SAY “YES” TO INNOVATION
Creating a Culture to Support Strategic Change

Patricia Schaeffer
TABLE OF CONTENTS

INTRODUCTION.................................................................................................................. 1

CHAPTER 1 What Exactly Is Innovation? ................................................................. 2

CHAPTER 2 What Does a Culture of Innovation Look Like? ........................................... 5

CHAPTER 3 Behaviors that Create Cultures of Innovation ............................................. 10

CHAPTER 4 Leading Innovation: What We Can Learn From Women ................................ 16

CHAPTER 5 Developing Innovation Skills: For Leaders and Followers .......................... 22

CHAPTER 6 Measuring Innovation .............................................................................. 30

ABOUT THE AUTHOR ...................................................................................................... 34

CHAPTER NOTES ............................................................................................................. 35
INTRODUCTION

In the words of the late business guru Peter Drucker, “Culture eats strategy for breakfast.” Then, it has technology for lunch and products for dinner.

Research has confirmed this. According to the 2011 edition of Booz & Company’s Global Innovation 1000 study\(^1\), “… companies with unsupportive cultures and poor strategic alignment [about half of those participating in the study] significantly underperform their competitors. If more companies could gain traction in closing both the strategic alignment and culture gap, not only would their financial performance improve, but the data suggests [sic] that the potential gains might be large enough to improve the overall growth of the global economy.”

Innovation is a key part of the business strategies of many organizations. Their ability to execute this strategy depends on cultural alignment; that is, on having a culture in which innovation and innovators can thrive.

This book, which began life as a series for All Together, the blog of the Society of Women Engineers, aims to help organizations create and sustain such a culture.

The topics I write about here – what innovation is, what a culture of innovation is, innovation behaviors, leading innovation, developing innovation skills, and measuring innovation – are agnostic, applying to men and women, to leaders and followers, and to those in all professions and industries. As you read, please think conceptually about how these topics have relevance to you and your situation.
CHAPTER 1

What Exactly Is Innovation?

Does the pace of change in today’s world make you dizzy? The innovations in computer and internet technology alone are enough to overwhelm all but the most tech savvy among us.

It wasn’t always like this. When I entered the business world full-time in the seventies (the dark ages), things changed, of course, but at a snail’s pace compared to today.

Today, every company, regardless of its maturity or that of its industry, has to scramble to differentiate and compete successfully. The marketplace is constantly demanding new products, services, business models, processes, and creative ideas. Recent emerging trends, including globalization and shifting technology – not to mention the fear of appearing obsolete or out-of-date – have increased the push for efficiency and effectiveness. We all know the buzzword for staying ahead: innovation.

But what exactly is innovation?

Innovation: ideas – research – design – leadership – culture – collaboration...
You may think of innovation as simply a new idea, device, or method, or the application of better solutions or of changes made to an existing product, idea, or field of endeavor. But there actually are three types of innovation: core, adjacent, and disruptive.

Improving the value and efficiency of a process, product, or service is an example of a **core innovation**; one that involves making an incremental change. Think dishwasher detergent in a packet that eliminates mess and waste, or a whole roasting chicken in a bag that can be popped right into the oven.

**Adjacent innovation** is the term used when a company reimagines an existing product and puts it to a new use. Think Proctor & Gamble’s *Swiffer*. This replacement for the traditional mop eliminated the need to clean the mop head, a step research showed was taking more time than actually mopping the floor. Another example of adjacent innovation is the Reebok Pump, a new basketball shoe that used an inflatable cushion around the ankle to reduce injuries.

And then there’s **disruptive innovation**, a term coined by Harvard professor Clay Christensen. It describes “a process by which a product or services evolves over time, following a path from the fringe (the low end of the market or a new market) to the mainstream, eroding the first incumbents’ market share and then their profitability.”

A good example of disruptive innovation can be found in the story of Netflix and its disruptive path to displace Blockbuster Video. The company began by offering a large inventory of movies for rent. Customers waited days to receive the movies in the mail, but could rent more than one movie at a time. You sent one back, had at least one in reserve, and Netflix sent the next one. You managed it all online. The service appealed to a narrow audience of which I was a part. I didn’t care about the latest movie releases, I was an early adopter of the DVD player, and, since I found going to brick and mortar stores to be a waste of my time, I was rapidly becoming someone who shopped almost exclusively online.
At this point, Netflix wasn’t a threat to Blockbuster, so Blockbuster chose to ignore this upstart company and, boy, did they get their come-uppance! When Netflix took advantage of new technology and shifted to streaming videos over the internet, the company began to appeal to Blockbuster’s core customers. It was all downhill for Blockbuster after that.

Innovation can be something revolutionary like internet movie streaming. But more often it’s core innovation and it’s as simple as a staff member coming up with an idea for eliminating unnecessary work – like doing away with a report no one reads. Or it’s making a suggestion that improves the value and efficiency of necessary work, such as identifying and removing redundant steps in a process.

We tend to think of engineers when we think of innovation, and engineers are uniquely positioned to innovate. After all, engineers have been responsible for many of the world’s greatest inventions and technology, from space shuttles to air conditioning systems to bridges. At the root of these big-picture accomplishments are teamwork, creativity, and problem-solving prowess, staples of every good engineer’s toolbox. But people in all professions, whether it be housekeeping or horticulture, are capable of coming up with and executing good ideas.

Today every company must innovate to differentiate and compete successfully.
In Chapter 1, we talked about what innovation is. In this chapter, we’ll get on the same page about the nature of an innovative culture.

Kim Cameron and Robert Quinn, professors at the University of Michigan, are gurus on the topic of organizational culture. One of the reasons I admire their work is that they combine solid academic research with practical business application.

They define culture as “an enduring set of values, beliefs and assumptions that characterize organizations and their members.” Stated more simply, culture is the way work gets done in an organization. And if the work you want to get done is innovation, you need a culture that supports it.

But what does a culture that supports innovation look like? Let’s first turn to what Cameron and Quinn have developed: a research-based model called the “Competing Values Framework” or CVF, which is a powerful tool for assessing and depicting organizational culture.

Here’s what Cameron and Quinn discovered: every organization struggles with the question, “What does ‘good’ look like?” In other words, “How will we know what makes this organization truly effective?” (By the way, if you want to convince a culture-skeptic in your organization to pay attention, the term organization effectiveness is more likely to resonate with them than the term culture. Once
you’ve hooked them, you can help them see culture isn’t just about the “soft” stuff.)

The CVF (*Figure 1*) is the model Cameron and Quinn came up with to answer this question. They defined four cultures, one in each quadrant of the graph. I’ve labeled the cultures Collaborative, Innovative, Results-driven, and Structured.

![Figure 1: The Competing Values Framework](image)

At Talent Strategy Partners we use the CVF as the foundation for our tool Culture Engine™. Culture Engine operationalizes the CVF, giving leaders guidance to explore specific questions about the current culture and right culture to support the future direction of the organization:

- How much flexibility do we currently give people to get their jobs done? How much flexibility *should* we give them? And how do we establish the right balance of control to allow the desired flexibility without creating chaos?
- What’s the right amount of focus on *internal* cohesiveness that won’t result in taking our eye off the ball of our
Leaders consider a series of choices relating to flexibility vs. control and internal vs. external focus. Culture Engine’s algorithm plots their choices on the graph, and the result is profiles of their current and desired culture that help them identify the gaps.

Typically, every organization has elements of all four cultures with emphasis on one or, sometimes, two cultures. No big surprise, to nurture innovation the Innovative culture must be prominent. But innovation also requires a heavy dose of Collaborative culture balanced with a lighter dose of Results-driven and Structured cultural characteristics in order to avoid chaos.

Because a picture is worth a thousand words, let’s look at a Culture Engine profile (Figure 2) that represents an ideal innovation-supportive culture. It’s based on first-hand experience and research into the thinking of others on the topic.

Figure 2: An Ideal Innovation Culture Profile
Cultures of innovation are:

- **Predominantly Innovative**: Original ideas are generated and executed. Creativity and risk-taking are fostered. Failure is expected as a natural part of the development process. The focus is to ideate and develop products that generate new markets, new customers, new opportunities. Growth strategy includes acquisition. Speed and agility are tempered with process and risk assessment. Intrapreneurial effort, experimentation, and achievements are recognized and rewarded. The innovation process is streamlined to consistently identify the best projects and move them forward efficiently.

- **Strongly Collaborative**: There is teamwork among business and functional units, across geographies, and with external partners. Communication is open and transparent. Employees are involved and committed. Mutual trust is high. People are truly empowered with responsibility and the authority to get things done.

- **Explicitly Results-driven**: Innovation is clearly communicated as an expected result. Shifting marketplace and customer demand sets the pace. Goal achievement is recognized and rewarded. Metrics are used to fuel innovation.

- **Moderately Structured**: There is a sustainable balance between operational excellence and innovation. Operational excellence, with its focus on quality and efficiency, is required to drive financial performance. There is also a balance between out-of-the-box thinking and sound management principles. Managers are “ambidextrous,” able to function in both the operational world and the innovation world. The streamlined innovation process is coordinated to ensure it stays lean, organized, and smooth-running.
A cautionary note about the Results-driven and Structured cultures: while an innovation culture requires these for balance, they can be viewed as the “bad guys.” Too much emphasis on these will be a real drag on innovation. We’ve observed this especially in large companies where the key success factor is “making the numbers” and/or there is a big bureaucracy with lots of red tape. Innovation and innovators have a hard time thriving in this kind of environment.

Creating an innovation culture, or any other culture for that matter, is rarely the result of a grassroots effort. Usually, the leaders of an organization are the ones who create the culture. They set the tone by demonstrating, and being the role models for, the right characteristics. In the next chapter we’ll look at these characteristics, drilling down to the specific behaviors that matter most for an innovative culture – for both leaders and their teams.
CHAPTER 3
Behaviors that Create Cultures of Innovation

In the previous chapter, we described in detail what an ideal culture of innovation looks like. In short, it's a culture where people have the freedom and encouragement to ideate, (be creative), and to test out and develop their best ideas (innovate). In this chapter, we'll discuss the role of leadership in creating and sustaining an innovative culture.

“Culture is the shadow of the leader.”

Larry Senn, another expert on organizational culture and leadership says: “Culture is the shadow of the leader.” So true! Leaders’ behaviors and actions set the tone; the shadow they cast influences the behaviors and actions of everyone they lead.

Too often, organizations suffer from the unhealthy effects of poor leadership. For example, a belligerent leader creates a culture in which people don’t speak up because they dread “setting the boss off.” An indecisive leader casts a shadow of risk aversion. A leader who has
no tolerance for mistakes creates a “culture of fear,” the antithesis of a culture of innovation.

How, then, does a leader cast a shadow of innovation? Simply by adopting the right behaviors. Some of the most important innovative behaviors are Creativity, Collaboration, Confidence, Continual Improvement, Empowerment, and Execution. When leaders demonstrate these six vital behaviors, they rub off on those around them. An innovative culture takes root.

Think of it as the behavioral equivalent of Newton’s Third Law of Motion – forces come in action-reaction pairs – with a key difference. The reaction of staff to the behaviors of leaders is not opposite, it’s parallel. People will adopt behaviors that are *complimentary* to those of the leader.

So, let’s imagine what the leader’s actions look like when they are demonstrating the six vital behaviors and what their team members might do in reaction to them.

<table>
<thead>
<tr>
<th>Collaboration</th>
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<tbody>
<tr>
<td><strong>Leader’s Actions</strong></td>
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<tr>
<td>• Build connections with and among staff members, working to make everyone feel a part of the organization</td>
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<tr>
<td>• Engage others in pursuit of a challenge, creating a shared enthusiasm and sense of team or community</td>
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<tr>
<td>• Encourage and recognize involvement and participation</td>
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<tr>
<td>• Keep staff informed by providing information that helps team members avoid mistakes and pitfalls</td>
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## Confidence

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<th>Leader’s Actions</th>
<th>Team’s Reactions</th>
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<tr>
<td>• Encourage staff to take calculated risks by helping them think through new ideas to assess the potential downsides, weigh them against the potential upsides, and decide which ideas to pursue</td>
<td>• Take on challenging assignments with enthusiasm</td>
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<tr>
<td>• Ask the right questions to help people get to the root causes of failure and determine what to do differently to succeed on the next attempt</td>
<td>• Accept constructive criticism, learn from mistakes, and bounce back quickly from negative events</td>
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<tr>
<td>• Help people handle fear of failure by giving advice on navigating tricky situations and on breaking an intimidating problem or task into manageable parts</td>
<td>• Take bold, decisive action despite risks, conflict, or uncertainty</td>
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<tr>
<td>• Celebrate peoples’ accomplishments and help them build on their successes, thereby building their self-confidence</td>
<td>• Express assurance in one’s own and the organization’s ability to succeed</td>
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## Continual Improvement

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<th>Leader’s Actions</th>
<th>Team’s Reactions</th>
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<tr>
<td>• Continually question the status quo, learn, and teach ways to do things better</td>
<td>• Continually review the way things get done, think about how they can be done better, and suggest ways to improve them</td>
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<tr>
<td>• Recognize and reward initiatives to innovate in quality, safety, cost, and/or efficiency</td>
<td>• Identify new ideas, solutions, or directions in dealing with routine situations</td>
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<tr>
<td>• Drive knowledge sharing</td>
<td>• Share knowledge and encourage others to share what they know</td>
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<tr>
<td>• Work with and motivate staff to identify challenges and come up with solutions</td>
<td>• Solicit and use the ideas and opinions of others to help solve problems</td>
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<tr>
<td>Creativity</td>
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<tr>
<td><strong>Leader’s Actions</strong></td>
<td><strong>Team’s Reactions</strong></td>
</tr>
<tr>
<td>Encourage brainstorming, unrestrained thinking, and ideation</td>
<td>Generate novel ideas to develop new or improved processes, methods, systems, products, or services</td>
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<tr>
<td>Encourage people to challenge conventional thinking</td>
<td>Think open-mindedly, assessing and questioning their own assumptions</td>
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<tr>
<td>Create a climate that cultivates imagination, new ideas, and experimentation</td>
<td>Engage in respectful debate with colleagues to discover a variety of alternative approaches, actions, and consequences</td>
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<tr>
<td>Identify and fix organizational impediments to creativity and innovation</td>
<td>Takes persistent, repeated action to overcome obstacles or accomplish an objective</td>
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<th>Empowerment</th>
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<td><strong>Leader’s Actions</strong></td>
<td><strong>Team’s Reactions</strong></td>
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<tr>
<td>Demonstrate trust in people by clearly communicating the outcomes and results they are looking for, then getting out of the way to allow staff to decide the best way to get the job done</td>
<td>Take full ownership of initiatives in which they have a primary role</td>
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<td>Ask questions that guide people to solutions rather than solving problems for them</td>
<td>Come up with solutions, rather than just reporting problems</td>
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<td>Give people the authority to make decisions on matters that are clearly within their areas of expertise</td>
<td>Makes decisions that are within one’s accountability; does not defer decision-making inappropriately</td>
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<tr>
<td>Supports and defends people for taking calculated risks even if they are not completely successful</td>
<td>Pushes forward with important initiatives in the face of uncertainty</td>
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The key is to create cultures where the innovators – those with the crazy ideas – can flourish. The examples above are leadership behaviors that, if demonstrated consistently, can create cultures that allow innovators to thrive.

Anticipating and delivering on the changing needs of clients and customers requires companies that not only innovate today but are poised to innovate into the future. It all begins with strong and inspirational leaders.

Of course, it doesn’t happen easily or overnight. Leaders must examine their own behaviors and deliberately modify them as needed to create and sustain this innovative culture. They must communicate verbally, as well as through their actions, their expectations for how the team members should act. And leaders must not only plant the seeds for innovation, they must consistently nurture and support innovators.

Research shows women leaders are tuned into the need to modify their own behaviors, clearly communicate expectations, and nurture innovation. This makes them particularly effective at creating

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<td>• Clearly communicate to staff the strategy and encourage staff to come up with and set priorities on ideas to achieve the strategy</td>
<td>• Set priorities and timetables on goals, projects, and work activities with a keen sense of what is most important to the organization and their customers</td>
</tr>
<tr>
<td>• Provide time for staff to get away from daily tasks and work on projects to develop and execute ideas</td>
<td>• Manage time effectively in order to get everything done</td>
</tr>
<tr>
<td>• Set metrics that fuel innovation; e.g., increased speed to market, productivity improvement, number of new products brought to market</td>
<td>• Sets priorities on initiatives that will have the highest impact on established metrics</td>
</tr>
<tr>
<td>• Reinforce the adage “fewer of higher quality is better than many of poor quality”</td>
<td>• Stay focused; do not allow distractions to divert their attention away from the established priorities</td>
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cultures to support change, especially transformational, disruptive innovation. More about this in Chapter 4.
In Chapter 3, we discussed the role of leadership in creating and sustaining an innovative culture. In this chapter, we’re going to show how women have been successful at leading change and innovation, citing two studies that forcefully demonstrate how women have what it takes to innovate.

If you are a man reading this, please don’t think: “This doesn’t apply to me.” Both men and women benefit by developing innovation leadership skills. So, please, read on.

What’s good for the goose is good for the gander.

The first study is a research-based book on gender differences in leadership titled *Breaking Through Bitch: How Women Can Shatter Stereotypes and Lead Fearlessly* by Carol Mitchell.
It confirms that successful women in leadership positions are more likely than men to have the competencies needed to create, to thrive in, and to lead an innovative culture.

And the second study is *Eve of Change: Women Redefining Corporate America*, an Everest Project study of how women leading transformational change are having a profound impact on corporate (and male-dominated) cultures of invention and innovation.

The conclusion of both studies is that women have a “secret sauce” for creating sustainable cultures of innovation. As with all sauces, there is a combination of ingredients. But what they boil down to is collaborative leadership.

In the last chapter we talked about collaboration as one of the six most important innovation behaviors. Being a successful collaborator means having the ability to get along with colleagues, share ideas, draw out and work through differences of opinion, and otherwise participate effectively toward accomplishing a common goal.

Let’s take a closer look at the ingredients in this secret sauce of collaborative leadership.

**Inclusiveness:** The women in Mitchell’s study (“Mitchell Women”), “share power and information with their team members, encourage collective problem solving, and allow solutions to develop from among the best ideas of the group.” The women in the Everest Project (referred to in the study as the “Everest Women”) “…take the view from 10,000 feet when they collaborate. They look to access key skills and knowledge from across the organization, and they use it to make smarter decisions.”

Some of the behaviors of a collaborative leader we cited in the last chapter are engaging others in pursuit of a challenge and encouraging involvement. Mitchell Women come to the table with their teams to determine the best solution. In other words, they harness the intellectual horsepower of their people.

The *Eve of Change* study shares this view, saying Everest Women don’t put a premium on having all the answers. Instead, they
welcome input and listen actively. In so doing they “convey an openness to new ideas that fuels innovation.”

**Minimizing hierarchy:** Another thing we pointed out in the last chapter is that collaborative leaders de-emphasize status differences in order to empower people to act. Mitchell Women are particularly effective at this. They build connections with and among staff members, by establishing common ground and creating a platform for casual conversations about mutual interests that builds rapport. This behavior diminishes hierarchy and the boundaries it creates.

Breaking down hierarchical boundaries requires humility. The *Eve of Change* study says: “Humility, often considered a weakness, is the new power tool in leadership. In this era of flat organizations and a flat world where everyone is called upon to collaborate and work effectively across [functional] silos, humility is a critically important skill. When used strategically, humility fosters a vibrant environment where it’s ‘safe to make change and to break some things’ – fertile ground for innovation.”

But you can’t be humble unless you’re confident in yourself. Confidence among Mitchell Women was demonstrated by a strong belief in their ability that allowed them to exercise authority – not by stridently enforcing their position of command, but by sharing power with others. A confident leader credits others for supporting and/or enabling the leader’s accomplishments. Furthermore, that confident leader instills confidence in others, sincerely expressing her belief that others can succeed.

**Empathy:** Empathy allows Mitchell Women to relate to others. Their ability to sense what others are feeling helps them identify boundary-reducing connections. With direct reports, this creates a sense of teamwork and belonging. With peers and those above them in
the organization, making these connections results in a strong ability to influence out and up.

The empathy of Everest Women is shaped by their own difference. They are women in a male-dominated world. And some of them also have identities with racial, ethic, and/or LGBTQ groups. This gives them an “acuity for understanding people who are different” and an ability to easily shift their thinking between contexts.

**Self-awareness:**
Collaborative leaders are aware of how they are perceived, according to Mitchell’s research. This allows them to modify their behavior so others can relate to and engage with them. They are authentic and transparent about their emotions. This lets others know where they stand and in turn builds trust.

Everest Women know how to fit in while still being themselves. They are “skilled self-monitors” who adapt to their environments without conforming. They “adapt their behavior to influence how others respond and act, not out of fear of being judged but rather to advance their own goals.”

**Political and cultural savvy:** Mitchell Women have a full grasp of culture and group dynamics. This enables them to understand the most effective courses of action. They know how to navigate the politics of an organization and understand the relationships that form the power network. They use this knowledge to guide their teams on the best routes to take to getting things done, and to remove roadblocks that get in their way. They also use it to help the team understand how they fit into the organization’s big picture.

And as we discussed in Chapter 3, “Culture is the shadow of the leader.” Mitchell agrees, saying women influence the culture as well as navigate it. “[Collaborative leaders] set the tone for the behaviors of others, a tone that allows innovation to blossom, nurtures the development of [individuals] and teams, and creates engagement.”
According to the Everest study, women possess a high level of cultural intelligence and use it to create "team, leadership, and managerial effectiveness" by making sure people with divergent views have a seat at the table. Researcher after researcher has reported that a diverse group of people, with their different perspectives, generate more and better ideas.

**Ability to communicate insights and vision:** Mitchell Women connect the dots for their teams, making meaning of an onslaught of complex information. They do this in a simple, straightforward way that others can readily grasp. And they communicate in an unintimidating manner that sparks people’s creativity and willingness to share ideas rather than making them fearful of “saying something stupid.”

The *Eve of Change* report tells the story of a woman executive who was under the gun to turn around a declining business. She didn’t have the luxury of time: she needed to quickly get people going in the right direction. A male leader might have resorted to command-and-control in this situation, but that wouldn’t have been an authentic style for this woman leader. Instead, “she employed both disruption and collaboration to bring her team to a new reality and a new way of working.” Her number one asset, according to her manager was “the ability to work through complex environments and to bring others on board the boat. It often required ways of communicating that won the hearts and minds.” She inspired people to follow her rather than commanding them to do it, and she got the job done.

Neither the Mitchell Women nor the Everest Women were necessarily born with all these skills. Some of the skills were innate, surely, but the women gained many of them over time, relying on their own natural female instincts and tendencies to guide them.

And you guys? Mitchell has this advice. “...today’s organizations need leaders who are skilled in these collaborative skills, both women and men. Warren Bennis, an expert on organizational leadership, called this an egalitarian age that requires a new style of leader.... Enterprises of all sorts are working to increase innovation.... Leaders
have to let go of power to open those creative channels.... Leaders cannot just do what has traditionally worked in the past.”

Whether you are a man or a woman, someone who aspires to a leadership role or a current leader who understands your responsibility for nurturing leaders for the future, you are probably wondering how to hone these skills in yourself, or help others develop them. That’s the topic of the next chapter.
CHAPTER 5
Developing Innovation Skills: For Leaders and Followers

There are two important things I hope you take away from information shared in these pages. The first is that creating a culture of innovation requires mastering a set of key behavioral skills: Creativity, Collaboration, Confidence, Continual Improvement, Empowerment, and Execution (Chapter 3). And the second is that everyone – leaders and followers alike – must demonstrate these skills.
The Role of Followership in Innovation

I’ve talked a lot about leadership as the linchpin in creating an innovation culture. What I haven’t talked about is something just as critical: followership. A well-functioning innovation culture needs followers – team players – not just leaders. Rob Ashgar, author of *Leadership is Hell: How to Manage Well and Escape with Your Soul*, writes: “A skilled follower helps an inexperienced leader to shine. As the leader grows in skill, ...she is then able to help the followers shine. And as they all grow in experience and skill, the interplay grows more productive....”

So please don’t think that if you aren’t in a leadership role, you have nothing to contribute to the creation of a culture of innovation. You certainly do! And just as with leaders, it’s a matter of developing those key behavioral skills.

Getting Ready to Innovate

Behavioral skill development typically comes through four channels: formal training events (workshops, symposia, seminars, etc.), topical articles and books, coaching and mentoring, and on-the-job activities. Many organizations provide training and have coaching or mentoring programs. If your employer offers these opportunities to you, take advantage of them. But whether your company does or doesn’t provide these resources, you must take accountability for your own development.

The good news is, there’s a lot you can do on your own to enhance your innovation skills. There are many actions that both leaders and followers can take to develop – and help others to develop – each of the six key innovation behavioral skills. I’m going to devote the rest of this chapter to a discussion of these actions, including both on-the-job activities and suggested topical readings.
**Collaboration**

**To develop collaboration in yourself, keep others informed.** For every team you are on, keep a running list of issues and information you should share with the group. Check the items off the list after you have communicated them.

**To develop collaboration in others, help them become team players.** Create a project that requires your team to work closely together. Provide them with the broad parameters of your expectations, as opposed to detailed direction. With the team, create a shared goal(s) and other design elements that require mutual cooperation for successful completion. Maintain control strategically by meeting regularly with the team to have them report progress. Set an example of good teamwork during these meetings by sharing relevant information with them, making sure everyone has a chance to speak, and guiding them to resolve any conflicts that may arise among them. Publicly praise those who demonstrate collaborative behaviors, and privately coach those who do not, being specific in both your coaching and praise.

**To gain greater insight into collaboration, read** *Collaboration Begins with You: Be a Silo Buster* by Ken Blanchard, Jane Ripley, and Eunice Parisi-Carew.

**Confidence**

**To develop confidence in yourself, voice your concerns.** Before you attend a meeting on an important issue, spend time thinking through the issue and crystalizing your ideas and positions on it. Make notes about these to refer to later as you participate in the meeting. Communicate your ideas and positions during the meeting in
an assertive and clear – but not aggressive – manner, especially when disagreement or conflict surfaces. As debate occurs, make sure you first understand the others’ positions, then air your own views backed by facts and data. Look for areas of agreement and point them out. Push for agreement after debate of ideas, but don’t be too quick to follow others to consensus around their positions or to accommodate someone else’s point of view simply to minimize friction. Again, throughout the discussion, avoid being aggressive or argumentative. If things get uncomfortably heated, say something funny to break the tension or suggest the group adjourn, think about things individually, and come back together at a later date.

**To develop confidence in others, share the power.** The next time you are given the authority to lead an initiative, have the strength and confidence to distribute the power and decision making among a few key colleagues and/or direct reports and yourself. Encourage others to take intelligent risks and to generate creative ideas for achieving the desired results. Credit others for shared achievement. To minimize risk, exercise “strategic control.” This means focusing others on understanding and achieving exactly what you want to achieve. Stay “in charge” but be collaborative, not directive or micro-managing.

**To gain greater insight into confidence, read** The Confidence Code: The Science and Art of Self-Assurance – What Women Should Know by Katie Kay and Claire Shipman.

**Continual Improvement**

**To develop continual improvement in yourself, question current practices.** Think objectively about how you are currently going about your daily activities. Pinpoint an area where there is clearly room for improved efficiency or improved service. It can be an incremental improvement; it doesn’t have to be a blockbuster idea. In
fact, it’s better to start your continual improvement journey with a small win. Bring your suggestion to your manager’s attention and volunteer to lead an initiative to develop and implement an improvement plan. If your manager agrees, put your plan together, involving others as necessary and appropriate in making this improvement.

**To develop continual improvement in others, make it a regular discussion topic.** Ask each member of your staff to be on the lookout for potential problems and for examples of improvements in quality, safety or efficiency. At the beginning of your regularly scheduled staff meetings, ask people to report on their observations of problems and improvements. For each potential problem raised, determine how to look into the matter and assign a volunteer in the group to do so. When you hear of a great example of quality, safety, or efficiency, discuss what can be learned and how it might apply in other areas of the organization. Maintain an ongoing information exchange using staff meeting time or in a forum specifically dedicated to continual improvement.

**To gain greater insight into continual improvement, read**

*Plan-Do-Study-Act (PDSA) Directions and Examples*
http://bit.ly/2zO8XnI
and/or
*Plan-Do-Check-Act (PDCA): Continually Improving, in a Methodical Way*

**Creativity**

**To develop creativity in yourself, think openly.** When you address a new problem, resist the tendency to first gather extensive conceptual information or data to create the parameters of your thinking. This tends to close off more creative thinking and possibilities. Instead, force yourself to spend time thinking about solutions that may not have been tried before and to develop hunches about what might work. After you’ve come up with new possibilities,
gather necessary data or conceptual information that may be relevant to “reality testing” your theories.

**To develop creativity in others, nurture ideation.** Encourage the development of creative ideas and approaches by being open-minded as you address problems with your direct reports and peers. Ask for new ideas and demonstrate that you value them and will consider them seriously. One way to encourage others’ contributions and creative ideas is to offer up one or two of your own and then ask them for other possibilities.

**To gain greater insight into creativity, read** *Creativity, Inc.: Overcoming the Unseen Forces that Stand in the Way of True Inspiration* by Ed Catmull.

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**Empowerment**

**To develop empowerment in yourself, take charge.** Review the initiatives in which you have a primary role. Think ahead about potential obstacles and opportunities. Propose to your manager new and innovative action steps that could be undertaken to mitigate these obstacles and take advantage of the opportunities. When you have your manager’s support, execute your plan.

**To develop empowerment in others, build staff confidence.** Think about your staff and their expertise. Then, think about the decisions you usually make about how things should be done. Ask yourself which of these decisions you can delegate to your staff, based on their expertise. Demonstrate your trust in them by clearly communicating the results you are looking for, then getting out of the way to allow staff to decide the best way to get the job done.

**To gain greater insight into empowerment, read** *Trust and Betrayal in the Workplace* by Dennis Reina, PhD, and Michelle Reina, PhD.
To develop execution in yourself, establish an action plan.

Lay out a clear plan of attack for the goals that you are expected to achieve. But first, make sure you understand the results you are aiming for. If any of those are unclear, ask your manager for clarity about expected outcomes. Then, lay out the action steps you’ll need to take, identifying the co-dependencies so that you tackle them in logical sequence. List the potential obstacles you might encounter and determine how you’ll mitigate them. Build obstacle mitigation into your action steps. Create a timeline for the entire initiative and for each step. Identify the resources you’ll need to achieve the goal, including help you’ll need from other people. If there are resources – like equipment – you can’t muster on your own, ask your manager to help you obtain them. Put your plan into action and don’t be afraid to tweak it when unexpected situations pop up. Finally, keep your manager informed.

To develop execution in others, establish priorities.

When everything is important, nothing is important and little gets done. Successful execution requires focusing on a few things at a time. To create focus, list each key project or initiative that your team is working on. Create one timeline showing all the projects/initiatives. Color code or otherwise indicate the top priorities, the next-highest-level priorities, and so on. Review this with your staff. In your regular staff meetings, review progress on the projects/initiatives that are the current focus. Stay flexible and change priorities as situations change, but don’t make the mistake of taking on too much at one time. If an initiative is added or is moved up in priority order, another initiative must be pushed down in the queue.

To gain greater insight into execution, read *Execution: The Discipline of Getting Things Done* by Larry Bossidy, Ram Charan, and
Charles Burke and/or *Essentialism: The Disciplined Pursuit of Less*, by Greg McKeown.

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I hope, whether you are a follower or a leader, these ideas will jump start your innovation skill development. There’s so much more you can do. Use your imagination, come up with your own development actions, and – most of all – have fun as you gain skill.

And as you think about your innovation skill development action plan, ask yourself: “Why am I doing this? Where’s the payoff?” We’ll help you find the answers in the last chapter where we’ll get to the bottom line, measuring the business impact of innovation.
CHAPTER 6
Measuring Innovation

Now that we have a clear idea of what innovation means and what behavioral skills contribute to an innovation culture, the big question remaining is, “How do we know if we’re innovating?”

Peter Drucker’s familiar quote, “You can’t manage what you can’t measure” is true. Without some ways of measuring innovation, you won’t know when you’ve been successful. Metrics of innovation may include:

1. **Leading indicators**: the percentage of employees trained in the process for innovation, the size and strength of internal and external collaborative ecosystems, the number of meaningful ideas in the pipeline, the balance and robustness of the pipeline, and the rate of idea commercialization.

2. **Lagging indicators**: revenue from new products, profit impact, the effect of innovation on brand.

The metrics listed above are examples of indicators that innovation is already taking place. But we should also measure the development, the process of innovation. Sound tricky? Let’s break it down.

As we discussed earlier, creating an innovation culture requires cultivating an atmosphere for change: a culture where mistakes and failures are expected and seen as learning opportunities, a culture of experimentation, a culture that thrives on collaboration. The journey to an innovation culture is like any other journey. It requires a destination and milestones – measures of progress – that can be tracked, reported, and understood by leadership.
Measuring an intangible such as culture change isn’t easy, but it is possible. You can apply a numerical system to it, as I’ll outline below, but keep in mind that the real measure of progress won’t be numeric. The evidence will be observable changes in the way things are getting done.

Start with the destination; that is, the goal. Every organization’s goal should be the growth of the organization’s innovation potential, and to root out the structural and leadership barriers that will slow or stop progress. To do this you first need to understand where your organization is right now. Through an evaluation, you establish a baseline. Then, after a reasonable period of time, you repeat the evaluation and see how far the needle has moved. The pace of change is different for every organization, so you need to determine what’s a reasonable time period for yours. In general, though, you’re probably looking at six months to a year.

The Rainforest Scorecard\(^\text{13}\) is an excellent evaluation tool. It’s the brainchild of Henry Doss and Alistair Brett, partners at Rainforest Strategies, LLC, where they focus on applying innovation science to developing innovation ecosystems – what they call Rainforests.

You can use the Rainforest Scorecard to assess your organization’s readiness to innovate. Its beauty lies in its ability to generate a quantitative baseline for measuring progress without getting so hung up in the numbers that it gets in the way of managing the process.

You can download the book and scorecard here: Rainforest Scorecard Assessment.
There are two versions of the scorecard in the book: a short form and a long form. Both forms address six categories of innovation:

- Leadership
- Frameworks, Infrastructure, and Policies
- Resources
- Activities and Engagement
- Role Models
- Culture

To get the most benefit from the scorecard:

- Have a diverse group of people complete the assessment. Invite people from R&D, sales, marketing, manufacturing, management, and other functions. Aggregate the results to obtain the most objective view of the organization.
- Start with the short form. It will reinforce the concepts that are key to innovation.
- Use the scorecard to get a sense of your organization’s strengths and Achilles’ heels. You can look at this from a category level – for example, leadership overall – or you can zero in on a particular item, such as “Overall, leadership promotes innovation.” Either way, your areas of strength will be those where your scores are highest and your opportunities for improvement will be those where your scores are lowest.
- The scorecard has built-in “weights” by virtue of the total maximum points available for each category. Culture is the most heavily-weighted, followed by Leadership. Frameworks, Infrastructure, and Policies and Resources are equally weighted just behind Leadership. Least heavily weighted, but not unimportant, are Activities and Engagement and Role Models. Keep these weights in mind as you look at the scores. If your highest scores are in the most heavily-weighted categories of culture and leadership, you can pat yourselves on the back.
• But don’t be too quick to celebrate. Even in a highly-scored category you may have an Achilles’ heel. Look closely at the scores on the items in each category for ones that pose potential roadblocks to your journey toward innovation.

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This brings us to the end of this e-book, “Say ‘Yes’ to Innovation.” Here are the key points to take away:

• Innovation takes many forms, from incremental improvements to blockbuster products.
• Innovative cultures are creative, risk taking, and collaborative.
• Leaders create and sustain the atmosphere for innovation.
• We can learn a lot from women about leading innovation.
• There are six vital innovation skills – collaboration, confidence, continual improvement, creativity, empowerment, execution – that leaders and followers alike should develop.
• And finally, you can’t manage what you can’t measure. The journey to innovation requires measures of progress that can be tracked, reported, and understood.

In writing about these points, I hope I’ve challenged your thinking, given you ideas, and provided you with a few tools to help you start or continue your journey to a culture of innovation.
Patricia Schaeffer is co-founder of Talent Strategy Partners, a firm whose primary aim is to help clients develop leaders who create and sustain a healthy culture where people are engaged and committed to helping execute the business strategy.

With over 30 years of experience, Pat has consulted as well as worked in corporate HR. She is a guest lecturer on aligning business strategy and organizational culture at St. Joseph’s University’s Haub School of Business, and on enhancing business value through leadership and culture for DeSales University’s MBA program. She also teaches a one-day seminar in succession planning for Rutger’s University’s Continuing Professional Education program. She is a writer and blog contributor on the topic of creating cultures of innovation. Pat is based in the Philadelphia area.

To learn more about Pat and Talent Strategy Partners, visit Talent Strategy Partners, LinkedIn, Twitter, or Facebook. Contact Pat directly at (215) 275-7430 or pschaeffer@tsphr.com.
CHAPTER NOTES

Introduction

Chapter 1
2 The information presented here about types of innovation and how much innovation is the right amount come from the September 2013 issue of an Inc. Magazine article written by Adam Bluestein. The article is titled Debunking the Myth of Innovation.

3 Clayton M. Christensen, Michael E. Raynor, and Rory McDonald, What is Disruptive Innovation, from the December 2015 issue of Harvard Business Review.


6 Shelton, Rob. These Five Behaviors Can Create an Innovation Culture. strategy+business (S+B Blogs), June 30, 2016.

Chapter 3

Chapter 4

Chapter 6


11 Larry Senn, expert on organizational culture and leadership.
