

DRIVING INNOVATION: A LEADERSHIP IMPERATIVE

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January 31, 2007

I recently heard a senior leader of a global manufacturing company exclaim “Why is this so hard? We go offsite, sit in meetings, create reams of white paper and go back to doing what we have always done. What we need is *new thinking and a way to apply new thinking.*” This is not a new complaint. In fact, when talking about innovation, the most frequent comments are:

1. We don’t have any big ideas.
2. Our people & culture aren’t innovative.
3. We have (big) ideas but can’t execute.
4. We have (big) ideas but can’t get support.
5. We have (big) ideas but can’t get economics.

What do you hear in your organization? In order to address this very broad issue, this article will explore data that builds the case for innovation, the strategic implications for your role in making it happen, what others are doing and some recommended steps you can take to step up to the plate and provide leadership to drive innovation.

Let’s start with data. For most organizations it is not the lack of ideas that is the biggest challenge—it is uncovering them, building a culture that rewards them and executing *the right ones*. A study done by [Chief Executive](#) showed that although 70% said innovation was in their top 5 most important success factors and they had enough good ideas, less than 33% make innovation part of their performance evaluation process, have programs to encourage and support innovation or a formal process for deciding which ideas to implement. The most frequent complaint was that time and skill availability are the greatest obstacles.

A recent Conference Board survey revealed that this issue continues to keep executives

up at night: two-thirds of the world’s top chief executives reported planning to radically alter their companies over the next two years due to pressures from market and competitive forces. What was critical to their mission? Inculcating innovation into their business models to drive growth.

Your first step should be to spend time with the leadership of your organization doing an “innovation audit” of how critical innovation is to your leadership team and organization. Ask them: How will it be defined? What do they perceive the obstacles to be? How will it be measured? Often innovation is defined and measured by classic R&D outputs, rather than other cultural factors. When innovation is only relegated to the R&D function, precious brain power in other critical functions of the business is wasted. Leadership is the first place to start in driving an innovative mindset. Richard Branson is a great example: Every employee has Branson’s phone number, and can pitch new project ideas directly to the top. That’s how a Virgin Airlines flight attendant turned her difficulties in planning her own wedding into a new venture: the wedding planning boutique Virgin Bride.

Your second step is to assess what programs your organization has in place to build skills in innovative thinking and processes. Then look at their effectiveness. Not only are we frustrated with how to make this happen, we are frustrated with the return on our previous investments in this arena. A Booz Allen Hamilton Senior Manager [Innovation study](#) found that innovation objectives were clear: 20 to 30 percent improvements in product cost, quality, and time-to-market within two years. However, there is a gap in our satisfaction with our results: By a margin of 2:1, senior management is only minimally satisfied with their innovation efforts. HR, training and

organization development have a critical and strategic role to play in changing these numbers. A clear understanding of the thinking skills and competencies required for innovation is essential. Principal Financial Group evaluates all employees on the competency "Innovate for Growth" defined as: *Ensure that our company is an innovation leader in order to constantly increase customer and shareholder value.* **Use your professional network to look for best practices in other organizations.**

Myths abound about the "magic" of innovation, available to only a select few. Our research on the brain and thinking has demonstrated that every person in your organization has access to creative and innovative thinking modes. Yet much of this thinking often lies dormant waiting to be unleashed. The key to tapping into the thinking power of those you work with is to first understand *how they prefer to think*. How do they go about their day to day decision making process? What is it they pay most attention to? The Herrmann Brain Dominance Instrument™ (HBDI™), measuring the thinking styles of over 600,000 individuals across the globe, shows that our thinking can be described in four clusters of thinking modes: more left brained: A, Rational and B, Safekeeping, and more right brained: C, Interpersonal and D, Experimental. These four quadrants describe different thinking modes that we *all* can access; however, we often prefer some of these thinking modes over others. **When using all four modes, a whole brain approach to innovation, we can count on getting our desired return on investment.**

Diagnose the thinking DNA of your company culture and its impact on how people behave in the workplace. Our 25 years of research in this field has shown organizations often overlook one critical area essential to successful innovation: understanding and transforming the thinking DNA of our company's culture. In a *BusinessWeek Online* Interview with Steve Jobs, CEO of Apple was asked: How do you

manage for innovation? His response was "We hire people who want to make the best things in the world."

Even when we are hiring the right people, a culture may work against innovative outcomes. We conducted a thinking style study of over 5000 employees across a broad range of divisions and functions within a large chemical company. The company was struggling to do more with less and felt there was a lack of innovation that had become pervasive. The data revealed that although "creative" ranked 5th out of 25 characteristics as a key descriptor, as a *work element, it was ranked 15th out of 16!* Clearly creativity wasn't the problem, rather it was *creativity on the job* that was the problem. Most likely, creative pursuits were happening outside of work. Clearly, the climate of this company did not support creative and innovative thinking. A plan was put in place, driven by the CEO and senior management, to shift the culture using training, performance systems and consistent messaging. A critical component of the success of this initiative had to do with the internal champions that kept it going deep inside divisions across the globe. **Such champions already exist in every company we have worked with—however, they typically are not highly visible if the culture is one that thwarts innovation. Look for them as part of your process.**

How do you define the thinking culture of your company? How many people are using old processes to fix new problems? How does your hiring, onboarding, development process and retention approach impede or support innovative thinking? Here is the good news: Peter Drucker stated that 94% of failures are due to poor systems. This is a prime opportunity for improvement that OD, HR and training can directly impact.

A comment recently heard at a global technology company is often a red flag that your culture does not support an innovative mindset: "Cross group collaboration is a nightmare". **Facilitating networks,**

communities of practice and idea management systems is one way our function can have a direct impact on the culture of innovation.

I believe we have low expectations for the innovation that we can expect from our people. Charles Handy of the London School of Business asked CEO's how much of the brainpower in their organization was actually used; the answer was 20%. We all know great thinking is buried in our organizational structures. Let's make **human resources the new killer app** by understanding and leveraging all of the thinking potential of your human resources: it is imperative *you* provide the strategic leadership, tools and processes to help drive innovation and improve the results of your organization!