiSerio (2021) noted that small business leaders should increase the creativity and business knowledge of their teams to identify opportunities to increase organizational performance. The study results confirmed this idea which also aligns with Friedrich et al.’s (2016) notion that teams should adopt a continuous learning mindset (Super, 2020). Ten of the 15 study participants commented that they expect their employees to have a continual learning mindset. Employees who are unwilling to learn new skills can have a detrimental effect on customer satisfaction and organizational performance. The study results align with Demircioglu et al.’s (2019) study that recognized leaders must create an environment of learning where employees use all sources of new knowledge, whether internal or external (Taneja et al., 2016), and know how to use the knowledge gained to be innovative (Anderson et al., 2020).

The results also showed that leaders tried to create a culture of continuous improvement and learning which aligns with studies conducted by El Hanchi and Kerzazi (2020), Gonzales-Roma and Hernandez (2016) and Super (2020). To ensure this type of environment is created, small business leaders should create a learning and improvement culture. Demircioglu et al. (2019) noted the importance of creating a learning environment where leaders and employees know how to recognize areas to study for new knowledge and create an environment of continuous learning and improvement (El Hanchi & Kerzazi, 2020). The OECD/EUROSTAT (2018) manual defined knowledge as leaders and employees understanding new information and using that new information during business production and process.

### **Limitations of the Study**

At the onset of this research study, I identified four limitations to data collection. The first limitation identified, a concern that leaders would not be as open to providing their innovation strategies due to a fear of competitors gaining access to that knowledge, was not an issue during data collection and, thus, no longer a limitation for this research study. Study participants were open and willing to provide their methods and processes during the interviews. I did not feel they purposefully omitted any information that would be beneficial to my research study.

The second limitation identified, not being able to control which managers agree to participate in the research study, is still considered a limitation for this research study. As the sampling method for this research study was purposeful sampling, I could not choose who responded and was selected as a participant in the study. The study

participants had to meet the criteria set forth in the study. Because of this, the study participant make-up varied. As seen in Table 1 in Chapter 4, approximately 67% of the study participants were male while 33% of the study participants were female and the length of time leading a team varied from one year up to 22 years. The average length of time leading a team was 11.47 years. Furthermore, as seen in Table 1, four study participants were from the mortgage sector, three were from the financial planning sector, five were from the insurance sector, two were from the credit union sector, and one was from the banking sector. Future studies will need to be conducted to expand on my research findings in each industry sector.

The third limitation identified that many of the chambers of commerce in west Tennessee may not be as up to date as others due to the rural nature, is no longer a limitation for this study. Contact information was listed for each member of the chamber. The last limitation identified, not all financial institutions are members of a local chamber of commerce or may not have access to one due to geographic location, is still a limitation to this research study. As noted in Chapter 4, many financial institutions in the research study area were not members of a local chamber of commerce. This could cause pertinent information to be missing from this research study. Future studies could be conducted to include financial institutions who are not members of a local chamber of commerce.

### **Recommendations**

Two of the four limitations from my research study remain. Considering the first limitation, this research study could be expanded using different sampling methods that

allowed for a greater number of people in the study. Other geographic regions, industries, businesses that are not members of a chamber of commerce, and business sizes could produce different viewpoints and provide more data for those seeking information on innovation and work teams. Replicating this study on a larger scale could provide valuable data for leaders in any industry.

Utilizing a quantitative method to gather data may also be an option once enough qualitative data has been gathered to provide quantifiable information. This would allow researchers to gather large amounts of data to analyze. Surveys would be an ideal collection method as leaders do not have a lot of time for set interviews. The surveys could be done at their convenience and the results from each survey would be compiled in a dashboard for analysis.

The last limitation noted above, that stated study participants had to be a member of a local Chamber of Commerce is still a limitation. I incorrectly assumed most businesses were members of a local Chamber of Commerce. Further research should be conducted to expand the study results. By adding more study participants, more data would be gathered for interpretation. If this study were to be conducted in other countries, researchers would not have any data as Chambers of Commerce are not prevalent outside of the United States. Addressing this limitation would allow for greater data collection in other countries for a better picture of innovation, work teams, and organizational performance.

While the data collected focused on innovation, work teams, and organizational performance and addressed areas of the literature review, more research studies should be

completed to get a full data set for all areas examined in Chapter 2. As the financial industry is always evolving, research studies could be conducted to update the literature on the industry, innovation, work teams, and organizational performance. Technology is becoming the norm in the financial industry; new products and services are offered on a continual basis. Future research would provide an update on the new products and services offered and how those are affecting the financial industry. As this study was grounded in Schumpeter's innovation management theory, future studies could expand on this theory and, possibly, create new theories from this one.

In reviewing the literature review, interview questions, and study results, I believe more question sets could be asked to provide more data to address concepts from the literature review. Future researchers could take my study results, compare it to the literature review, and create studies to address specific areas in the literature review that did not have much data. An area that future researchers could focus on could be updating the financial industry history to include new developments in the industry with the technological improvements over the last few years. Another area of focus could be searching literature to find new information to add to the literature review to know what areas of the financial industry still need more published literature.

From a methodological and design perspective, future researchers could use other research methods or designs to conduct a similar study to see what type of results they receive. One example would be creating a research study using focus groups. Another example would occur as more research surfaces on innovation on the work team level of organizations. Researchers could create a grounded theory research study to create a



framework or theory for small business leaders in the financial industry to model their work team production after. Future researchers could also change the research study to be quantitative and identify areas in the small financial business industry that could benefit from quantifiable results.

### **Implications**

Findings from this research study revealed the importance of innovation and teamwork for increased organizational performance. From an organizational perspective, leaders need to ensure their employees have the resources available to them to provide customers with the products and services they desire. Leaders who do not do this will see a decline in organizational performance as well as a decline in customer satisfaction. As work teams are becoming the norm in today's work environment, leaders need to ensure employees know the importance of working on a team.

### **Social Change Implications**

The results from this research study showed that leaders understand what innovation is, but each study participant acknowledged innovation continually evolves. Leaders should create an environment that is conducive to continual learning, adaptability, and change if their organization is to remain competitive in their industry. As customers are the backbone of the success of an organization, leaders should ensure their employees understand this and are devoted to top-notch customer service. Changing the mindset of the customers to a positive one will increase the organizational success of an organization.

### **Methodological Implications**

In this research study, I conducted an in-depth study to explore the innovation strategies small financial business leaders use to measure work team innovation to maintain a competitive advantage. I conducted a qualitative exploratory multiple-case study to identify those strategies. Using semistructured questions over Zoom, I was able to identify how each study participant defined innovation and what role innovation played in the success of their organization. I was also able to identify performance measures each study participant had in place to measure the success of his/her employee regarding organizational performance success. As the COVID-19 pandemic was still affecting organizations, I was able to identify how it affected each study participant's work environment and organizational performance.

The methodological implication from this study was developed by interviewing 15 study participants to explore innovation strategies small financial business leaders use to measure work team innovation to maintain a competitive advantage and using MAXQDA software to process and analyze the data. Interviewing small financial business leaders provides scholars with more information to use when conducting future studies on innovation, small businesses, work teams, and the effect of COVID-19 on the financial industry. As mentioned in Chapter 2, very little literature has been published on the work team level within organizations. This research study adds to the literature on the work team level. Future scholars can take the data from this research study and future publications develop patterns or theories regarding innovation on the work team level in small businesses.

### **Theoretical Implications**

The conceptual framework that grounded this study was Schumpeter's theory of innovation management (1934). Schumpeter believed innovation was key to an organization's success (Luamba et al., 2021). Mazzola et al. (2018) stated that innovation management and innovation performance have a positive relationship. Saunila et al. (2012) noted that leaders can increase the competitive advantage of their organization if they can effectively measure innovation and its effect on the organization. These notions were used to ground this research study to explore innovation strategies small financial business leaders use to measure work team innovation to maintain a competitive advantage. Xu et al. (2019) expressed the importance of using the correct strategies and measuring the performance of teams. Every study participant had some type of performance measures in place to measure the performance of their organization. Each study participant acknowledged they consistently monitored their employees' performance and adjusted where necessary.

Using Porter's competitive management theory (1985), leaders must acknowledge how vital maintaining a competitive advantage is to an organization's innovation strategy. The research study results showed that leaders today understand the importance of innovation's role in the success of their organization. As the financial industry is constantly evolving, many study participants acknowledged the need for their employees to continually seek out opportunities for education and training on new products and services they could offer to their customers to maintain their competitive advantage. Mazzei et al. (2016) acknowledged the importance of innovation in small businesses.

Small business leaders who can engrain innovation into their organization have a better chance of maintaining a competitive advantage given their limited resources.

Furthermore, the study participants acknowledged the ever-changing business environment and customer needs. They know they need to continually innovate if their organization is to retain customers and provide the products and services the customers' desire.

### **Recommendations for Practice**

Using the results from this research study, small financial business leaders can use the information to implement innovation strategies and measurements into their daily work practices to increase the innovation and organizational performance of their work teams to maintain a competitive advantage. Study participants freely shared their definitions on innovation, their work team structure, the way they measure employee performance, and how they adjust and adapt to continual changes in the financial industry. Small financial business leaders who were not a part of this study could use the information from this this research study in their organizations. Ter Haar (2018) suggested conducting more research to identify strategies leaders use to measure work team innovation. As the gap in the literature involves work teams and innovation, future research should be conducted to increase the knowledge on work teams and innovation. Schumpeter (1935) asserted leaders must use innovation efficiently if they are to increase organizational growth and profits.

Small financial business leaders should understand that success does not happen overnight. They will need to thoroughly review the results from this research study and

implement aspects of innovation that would work for their organization. Mendoza-Silva (2020) suggested identifying the strategies that work for their organizations and develop their workers to be successful in the long run. Each organization is different; what works for one may not work for another. Leaders need to identify strategies that work for their organization and continually improve on those strategies. Employees should be encouraged to be a part of the process and provide feedback to the leaders on what they feel works and does not work. Leaders should be receptive to this feedback and make changes for the betterment of their organization if they are to increase organizational performance and maintain a competitive advantage.

### **Conclusions**

The purpose of this qualitative exploratory multiple-case study was to explore the strategies that small financial business leaders use to measure work team innovation to maintain a competitive advantage. I sought to understand what strategies small financial business leaders used to improve the competitive advantage and organizational performance in their organization. The results from this research study identified the strategies that each study participant used to measure work team innovation to increase organizational performance and maintain a competitive advantage.

Seven main themes emerged from the research study: a) innovation is defined differently by everyone, b) technology is a crucial component for organizational performance, c) focus on the customers' needs, d) changing work environments require flexibility, e) COVID-19 as a factor in financial industry evolution, f) performance tracking for increased organizational performance, and g) employees must have a

continual learning mindset. Based on the research study results, small financial business leaders have a good idea of how to use innovation in their organization to increase organizational performance and maintain a competitive advantage. Each study participant had a different idea of innovation and implemented innovation strategies that worked best for their organization. Each acknowledged the continual change in the financial industry and the need to continually find new ways to provide products and services their customers desire. Small financial business leaders who can successfully accomplish that will see increased organizational performance and maintain their competitive advantage.

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## Appendix A: Interview Question – Expert Review Email and Response

To: Possible Participant's email address

From: Kimberly Whitt

Subject: Dissertation Interview Protocol Assistance

Good morning,

I am in the process of completing a Ph.D. and need your help, please. As part of the dissertation requirements, I must seek input from professionals in my chosen industry to determine if the interview questions I created would be beneficial to identify the information I seek. I have attached the interview questions I plan to ask during each interview. Would you take a few minutes to look over the questions and see if you think I am missing any questions or could word the questions differently for better understanding?

The title of my dissertation is "Qualitative Approach to Identifying Strategies for Measuring Team Innovation in Small Businesses in the Financial Industry in West Tennessee." The purpose of my study is to identify the strategies small business leaders in the financial industry in west Tennessee use to measure work team innovation.

If possible, could you please respond back to me by this Friday?

Please let me know if I can provide any additional information that will help you.

Thank you very much for helping with this aspect of my dissertation.

Below are the two responses I received from the three emails sent out. I changed a few questions based on the first response.

Response 1:

Would add the following:

How do you challenge each team member to be the best they can be individually/as a team player/and as a member of the overall organization?

Is my team manageable.... or should it be split into different "tribes" especially if they already exist in your organization...see the book Tribal Leadership by Dave Logan

Response 2:

The questions look good to me.

## Appendix B: Introductory Email

To: Possible participant's email address

From: Kimberly Whitt

Subject: Invitation to Participate in Academic Research Study (Interview)

Dear possible participant:

My name is Kimberly Whitt, and I am a doctoral student at Walden University. I am conducting a research study for my dissertation as required to complete my Ph.D. in Management with an emphasis on Leadership and Organizational Change. The title of my research study is "Exploring Strategies for Measuring Team Innovation in Small Financial Business." I have identified you as a leader that may fit the criteria for my study.

I am writing to ask if you would consider participating in this research study. The leaders who are selected for the research study will spend about an hour with me on a Zoom web conference for an interview on the topic of exploring the strategies they use when measuring work team innovation.

I have attached an Informed Consent Form with more information about the research study and a questionnaire to determine if you are eligible to participate in this research study. Please respond with "**I consent**" if you consent to continuing in the research study process. You may also respond to the eligibility questionnaire in the same email.

Thank you for taking the time to read this email and for the future contribution you can provide for this research study. I look forward to your response.

Sincerely,

Kimberly Whitt, Ph.D. candidate

## Appendix C: Social Media Solicitation and Reply Email

**\*\* RESEARCH STUDY PARTICIPANTS NEEDED\*\***

Walden University doctoral student seeking participants for a research study titled “Exploring Strategies for Measuring Team Innovation in Small Financial Business.” Ideal participants work in a small business in the financial industry in Madison, Gibson, or Chester county.

If you or someone you know may be interested in participating in this study, please send an email for more information about the research study.

To: Possible Participant’s email address

From: Kimberly Whitt

Subject: Invitation to Participate in Academic Research Study (Interview)

Dear possible participant:

Thank you for your interest in being a participant in my research study. My name is Kimberly Whitt, and I am a doctoral student at Walden University. I am conducting a research study for my dissertation as required to complete my Ph.D. in Management with an emphasis on Leadership and Organizational Change. The title of my research study is “Exploring Strategies for Measuring Team Innovation in Small Financial Business.”

The leaders who are selected for the research study will spend about an hour with me on a Zoom web conference for an interview on the topic of exploring the strategies they use when measuring work team innovation.

I have attached an Informed Consent Form with more information about the research study and a questionnaire to determine if you are eligible to participate in this research study. Please respond with “**I consent**” if you consent to continuing in the research study process. You may also respond to the eligibility questionnaire in the same email.

Again, thank you for your interest in being a participant in my research study and for taking the time to read this email and for the future contribution you can provide for this research study.

Sincerely,

Kimberly Whitt, Ph.D. candidate

## Appendix D: Verification Questionnaire

To: Possible Participant's email address

From: Kimberly Whitt

Subject: Academic Research Study Verification Questionnaire

Dear possible participant:

Thank you for agreeing to participate in this research study. Before continuing with in the research study process, I need to determine if your organization fits the criteria for the study. Would you take a few moments and answer the following questions in a reply email?

Question 1: How many employees does your organization have?

Question 2: Do you oversee a work team at your organization?

Question 3: How many years of experience do you have leading teams?

Question 4: Would you be willing to spend an hour of your time being interviewed for this research study?

Participants who meet the qualifications for this study will be contacted via email to set up a time for a phone call to discuss the next steps in the research study process.

Thank you for taking the time to answer these questions and for your future contribution to this research study. I look forward to hearing back from you soon.

Sincerely,

Kimberly Whitt, Ph.D. candidate

## Appendix E: Thank You – Denial for Study Email

To: Possible Participant's email address

From: Kimberly Whitt

Subject: Academic Research Study Follow-Up

Dear possible participant:

Thank you for returning the verification questionnaire. Upon review of your responses, I have determined your organization does not meet the qualifications for my research study. I appreciate your willingness to participate in the research study. As a token of my appreciation for your time thus far, I am sending you a \$5.00 Visa gift card.

Again, thank you for taking time out of your busy schedule to complete the verification questionnaire.

Sincerely,

Kimberly Whitt, Ph.D. candidate

## Appendix F: Thank You – Acceptance into Study Email

To: Possible Participant's email address

From: Kimberly Whitt

Subject: Academic Research Study Follow-Up

Dear possible participant:

Thank you for returning the verification questionnaire. Upon review of your responses, I have determined your organization does meet the qualifications for my research study. I would like to set up a phone call to discuss the next steps in the research study process and to schedule our Zoom web conference interview. When would be a good day and time (this week) to call you? Also, what is the best phone number for me to reach you? You may reply to this email with that information.

Again, thank you for taking time out of your busy schedule to complete the verification questionnaire. I look forward to learning more about your organization during the Zoom web conference interview. I will reach out to you by phone once I receive your contact information and preferred contact day/time. I look forward to speaking with you.

Sincerely,

Kimberly Whitt, Ph.D. candidate



## Appendix G: Interview Questions

### **Background Information Gathering Questions**

Describe the makeup of your team.

Describe the relationship you have with your team.

Describe the expectations you have for your team from an organizational performance viewpoint.

How do you feel your employees work together as a team?

How would you define innovation?

### **Case Study Questions**

What innovation strategies does your team use to meet organizational goals?

What are the top 2 or 3 innovation strategies that are the most successful for your team in meeting organizational goals?

How do you ensure your team continues to use the latest innovative techniques available in the financial industry?

What performance measures do you use to measure the success of your team in terms of meeting the organizational goals?

What resources and abilities do you and/or your team possess that allow you to implement innovative strategies the team can use to meet the organizational goals?

What obstacles do you and/or your team face that hinder you from implementing innovative strategies for your team to use to meet organizational goals?

How have the resources and obstacles affected your organization in meeting organization goals and/or achieving a competitive advantage?

## Appendix H: Zoom Security Letter

December 15, 2020

Dear Client:

We founded Zoom nearly 10 years ago to build the best video-first communications platform for the enterprise segment. Now, our user base has diversified significantly, and we are humbled to have the opportunity to support such a wide range of clients from schools (over 125,000 in 25 countries), to universities (many of the major US institutions), to governments (e.g., major functions of the US Government, the British Parliament, and many other governments around the world), to enterprises of all sizes, industries, and geographies, including full deployments in many Fortune 500 companies. We have grown from 10M daily meeting participants as of December 2019, to over 300M a day in April 2020. We are very proud of the rapid adoption of the Zoom platform, as well as our ability to support this remarkable growth — with strong uptime throughout.

We have always been a leader in innovating at speed and scale and are equally committed to doing that with respect to privacy and security. We actively and quickly addressed specific security concerns as they were raised over the past few weeks. Zoom absolutely delivers a safe and secure virtual meeting environment when used with the appropriate safeguards to protect meetings, like enabling passwords and waiting rooms. Zoom has been – and continues to be – the platform of choice for many sophisticated organizations all over the world. The attached data sheet includes additional information regarding our security features, both old and new, that help keep your data safe. Our hope is that this information will allow you to take comfort in the fact that Zoom is secure.

If you have additional questions regarding Zoom, we are more than happy to join a call with you and/or your clients to talk through the privacy and security of our platform and company. Zoom remains committed to developing the best, most secure video-first communications platform in the industry, and to keep you, our valued-client, happy. On behalf of the entire Zoom team, thank you for your trust, your support, and your partnership. We hope you, your family, friends, and colleagues are healthy and stay that way as we work our way through this global health crisis.

Please feel free to share this letter with your employees, your management teams, your board, your clients, or any other organization you feel appropriate.

Zoom is committed to providing a safe and secure communications platform that allows users and administrators to customize their security and experience via easy-to-use settings. We have engaged some of the industry's top security professionals and our clients to advise

us as we continue to develop our products and services given that we are now supporting so many different use cases. Some of our most notable security features include:

- AES 256 GCM encryption for real-time content (Refer to [Encryption Whitepaper](#) for more details).
- Optional end-to-end encryption
- Controlled data routing that allows paying customers to opt-in or opt-out of any of our data centers (excluding their home region) and, for enterprise clients, the ability to customize and manage geographic regions for specific meetings
- **Transparency on data routing** via the account administration dashboard
- Safeguards and controls to **prohibit unauthorized participants** such as:
  - Eleven (11) digit unique meeting IDs
  - Complex passwords
  - Waiting Rooms with the ability to automatically admit participants from your domain or another selected domain
  - Meeting lock feature that can prevent anyone from joining the meeting
  - Ability to remove participants
  - Authentication profiles that only allow entry to registered users, or restrict to specific email domains
  - **Meeting host controls** can enable/disable participants to:
    - Content share
    - Chat
    - Rename themselves
  - **Admin Controls** to manage virtual backgrounds from the web portal
  - **Report** a user
  - **Security controls** at the fingertips of the host/co-host with a dedicated Security icon on the main interface
  - All cloud **recordings are encrypted** with complex passwords on by default
  - Prevent robocalling with **rate limiting and reCAPTCHA** (requires human intervention) enabled across all platforms
  - Audio recordings with a user's electronic fingerprint embedded into the audio as an **inaudible watermark** so if the recording is shared without permission, we can help identify the source
  - **Content watermarking** superimposes the image of a meeting participant's email address onto shared content they screenshot

We meet the following industry and security organization standards:

- SOC 2 (Type II)
- FedRAMP (Moderate)
- GDPR, CCPA, COPPA, FERPA, and HIPAA Compliant (with BAA)

The above are just some of the key features available in our platform and there will be more as we engineer new defaults and controls over the weeks to come. In addition to

these features, we have revamped our vulnerability management and bug bounty programs, acquired Keybase to build our end-to-end encryption offering, engaged advisors such as Alex Stamos, a widely respected expert on cybersecurity, and formed the Zoom client CISO Council and Advisory Board to collaborate with us in an ongoing dialogue around privacy and security. Please subscribe to our ongoing “Ask Eric” webinar ([zoom.com/events](https://zoom.com/events)) and our blog ([blog.zoom.us](https://blog.zoom.us)) to keep updated and informed on our progress in this important area. For more details on Zoom’s privacy and security policies, please visit our Privacy and Security webpage.