



A culture for innovation

Building corporate innovation system

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Corporate culture defined

A corporate culture generally represents the norms, assumptions, shared values, and artifacts within a firm.

Cultural change - a sustained effort

Establishing the culture of innovation requires a broad and sustained effort. Though changing a company's culture is never easy, with the right leadership, cultures can be reshaped and amazing results can accrue. Establishing an attitude of relentless growth is what enables an organization and its people to achieve their goals. The spirit of relentless growth keeps fresh ideas flowing and reinvigorates your company. Thus, "the primary challenge facing market leaders is to institutionalize an environment where every decision and direction can be constantly and safely reassessed."

Motivating every employee

Every person has a greater potential than they are exhibiting, and as a leader, it's your responsibility to maximize their potential and performance and the results of each member of your team. As a new manager, you have great influence on employee motivation. With the right set of techniques, you can affect your employees' behaviours right now. "You can reawaken and revive the spirit in your organization. Not only that, you can inspire all those around you by creating an environment in which employees will tap their own motivational energy and perform their best work."

Strategies for building a growth culture

- Emphasize the future, not the past;
- Emphasize the possibility, not the constraints;
- Reach customers outside through the employees inside;
- Encourage risk taking and discourage political protecting;
- Reward collective, not individual, successes, but maintain clear individual accountabilities and keep heroes visible;
- Look for alternatives before seeking closure;
- Ensure a high level of personal freedom and trust; and
- Encourage debate before consensus.

Success is 99 per cent failure

"If you are not failing, you won't succeed. If you can't succeed, you can't grow," said Robert Wood Johnson, former chairman of Johnson & Johnson. "Companies with a high awareness of culture's importance to innovation have visible, tangible, and frequently humorous reminders that it's okay to take risk - that a person won't be beheaded for sincere attempts that fail." Punishing for falling short of a stretch goal is counterproductive. "If the company aimed at 15 and made 12, celebrate. What's critical is setting the performance bar high enough; otherwise.

The fun factor

Do you really want to know what is at the core of successful innovation ecosystems like Silicon Valley? "The truth is ... it's a ball! Hard work combined with hard play - at every level, from executive down and back up again." People don't only work hard, but also have a lot of fun at the same time. And they are not just having fun, but planning it and making it part of their culture. This is the spirit that truly enables relentless innovation and creates innovation-adept culture.

Improving your firm's culture for greater innovation

1. **Climate:** Assess the variance between the firm's present climate for innovation and the optimum climate;
2. **Barriers:** Describe your organization's barriers to innovation;
3. **Time:** Address the "lack of time" barrier;
4. **System:** Improve the innovation system or change it;
5. **Process:** Describe your current innovation process;
6. **Practices:** Put practices in place that cause openness;
7. **Attitude:** Examine your attitude regarding innovation and individual contribution;
8. **People:** Balance the mix of people to ensure a conducive culture;
9. **Mavericks:** Identify mavericks in your company;
10. **Champions:** Identify and develop champions; and
11. **Innovators:** Identify and recruit innovators.

Case: Dell Computer Corporation

"It is really dangerous if everyone in a company starts thinking the same way", says Michael Dell, Chairman and CEO of the Dell Computer Corporation. "The danger comes when you fall into the trap of approaching problems too similarly. You can encourage your people to think innovatively about your business, your industry and your customers. Ask a different question - or word the same question - in a different way. By approaching a problem, a response or an opportunity from a different perspective, you create an opportunity for new understanding and new learning. By questioning all the aspects of our business, we continuously inject improvement and innovation into our culture."

Case in point: General Electric (GE)

Jack Welch's goal was to make GE "the world's most competitive enterprise." He knew that the current business environment required an energized, energizing leader. Welch urged everybody to stretch. Stretch targets energize. "We have found that by reaching for what appears to be the impossible, we often actually do the impossible; and even when we don't quite make it, we inevitably wind up doing much better than we would have done." □



Leading innovation

Managing innovation-based change

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New challenge: Leading knowledge workers

Knowledge workers thrive on leadership, but they have an increasingly low tolerance for being managed. New managers should balance motivational leadership, coaching, and sound business management to keep all these independent thinkers pointed in the same direction and working towards the same goal.

“The challenge facing leaders has never been more formidable: How do you create cohesion among a global community of educated people who are increasingly mobile and likely to be experts in their own right?”

Start with yourself

To lead innovation successfully you should start with yourself. A characteristic of CEOs in stagnant companies (often referred to as the “living dead”) is that they ask their people to be entrepreneurial, to innovate and grow, but do not do so themselves.

“If people see that the boss is a “know-it-all,” at the very best they’ll be motivated to learn all the boss knows. If the boss has a rich sense of curiosity that openly questions the impact of not only his actions but those of others, the business and competitors, then others will learn from this and do like wise.”

Visionary purpose and goals

Leading innovation requires a visionary purpose and goals.

Make sure you keep stretch in your vision, communicate it constantly, and keep linking the events of today to your vision, underscoring the relationship between the two. “The constant tension between today’s reality and your goals is what spurs extraordinary innovation ... Emphasizing the importance of today’s work keeps people focused, while linking it to the vision keeps them motivated.”

This communication should be enduring as “each encounter people have with the firm’s vision unveils another element of connection.”

Establishing purpose, direction and goals

- Stretch the imagination of your people; establish a **relentless growth** attitude;
- Share your thinking, communicate your stretched vision, purpose and direction constantly and within multiple contexts;
- Inject passion to energize people and bring vision into life;
- Follow up, keep linking the events of today to your vision, underscoring the relationship between the two; and
- Resurface constantly to test purpose and direction.

Leading with a growth attitude

Establishing an attitude of **relentless growth** is what enables an organization and its people to achieve their goals. The spirit of **relentless growth** keeps fresh ideas flowing and reinvigorates your company.

The **relentless growth** attitude establishes a context within which corporate executives lead by setting direction, creating strategy, securing resources, defining organization architecture, and ensuring that learning occurs.

The growth attitude should start at the top and work its way down your organization.

Keeping your employees and co-workers fresh

1. Encourage employees to think outside the box and work outside of the rigid constraints of your organization;
2. Cultivate and manage creativity;
3. Encourage initiative;
4. Allow employees to set aside time to think and plan - to work on the business;
5. Reward risk taking;
6. Encourage employees to learn a variety of skills and develop cross-functional excellence;
7. Encourage employees to ask “Why?” and “Why Not?” questions;
8. Be accessible;
9. Hire smart people; and
10. Hire a diverse group of individuals. □

The International Handbook on Innovation

The International Handbook on Innovation is a comprehensive and authoritative account of what innovation is, how it is measured, how it is developed, how it is managed, and how it affects individuals, companies, societies, and the world as a whole. The handbook can be used as a reference source, on a wide range of issues regarding innovation.

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