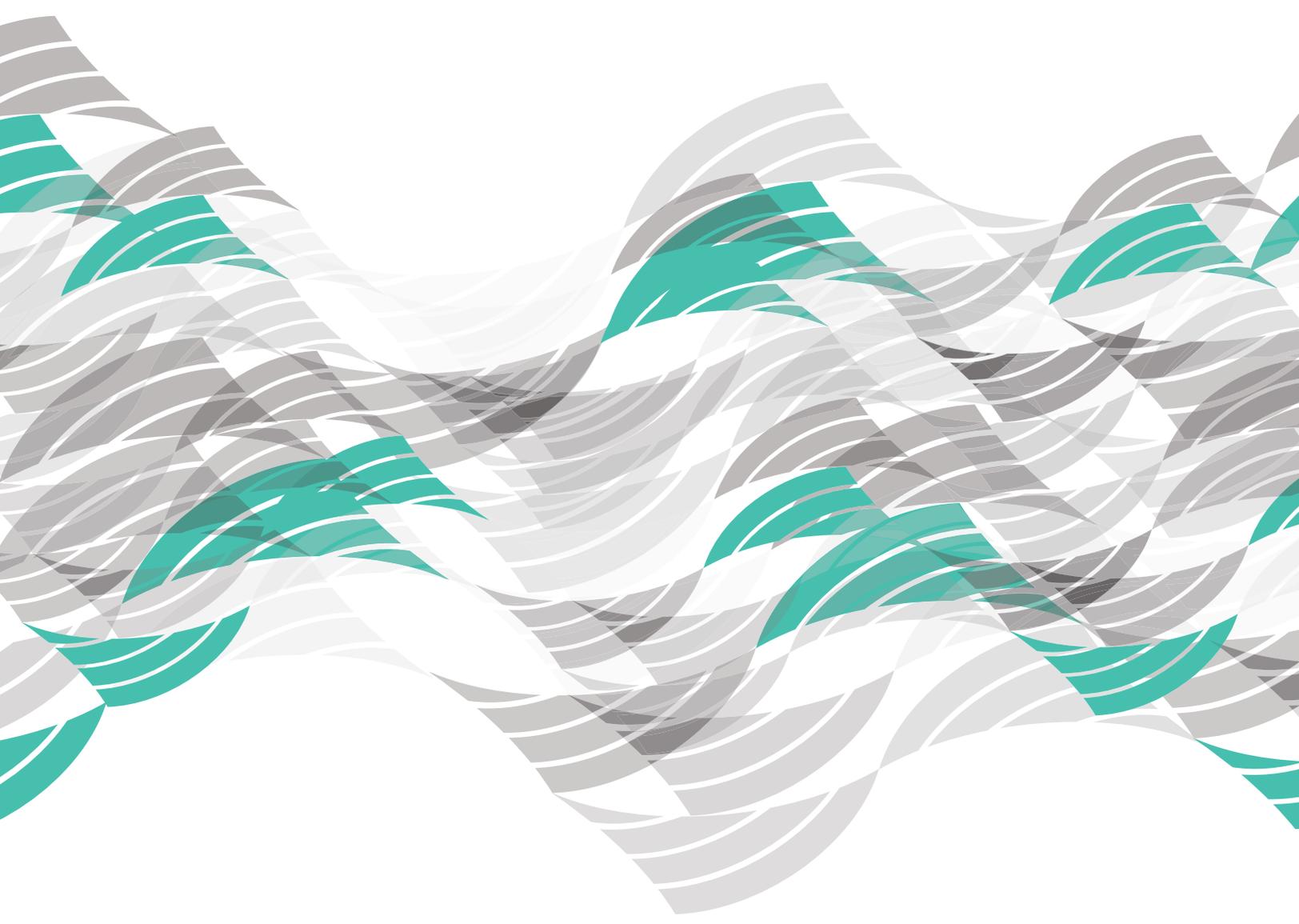


WHITE PAPER

Becoming a Leader Who Fosters Innovation

By: David Magellan Horth
and Jonathan Vehar



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Introduction

Not long ago we spoke to a senior leader in a large multinational organization who voiced his frustration about the lack of innovation in his business—even after a year-long campaign to turn things around. By the time solutions filtered up the hierarchy to him, they were “totally de-risked” and lacked creativity. The culture of the organization led managers to strip away any innovation found in new ideas—rendering solutions that were weak, limited in scope, and impotent. The executive said he wanted to create a culture of innovation that would allow ideas to grow and flourish, add value, and help the organization achieve its growth targets.

He’s not alone in his concerns, as evidenced by how hot a topic innovation is today. But that wasn’t always the case. At one time, strategy was king. Forecasting, planning, and placing smart bets created the power sources within organizations. The future of a business (or a career) followed an established framework. If leaders managed well, success would follow.

Today, complexity and uncertainty are palpable. Planning for even the next quarter is a challenge. Even more difficult is committing to decisions that will play out over one to five years. In the words of one senior executive: “We’ve lost our crystal ball.” What is the next breakthrough product, game-changing service, or compelling vision? What’s the process for getting there?

Even in more stable times, strategy execution often fails because companies neglect to take into account the inevitable inertia within the organization best represented by the slogan, “Culture Eats Strategy for Breakfast.” An analysis of several studies correlating organizational performance with culture using the Denison Organizational Survey found that “culture . . . is an important predictor of organizational performance.” (Discovery Learning, 2007)

Innovation involves implementing something new that adds value or quantifiable gain. It requires many skillsets, usually those of a team.

It should be no surprise that in these uncertain times, innovation is the buzzword du jour (again) and remains critical to an organization’s top and bottom line. Without new sources of value—whether that’s defined in terms of quantity of revenue or quality of life—most organizations eventually wither and die. The world around them changes and competitors emerge to provide the same offerings more effectively or efficiently. Research by Soo et al. (2002) concluded, “The greater the amount of innovation, the greater the

market and financial performance.” A recent study by Capgemini (2012) comes to the same conclusion and identifies the critical organizational innovation elements that differentiate leaders from laggards, including an explicit innovation strategy, innovation governance, and more.

So it makes sense that a 2007 BCG survey revealed that 66% of the 2,468 execs surveyed ranked innovation among the top three strategic priorities for their companies (Sirkin et al., 2007). Even after the recession, an IBM Global CEO Study (2010) shows CEOs of organizations thriving during the prevailing economic turbulence believe that creativity has been fundamental to their success—and will continue to be into an even more uncertain and complex future. A related IBM global report involving Chief HR Officers (2010) further suggests that while organizations know how to develop strong business managers, they have been largely ineffective at developing creative leaders.

It’s as if there has been a conspiracy at many levels of our culture to stifle the creative disciplines in business. When the Center for Creative Leadership (CCL®) researched the leadership competencies

needed to navigate complexity, they encountered several C-suite executives who had well-developed artistic talents. Even at their level in the organization, though, they seemed powerless to buck the prevailing culture and use their creative competencies to address challenges and opportunities. Instead they deliberately tried to separate their creative self from their business self (Palus and Horth, 2002).

The same dynamic can play out even when an organization thinks it wants innovation. Most organizations that embark on an innovation campaign are out to find breakthroughs or “disruptive” innovations that represent a new way of doing things. Rarely do these innovations emerge, though. And if they do, they almost never make it to the marketplace. That’s because the organization inevitably chokes on the radical nature of the offering, which doesn’t fit into its current reality.

Actively pursuing innovation requires considerable resources and deliberate focus. It requires innovation leadership, support from the organizational hierarchy, and a culture that values and nurtures creativity.



Business Thinking vs. Innovation Thinking

The development of effective creative leadership is a two-step process. First, leaders individually and collectively must get in touch with their own creative thinking skills in order to make sense of and deal with complexity. Second, rather than develop skills for the “management of creativity” (a control mindset), organizations must develop a creative leadership culture—a climate that promotes and acknowledges the creative process. Authors and researchers Teresa Amabile (2010) and Goran Ekvall (1999) speak authoritatively and elegantly on this topic. Amabile talks about “Management for Creativity.” Ekvall in several publications describes the statistical significance of leadership in creating (or not!) an environment that nurtures creativity.

A creative leadership culture recognizes and skillfully manages the tensions between several interrelated and seemingly polar opposites. Major among these is the tension between traditional business thinking and innovative thinking.

Today’s managers are typically skilled practitioners of traditional business thinking with its deep research, formulas, and logical facts. Business thinkers are often quick to make decisions, sorting out the right answer from among wrong answers. Deductive and inductive reasoning are favored tools as they look for proof or precedent to inform decisions. Business thinking is about removing ambiguity and driving results.

But ambiguity cannot be managed away. Driving results is impossible when the situation is unstable, the challenge is complex, the direction is unclear, or when you’re mapping new territory, as is the case—by definition—with innovation.

Many of today’s leadership problems are critical and pressing, and they demand quick and decisive action. But at the same time, they are so complex we can’t just dive in. We need to slow down, reflect, and approach the situation in an unconventional way using innovative thinking.

BUSINESS THINKING vs. INNOVATION THINKING

Logical	Intuitive
Deductive/Inductive reasoning	Abductive reasoning
Requires proof to proceed	Asks what if?
Looks for precedents	Unconstrained by the past
Quick to decide	Holds multiple possibilities
There is right and wrong	There is always a better way
Uncomfortable with ambiguity	Relishes ambiguity
Wants results	Wants meaning



Unlike business thinking, innovative thinking doesn't rely on past experience or known facts. It imagines a desired future state and how to get there. It is intuitive and open to possibility. Rather than identifying right answers or wrong answers, the goal is to find a better way and to explore multiple possibilities. Ambiguity is an advantage, not a problem. It allows us to ask "what if?"

Innovative thinking is a crucial addition to traditional business thinking. It allows you to bring new ideas and energy to your role as leader and paves the way to bring more innovation into your organization.

We want to emphasize that there is a critical leadership skill involved in managing the tension between these two seeming opposites. It is not about discarding the business thinking. It's about acknowledging that both exist and that productive new products and services will result from finding the delicate balance between the two approaches. It's also about the ability to switch between these two modes of thinking in order to implement creative ideas and turn them into innovations. Leaders and organizations that do so will find a powerful antidote to complexity and an engine that can help them thrive—even during uncertain times.

Key Definitions

Leadership

A process by which an individual or group creates direction, alignment, and commitment for their shared work.

Innovation Leadership

A process for creating direction, alignment, and commitment needed to create and implement something new that adds value.

Becoming More Innovative: It's Not as Simple as It Seems

Many articles gloss over what it takes to become more innovative. It's as if the writers believe creativity will be unleashed with a snap of the finger to facilitate a competitive advantage. But it's not that simple.

MYTH: Individual Creativity Can Be Mandated and Managed.

A dear colleague at CCL, Dave Hills, drew a lovely cartoon to illustrate the myth of the mandate. It shows a senior executive—presumably returning from the latest seminar on organizational innovation—demanding creativity from a group of bound and gagged people.

Managers can't mandate innovation. They do, though, need to lead it and "walk the talk." Too many times we see leaders make pronouncements of, "we need innovation!" and then proceed to quash new ideas. They often do so unconsciously through lack of knowledge about how even the smallest behaviors impede or encourage the creativity of others. We hope to address some of the more critically important behaviors in this paper.



Integrity in supporting what you say the organization needs to do requires the extra work (and it is work) to fully understand, consider, and evaluate innovative concepts that emerge and provide learning-oriented feedback. Without follow-through and role-modeling, the leader may provide direction, but create impediments to commitment by failing to engage the intrinsic motivation, energy, and passion of those led.

Leaders can contribute to alignment by taking an active role in creating systems that enable the work of innovation to be coordinated effectively. With only proclaimed direction (which is not necessarily shared), the leader is all talk, there is no incentive for others in the organization to share in the direction or do what they are asked to do—nor are there systems to facilitate the trajectory of innovations.

While modeling innovation at the top is useful and necessary, it's only the starting point. Time and again we've sat in presentations where the "innovation expert" fires up the crowd by telling them innovation can't happen without senior management support. The message: All it takes for innovation to take root in the organization is for senior management to hoist the innovation flag. In practice, this typically looks like simply hosting a big kick-off event. Sometimes it is even followed by rolling training through the organization as quickly as possible, starting at the top and working down.

Reflecting on what we've seen work, we've come to the conclusion that the opposite is a better strategy. Rather than a "push" mentality, we suggest leveraging senior management sponsorship and working in small groups to develop the tools, skills, and mindset necessary to drive innovation. Then let the results speak for themselves—creating a hunger and a "pull" in the organization for more innovation development.

MYTH: Simply Unleashing Creative Talent Can Help You Navigate Complexity.

When considering how to make your organization more innovative, you might be tempted to discover and unleash creative heroes and to train others to be just like them. Our colleagues John McGuire and Gary Rhodes (2009) in their book *Transforming Your Leadership Culture* describe this as an “independent” culture where heroes are valued and bold, independent action is highly prized, and the prevailing philosophy is that it’s better to ask for forgiveness than permission.

Imagine a company, though, where every big idea is pursued, regardless of how crazy or impractical. We know of at least one highly creative organization with a culture like this that continually burns out talented managers who try to get a handle on the madness. Without appropriate structure, this kind of hero-driven, independent culture is a recipe for more complexity, not less, and in the worst case, anarchy.

At the end of the day, it’s execution of the creative ideas that pays the bills. We also know from the research of people like Dr. Michael J. Kirton (2003) that those who prefer to challenge the status quo and generate radical ideas are typically not skilled at execution and implementation. They tend to be averse to structure or completely ignore it. Implementation is the skill of those attuned to shaping ideas, navigating organizational systems and structures, and transforming ideas into useful processes, products, and services.

When we interviewed Dr. Michael Lombardo, author, entrepreneur, and founder of Lominger Inc., he talked about the need to give creative work to those with the skills and abilities to handle it—and then to buffer and manage them carefully, since by their very nature highly creative people can be prickly and tough to work with.

A 2011 IBM report on cultivating organizational creativity affirms the need to manage the tension between creativity and execution. The report states, “For many companies, creativity and adaptability are latent capabilities just waiting on the catalysts to energize them. Creative leadership requires harnessing the dynamic tensions between the dualities that define today’s complex business environment—to drive toward both creative disruption and operational efficiency at the same time.”

However, the IBM report fails to acknowledge the value and creative contribution of those more adept at execution—choosing instead to focus the definition of “creative leadership” on those who are gifted with coming up with radical ideas in the first place. Historical examples abound of successful partnerships between someone who challenged the status quo and someone who knew how to interface with the establishment and get things done. Where would Walt Disney have been without Roy Disney?

Beyond the “Innovation Ghetto”

Often organizations try to confine innovation to an R&D department or some other organizational silo. We fondly call this the “innovation ghetto.” But it’s not the way to derive true value from innovation.

A recent tour of a plate glass factory provided some important lessons about imbuing innovation throughout an organization. Manufacturing glass is a dangerous process involving huge hoppers of raw materials heated to 3200 degrees Fahrenheit. The material eventually cools into fragile, razor-sharp, and potentially deadly final products.

It was startling to hear there was no safety department—yet the plant had a stellar safety record. Rather than having one person or team accountable for safety, everyone in

the organization was responsible. Even the most junior person in the operation could point out risks and ensure there were no injuries.

Similarly, innovation initiatives will be diluted when they are relegated to one department or arena. The subtext is that innovation **ONLY** happens in one department, removing the responsibility for innovation from others. When everybody is on the lookout for opportunities that can build or replace current paradigms, an organization can thrive. Innovation can drive improvements in the 10 types of innovation that the Doblin Group identified: profit model, network, structure, process, product performance, product system, service, channel, brand, and customer engagement (Doblin Group, ND).



Building Blocks for Innovation Leadership

Even in organizations lacking the leadership and culture needed for creativity to flourish, individual heroes can still emerge. They pursue creative ideas and transform them into new processes, products, or services—despite the lack of support systems and in the face of a hostile culture. But they are the exception and not the rule. Innovation Systems expert Bob Rosenfeld (2006) describes these individuals as having the “secret grid” that enables them to navigate the organization that would otherwise reject their ideas.

A more systematic approach is needed if your organization is to derive sustained, added value from innovation. And innovation leadership is crucial. Organizational innovation consultant Jeffrey Phillips (2008) encourages organizations not to leave innovation to chance by relying on the few savvy innovators.

Effective innovation leadership has three essential building blocks:

1. TOOLSET

The collection of tools and techniques used to generate new options, implement them in the organization, communicate direction, create alignment, and cause commitment.

2. SKILLSET

A framework that allows innovation leaders to use their knowledge and abilities to accomplish their goals. More than tools and techniques, it requires facility, practice, and mastery of processes.

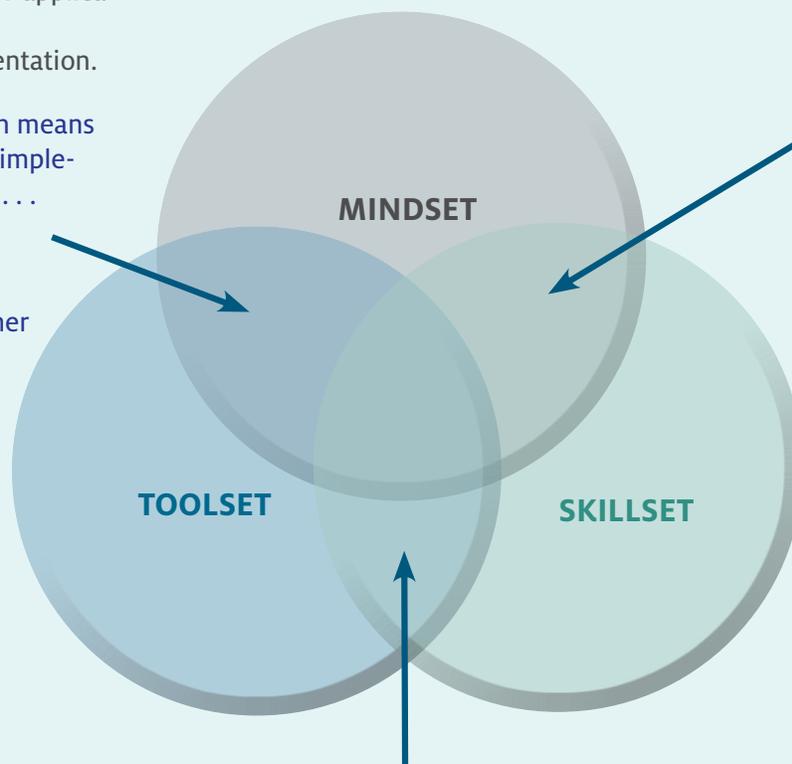
3. MINDSET

The attitudes and resulting behaviors that allow the tools and skills to be effective. The mindset is the fundamental operating system of the creative thinker and distinguishes those leaders who enable creative thinking and innovation from those who shut it down.

Effective Innovative Thinking requires all three . . .

Many creative solutions lack focus and refinement or application to the actual goal. Potentially no implementation.

- Lack of clear direction means lurching from ideas to implementation to question . . .
- Ad hoc approaches
- Like a cobbled-together car that lurches and sometimes runs



Structured, focused, and divergent approaches –but limited options when stuck.

- Free-ranging mind that operates within a framework
- Weak ability to deliberately pursue additional approaches
- Can get stuck without a strategy to get out
- Like having an understanding of music and knowledge of how to make it without any instruments
- Like a well-defined car that is in trouble when it breaks down as there are no tools to get it moving again

Cognitive understanding of how to think more creatively without the ability to do so.

- Many approaches that don't seem to work
- Like having a nice car but no gasoline



Each of these three important components of innovation leadership is explored in greater detail below.

Innovation Leadership Toolset

In our experience, most people interested in promoting innovation look first to tools and techniques. An effective toolset can be a critical part of driving innovation in an organization, so it should be no surprise that there are literally hundreds of books on the topic. Here are a few tools and techniques we've culled from some of those sources that we believe can be particularly helpful to an organization's innovation efforts:

Prototyping

One of the most significant factors keeping organizations from innovating is the fear that huge investments in R&D, marketing, and more are put at risk by a radical new product or service. There is a mindset that a new product or service has to be fully working before it meets the cold light of day.

Design companies like Continuum, whose bread and butter is innovation, have shown that the risks can be substantially minimized through a rapid prototyping process, beginning with the simplest mockup of the new product or service. Using these early prototypes, initial tests are conducted within the organization, serving to integrate various ideas about the new product or service and to socialize it through a kind of peer review process.

Rapid prototyping also can drive an innovation mindset. The creation of simple prototypes is a vehicle for continuous learning as it moves the organization incrementally towards the finished product or service with associated incremental investment. More refined prototypes developed later in the process become a way of engaging potential clients, getting their feedback, and testing how the new product or service will be marketed. In some cases where there is a strong relationship and a clear understanding that they are only interacting with a prototype, clients might be engaged even earlier—providing valuable feedback at a point in time when the costs of making changes are minimal.

We can't emphasize enough how simple early prototypes need to be and their value in decreasing risk while creating energy and learning. The initial prototype might involve a narrated Power-Point presentation or a mockup created from paper sketches and found objects. One company we know prototypes the designs for new educational experiences by having each designer participate in the experience as if it were already fully designed and running. In this way they can detect whether the experience is flowing as intended, pose questions that a typical client might pose, and catch details they might have otherwise missed.

Brainstorming

Perhaps the best known and most misunderstood innovation technique is brainstorming—the structured thinking process created by advertising executive Alex Osborn. While many people believe brainstorming simply involves sitting around a table to suggest and criticize ideas, the practice of brainstorming is more formalized. Structured brainstorming requires a facilitator to lead the thinking process and to keep the group accountable to a specific set of guidelines. Effective brainstorming facilitators alternate between individual reflection and group dialogue to ensure a proper balance of building, reflecting, and understanding ideas. In that way, the group can generate ideas that are much more than the sum of their parts.



Mind Mapping

Another classic innovation tool is mind mapping. Rather than capturing a linear flow of words, the individual or group captures data, challenges, ideas, solutions, action steps, etc. in both words and pictures. They indicate the relationship among the elements by using a series of branches and links.

Ethnography

This research technique is especially useful in gaining customer input that can help to drive the innovation process. Researchers go beyond merely asking questions and instead watch customers interact with the product (or service) in their own environment to see what works and what doesn't. It's a great way to surface opportunities for innovation that the customer might not be able to articulate due to lack of awareness fostered by familiarity. In the words of Lee Iacocca, "Consumers never told us they wanted a mini-van."

Forced Connections

Great ideas frequently combine two things that were previously unconnected. A deliberate technique for making this happen is called "forced

connections." It requires the thinker to take a stimulus—like a random object or picture that is unrelated to the challenge—and ask, "When I look at this object/picture, what ideas do I get for solving the challenge?" The philosopher Arthur Koestler (1964) referred to this as "biso-ciation." It is a premise that underscores many creative thinking techniques.

Praise First

Productively evaluating ideas can be just as important as generating ideas. Praise First is an affirmative judgment technique that:

- Looks for what is good about the idea and the good things that might result if the idea were implemented.

- Lists the issues or limitations of the idea in the form of a question (e.g. "How might we reduce the cost?").

- Applies creative thinking to overcome the important limitations.

The intention of this critical thinking technique is not to "be nice," but rather to give an idea a fair hearing and to develop and improve imperfect ideas.

Phrasing Problems as Questions

Educational pioneer John Dewey stated, “A problem well-defined is half-solved.” That’s because problem-solving efforts are far more effective (and efficient) when we focus on the proper problem.

One particularly effective technique for framing the challenge clearly is to phrase problems as questions. When we look at problems in the traditional way (e.g. “There’s no money in the budget”), we get stuck because our brain seeks evidence to support the assertion. However, when we phrase problems as questions starting with something like, “How to . . .” or “How might we . . .” (e.g. “How to reduce the cost?” or “How might we reallocate the budget?”), then we naturally trigger our brains to start solving the problem, rather than reinforcing it. This subtle shift in language invites solutions automatically.

Reframing the Challenge

In our experience, reframing is a vital innovation leadership skill. Many tools exist for reframing the challenge, including the “Ladder of Abstraction.” You ascend the ladder by repeatedly asking “Why?” and transforming the answer into a new statement of the challenge. You then ask “Why?” for each new statement. Each repetition leads to an increasingly abstract framing of the challenge. You descend the ladder by asking, “What’s stopping you from solving the problem?” Again you transform each answer into a new statement, with each repetition leading to a more concrete and actionable step.

Other reframing tools include a focus on “Values-Aspiration-Experience,” which can be useful when the challenge you are wrestling involves a product or client service. You ask what the client values and aspires to, and then reframe the answer as a new experience for the client. Leverage paradoxes within the challenge using “both/and” rather than “either/or” thinking.

Innovation Leadership Skillset

When creating shared direction, alignment, and commitment, everyone has a role—from individual contributor to CEO. While there is a general skillset for innovation leadership that applies across an organization (such as managing the tension between new ideas and existing “cash cows”), specific innovation leadership skills are called into play at each level, including:

For Individual Contributors: Knowing how to generate novel solutions and approaches individually, understanding how to participate on an innovation team with others unlike themselves and finding sources of inspiration for new approaches.

For First-Level Managers: Knowing about and leading group innovation processes, being an effective team leader and project manager, and finessing resources from outside their unit.

For Mid-Level Managers: Supporting and protecting the innovation team from superiors and other parts of the organization, ensuring due diligence in building a case for grass roots innovations and bridging groups that are working on similar challenges to ensure constructive cooperation.

For Managers of Functions: Managing conflicting demands for resources, initiating strategic

and structural changes to accommodate promising innovations, playing a vital role in establishing an innovation strategy that bridges “silos,” modeling behavior and driving communication that sets the tone in support of innovation. Management of the pipeline of new products, processes, and services is also a critical role for a very senior leader to ensure the right mix of innovation bets.

For Executive Leaders at the Top of the Organization: Setting an innovation strategy for the organization and fostering a culture of innovation—including modeling behaviors that promote a shift in the culture and communicating the vision over and over again so everyone knows that “new, different, and disruptive” ideas are supported at the top of the organization. Executive leaders might also want to discover ways to get unfiltered concepts that haven’t been “de-risked” by the many layers of management in the organization.



These skillsets are supported by a set of three competencies that promote the creative process and can help a leader create a climate for innovation:

Personalizing is about bringing more of who you are to the work that you do and encouraging those you lead to do likewise. It is about engagement and passion. We know from the work of Teresa Amabile (1983) that people are most creative when they are motivated primarily by the work itself and not via external rewards—i.e. they are intrinsically motivated by and have a passion for the work they do. Personalizing is ultimately about creating the energy that leads to the shared commitment that is so necessary for innovation leadership.

Imaging is about the use of metaphors, imagery, poetry and other tools to engage an innovative mindset, gain new perspectives, and reframe a challenge.

Collaborative Inquiry is at the heart of innovation leadership. It involves engaging in dialogue to create shared direction, alignment, and commitment, and to propel innovations on a successful trajectory. The notion of collaborative inquiry challenges the myth of “the one big idea” or the “one great mind” behind an innovation. We recall doing a workshop with a group of managers and pharmaceutical scientists a few years ago. When presenting the notion of collaborative inquiry, a VP chimed in to say he couldn’t recall a single drug invented by the organization that did NOT involve effective teamwork by several people, with many ideas coming together and many hands involved in transforming those ideas into a cohesive and successful innovation. Yes, innovation is truly a team sport.



Innovation Leadership Mindset

A colleague tells the story of a call from a client who was interested in innovation. The client said a consultant had taught his organization 12 innovation tools, but no one was using them. Deciding the problem was “too few tools,” the client wanted to teach the organization 50 tools! While tools are part of the solution, by themselves they’ll only take you so far. An innovation mindset is needed for the tools to take hold. Here are a few of the important components of an innovation leadership mindset:

Curiosity

Curiosity fuels the acquisition of new information. Our brain takes information in and creates novel connections by sorting, categorizing, relating, leveraging, and combining what is new with what is already present. Novel neural connections are the source of all that is new, creative, and leads to innovation.

There is a widespread belief that some people are curious and some people are not. But in fact, curiosity is one of those malleable, learnable personality traits. We can develop the ability to be curious and ask, “What if?” or “How can I use something that doesn’t seem to fit with this at all?” Curiosity helps us shift our focus from “There’s no way management will approve that . . .” to “I wonder how we might get management to approve that?”

Paying Attention

Paying attention is sometimes phrased as “slowing looking down” or “slowing down to power up.” This is an essential component for making sense of a complex world. The notion of being reflective in the moment can help you notice something about a complex challenge or an opportunity for innovation that did not first catch your attention. It’s about looking at a situation from many perspectives and paying attention to nuances—a skill that’s not easy to grasp. We have often taught this focus on a

new perspective by drawing on the domain of the arts and then transferring what leaders learn back to their world. For example, we might ask participants to interact with pieces of art, using a series of powerful questions to help them take in more than they might first see. We then encourage them to use similar questions to notice more about the challenge they are wrestling with in their organization.

Customer-centric

With a customer-centric approach, you combine “paying attention” with looking through the eyes of a client—creating opportunities to adapt existing products or services or to create new ones. The customer-centric mindset is the gift of world-class designers, and we believe it is a mindset business leaders need to develop as they seek opportunities for innovation.

Affirmative Judgment

It’s easy for leaders to (or to ‘attempt’ to) demonstrate how smart they are by telling people what they don’t like or what won’t work. Unfortunately the collateral damage left behind is significant. People try to kill new ideas preemptively before their manager does. Few ideas surface, and most of those that do are low-risk, with likely low return (remember our senior executive from the first paragraph?).

More valuable to the growth and development of the organization are leaders who take on the more difficult task of letting people know what they like. Taking time to point out the strengths and value of a new solution ensures the team knows they created something new and useful, and that they retain the most valuable attributes as the idea evolves.

Affirmative judgment also provides recognition and promotes a sense of accomplishment and progress, which according to research by Amabile et al. (2010), is the number one thing employees need to keep them motivated. Criticism is easy, but the “glass half empty” approach demotivates those who worked so hard to fill the glass in the first place. Looking for what is working and valuable recognizes the foundation on which the team can build a more robust, innovative strategy.

Tolerance for Ambiguity

The pioneering creativity researcher E. Paul Torrance (1979) described “tolerance for ambiguity” as the foundation of the creative thinking that leads to innovation. Yet ambiguity is uncomfortable and challenging. It can be a sign of indecisiveness or lack of accomplishment. The trick is to balance the need to move forward with the need to hold oneself open to additional possibilities.

The late Bob Galvin, former CEO of Motorola, once said, “If you have a hard decision, I respectfully suggest that it is because you have not done sufficient creative thinking . . . How can you make the best decision if you haven’t got the best option?” He advocated deliberately thinking creatively, which requires a tolerance for ambiguity and which eventually leads to “coming up with that extraordinary option.” “Then,” said Galvin, “it’s easy to select.”

“If you have a hard decision, I respectfully suggest that it is because you have not done sufficient creative thinking . . . How can you make the best decision if you haven’t got the best option?”

—Bob Galvin, former CEO of Motorola

Bringing Focus to Innovation Leadership

How do you know where to focus your innovation leadership development efforts so that you and your organization have the skills you need? It becomes easier to diagnose areas needing attention when you tease apart several elements of innovation, specifically process, context, output, and people (Rhodes, 1961; Vohar, 2008).

Process

There are many processes that can be used to drive innovation at the individual, group, organizational, and even societal levels. Having a deliberate process (such as design thinking, creative problem-solving, etc.) ensures people have a useful framework and common language they can align around. They avoid unproductive arguments about how to get the work done so they can focus on getting the work done.

While there are many processes directly targeted at innovation, there are also others that enable innovation by allowing people to work together more effectively. Examples include:

Boundary Spanning Leadership. This new body of work from the Center for Creative Leadership has as its ultimate goal “Discovering New Frontiers.” It provides targeted processes to help people work together across the natural barriers that occur inside and outside organizations (e.g. hierarchy, functional silos, geography, demographic differences, and stakeholder differences) (Ernst & Chrobot-Mason, 2011).

Polarity Management. Processes help people determine how to manage issues that don’t have fixed solutions—like whether it’s better to be centralized or decentralized, whether to focus on continuous improvement or innovation. The question is not “which is the best,” but rather what’s the process the organization can use to make the work more effective and efficient for the given situation, and how to know when the pendulum has swung too far in one direction (Johnson, 1996).

Context: Culture, Climate, and Environment

Innovation Leadership might be thought of as having two separate but inextricably linked objectives: first, for leaders to support and demonstrate the toolset, mindset, and skillset for innovation; second, to create a climate that nurtures and promotes the innovative competencies of others. Teresa Amabile, chair of Creativity at Harvard Business School, collaborated with the Center for Creative Leadership to develop the KEYS® to Creativity and Innovation, an instrument for measuring the climate of creativity in a team or organization. Her research demonstrated that people are at their most creative when they are motivated primarily by the work itself. The research demonstrated that there are three categories and eight factors that facilitate a climate for creativity (Amabile, 2010).

What KEYS[®] to Creativity and Innovation Measures

Management Practices

Freedom: People have a sense of control over their own work—including the ability to decide what work to do or how to do it.

Challenging Work: People have a sense of having to work hard on challenging tasks and important projects.

Supervisory Encouragement: People see their bosses as good role models who set goals appropriately, support the work group, value individual contributions, and show confidence in the team.

Work Group Supports: People feel they have a diversely skilled work group in which people communicate well, are open to new ideas, constructively challenge each other, trust and help each other, and feel committed to the work they are doing.

Organizational Motivation

Organizational Encouragement: The organizational culture encourages creativity through: the fair, constructive judgment of ideas; reward and recognition for creative work; mechanisms for developing new ideas; an active flow of ideas; and a shared vision.

Lack of Organizational Impediments: The organizational culture does not impede creativity through internal political problems, harsh criticism of new ideas, destructive internal competition, an avoidance of risk, or an overemphasis on the status quo.

Resources

Sufficient Resources: People feel they have access to appropriate resources, including funds, materials, facilities, and information.

Realistic Workload: There is an absence of extreme time pressures, unrealistic expectations for productivity, and distractions from creative work.

Output

Innovation is more than new products and new services. A well-rounded innovation effort is also focused on things like business models, networks and alliances, processes, product systems, sales channels, brand development, and the customer experience (Doblin Group, ND). Shifting focus to this broader perspective on innovation helps everyone in the organization see how they can contribute. It demonstrates a leading role for finance, sales, operations, logistics, and more. Each becomes the driver of innovation in the enterprise rather than waiting for the “Next Big Thing” to be handed down from on high.

People

At the end of the day, innovation boils down to people. Someday artificial intelligence may do our innovation work for us, but until then, we need people with an innovative mindset working together to understand and clarify the challenge, generate and refine ideas, develop solutions and plans, and implement the innovation to realize a quantifiable gain. As important as things like compensation structures, idea-management systems, and online collaboration tools are, people are the key driver. Only by developing the innovation capacity of the people in the organization can the real promise of innovation be realized.



Tips for Developing a More Innovative Organization

Here are some specific actions you can take to help your organization develop the mindset, skillset, and toolset for innovation leadership.

Create a mandate for change, backed by a strategy that embraces innovation. If you are not senior enough to create the mandate, gather peers around you who share your passion for innovation and collectively approach those who can create the mandate, or scale it back to a level where you have authority to make it happen. Use the IBM 2010 CEO Study, IBM 2011 Creative Leadership Studies, 2012 Capgemini Innovation Leadership Study, and other evidence to get their attention.

Model what it will take individually and collectively for the organization to become more innovative. It is particularly important for senior leaders to walk the talk. Our colleagues McGuire and Rhodes (2009) describe this as “head room,” demonstrating courage, thoughtfulness, and vulnerability and modeling new behaviors that facilitate a shift in culture. Make managing the tension between business thinking and innovative thinking a priority.

Communicate challenging strategic issues throughout the organization. Use them as vehicles for promoting collaboration and seeking creative ideas. The IRS, for example, creates a rolling strategy, rather

than reinventing the wheel on a yearly basis. The issues become focal points for employee creativity—rather than random contributions to a suggestion box.

Create highly diverse teams to address strategic issues. Help them overcome limiting differences so diversity becomes a source of novel ideas.

Give people access to creative methods and experiences. Even those with creative potential get stuck. Readily available tools, methods, and experiences help them reframe and think differently about challenges and opportunities.

Design and build systems to nurture innovation. Look for low-cost ways to test and prototype new solutions.

Champion ideas that don't quite fit and network with your peers to find a home for them. Actively break down barriers to innovation, including internal politics and destructive criticism, as well as hurdles, gates, and other unnecessary systems.

A Call-to-Action for the Innovation Leader

A deliberate focus on innovation on the part of leaders is critical for organizational growth and development. It helps to drive the quantifiable gain and qualitative value that are vital to keeping an organization's stakeholders happy. To truly lead innovation, pay special attention to the items in this one last checklist:

Catalytic mechanisms (Collins, 1999). Look for ways to create simple and effective ways to reinforce the message that innovation is important. Speak in compelling and simple ways that motivate people.

Culture that supports innovation. Culture can kill strategy, so pay constant attention to ways you can build and maintain a culture of innovation. It is vital if you want to ensure your strategy has a chance of survival.

People with the right mindset. Having the right tools and developing the right skills without the right mindset is like having a high-performance automobile without gasoline. Leaders must be role models and encourage people to develop their ability to defer judgment, tolerate ambiguity, and be genuinely curious. Otherwise, everything else on the innovation agenda will sputter to a stop on the side of the road.

Enabling processes and systems. To break down the organizational barriers to innovation, ensure that people have appropriate governance, funding, resources, support, and access to decision-makers.

Room to run with ideas. Innovation rarely works according to plan. It flourishes only in a culture where it's possible for people to try, make mistakes, and learn from what happens.

A culture of telling "what," rather than "how." Finally, remember that the leader's job is not to tell people how to do things, nor is it to have all the great ideas. Nothing kills innovation more than the "know-it-all leader." Ensure that you model appropriate humility, offer up your best challenge, and then get out of the way to let people amaze you with novel, useful, and potentially valuable solutions.



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About the Authors

David Magellan Horth is a Smith Richardson Senior Fellow, senior designer, and subject matter expert on creativity and innovation at the Center for Creative Leadership. He is coauthor of *The Leader's Edge: Six Creative Competencies for Navigating Complex Challenges* (2002) and co-author of the Leadership Explorer™ series of tools, including Visual Explorer™ and Leadership Metaphor Explorer™. He is former Chairman of The Creative Education Foundation.

Jonathan Vehar is a Senior Faculty Member and subject matter expert on creative thinking, creativity, and innovation at the Center for Creative Leadership. He is the coauthor of many articles and training sources on creativity and innovation, as well as the book, *More Lightning, Less Thunder: How to Energize Innovation Teams*. He is a cofounder and former president of New & Improved, LLC, and the former director of training and consulting at the Creative Education Foundation. He holds a master's degree in Creativity and Innovation from the State University of New York.



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CCL - Americas

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+1 800 780 1031 (U.S. or Canada)

+1 336 545 2810 (Worldwide)

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Greensboro, North Carolina

+1 336 545 2810

Colorado Springs, Colorado

+1 719 633 3891

San Diego, California

+1 858 638 8000

CCL - Europe, Middle East, Africa

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Brussels, Belgium

+32 (0) 2 679 09 10

ccl.emea@ccl.org

Addis Ababa, Ethiopia

+251 118 957086

LBB.Africa@ccl.org

Johannesburg, South Africa

+27 (11) 783 4963

southafrica.office@ccl.org

Moscow, Russia

+7 495 662 31 39

ccl.cis@ccl.org

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