

5 HIDDEN BARRIERS TO INNOVATION

Costly misconceptions that keep your teams from
creating and executing more profitable business ideas



Ron D'Andrea and Harry Kendlbacher
Global Performance Group



GLOBAL
PERFORMANCE



5 HIDDEN BARRIERS TO INNOVATION

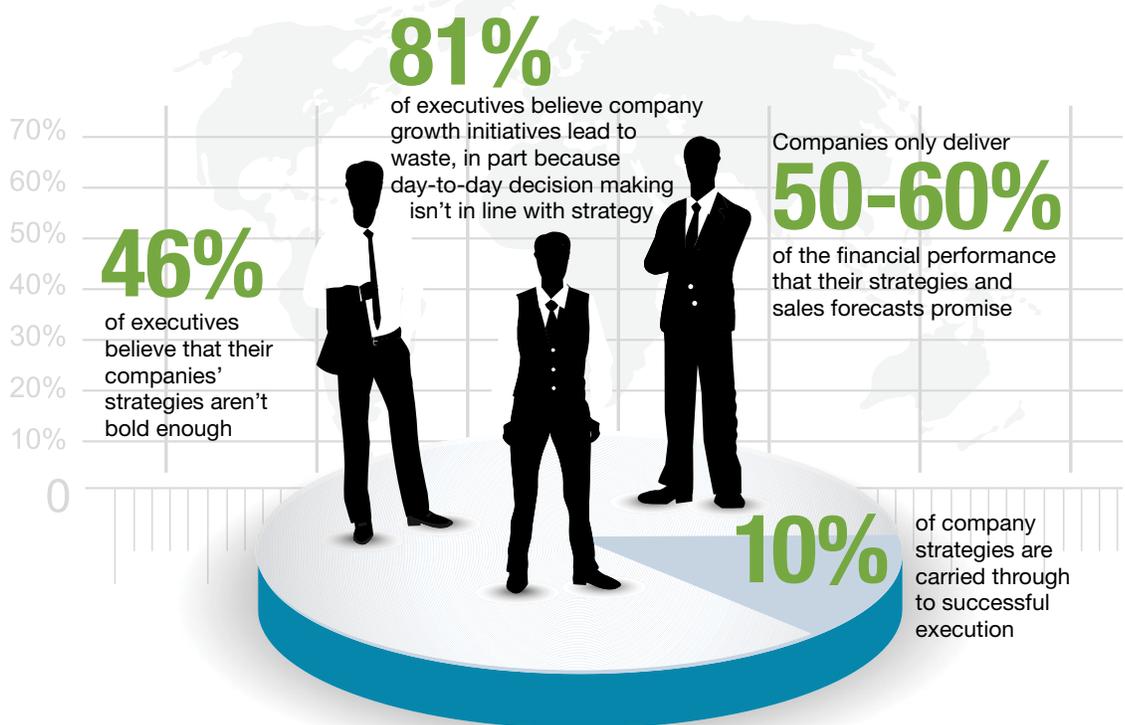
Costly misconceptions that keep your teams from creating and executing more profitable business ideas

Global Performance Group

Ron D'Andrea and Harry Kendlbacher

Every corporate executive knows that innovation is a key growth driver for his or her organization. Yet few believe their companies are generating the level of innovation in their products, processes, and strategies needed to succeed.

Consider this:



For every executive who is proud of their organization's innovation track record, there are many more who can share story after story of failed product launches, underperforming R&D investments, and poorly executed strategic initiatives.

In spite of this, huge investments continue to be made in R&D, new product development, and leadership and employee engagement programs. Yet they don't appear to be having the desired impact.

Innovation has nothing to do with how many R&D dollars you have. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it.

– Steve Jobs, founder of Apple Computer (in Fortune magazine)

Is it possible that the investments are right...but that the leadership mind sets about innovation itself are keeping those investments from paying off in the marketplace?





FIVE COSTLY MISCONCEPTIONS ABOUT INNOVATION

“Watch your thoughts; they become words. Watch your words; they become actions. Watch your actions; they become habit. Watch your habits; they become character. Watch your character; it becomes your destiny.”

– Lao Tzu

When it comes to innovation, leadership belief systems matter. The way leaders *think* about innovation leads to the actions they take to encourage it. And those actions might not lead to optimal *results*.

Following are five misconceptions that might be getting in the way of turning your innovation investments into profitable business solutions.

1 IT'S ABOUT GETTING OUR PEOPLE TO BE MORE CREATIVE

Many leaders believe innovation is like a trip to “Creativity Island.” That if they could simply generate more and better ideas their companies would innovate more effectively.

The Truth: It’s not just about generating more creative ideas. It’s about getting your people to work together constructively to identify, refine, and execute the best ones.

Here’s the Problem: If your people can’t challenge and refine ideas, those ideas will end up as failures of execution.

When it Comes to Innovation, are Your People “Sugar Coating” the Bad News?

To innovate successfully, creative ideas need to be vetted, challenged, and acid-tested. Sometimes this requires people at all levels in an organization to have the courage and skills to deliver bad news.

The research suggests that we’re not as good at this as we need to be. For example, research from the University of California suggests that even though most people prefer to deliver “bad news sandwiches” (bad news preceded and followed by good news to soften its impact), delivering bad news without buffering good news is more effective in motivating behavior change. According to researchers:

“Our findings suggest that the primary beneficiary of the bad news sandwich is news-givers, not news-recipients.... Although recipients may be pleased to end on a high note, they are unlikely to enjoy anxiously waiting for the other shoe to drop during the initial good news.”

The Question to Ask Yourself: Do our people have the courage to deliver tough messages in a constructive way?





2 WE NEED BETTER INTERNAL MARKETING OF OUR EMPLOYEE ENGAGEMENT PROGRAM

Most corporate leaders instinctively know that their people are disengaged. Their response is often to initiate internal training and communication programs to foster more engagement. The goal? Motivate increased innovation across the enterprise by sharing the *what, when, and why* of engagement: “Here’s what we want you to do, when we want you to do it, and why you should do it.”

The Truth: Unfortunately, most of these programs haven’t achieved as much as they should. Levels of employee disengagement remain at unacceptable levels.

According to a recent Gallup state-of-the-workplace report, only 30% of employees are engaged and inspired at work. 50% are not engaged...and the remaining 20% of employees are “actively disengaged.” The cost to the US economy: between \$450 - 550 billion.

When it comes to fostering innovation, telling your people what to do, when to do it, and why they should do it isn’t enough. You must show your people HOW to do it. Most innovation and employee engagement programs miss this key component: providing the behavioral tools and skills to get people to engage constructively to generate, refine, and execute great business ideas.

3 IT'S ALL ABOUT OUR INNOVATION LEADERS

Many executives see innovation as a leadership issue, the responsibility of a cadre of top contributors who create, design, and then “lead the charge” on execution. This “A team” is expected to “step up” and be accountable for driving more innovation on their teams.

The Truth: For innovation to flourish, constructive contribution is needed at all levels in the organization. All employees need to “lead from their seats,” feeling that they can challenge (rather than simply follow leadership’s orders). The implication? That leaders need to “walk the talk.” They must encourage their teams not just to follow their direction, but also to tell truth to power constructively, and demonstrate courage in what they say and how they say it.

Where Does Innovation Come From?

In his book *Where Ideas Come From*, author Steven Johnson shares the results of research on scientific innovation conducted by McGill University’s Kevin Dunbar, which showed that individual scientists don’t drive innovation – groups of researchers challenging each others’ ideas do.

“...almost all of the important breakthrough ideas did not happen alone in the lab, in front of the microscope. They happened at the conference table at the weekly lab meeting, when everybody got together and shared their kind of latest data and findings, often times when people shared the mistakes they were having, the error, the noise in the signal they were discovering. And something about that environment – and I’ve started calling it the “liquid network,” where you have lots of different ideas that are together, different backgrounds, different interests, jostling with each other, bouncing off each other – that environment is, in fact, the environment that leads to innovation.”

– Kevin Dunbar

believe

Risk

discipline

ambition

confidence

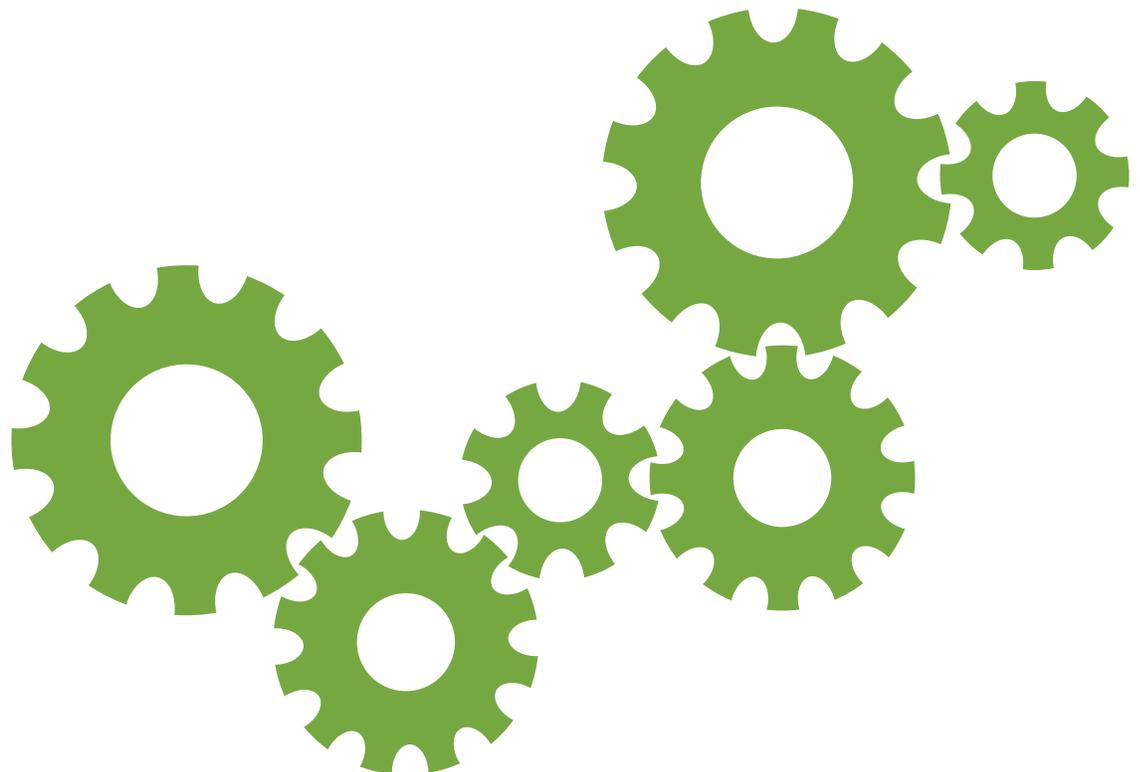
4 WE NEED A BETTER PROCESS...

Most corporate leaders are smart, logical, process-oriented people. When confronted with a problem like lagging innovation, their first reaction is often, “We need to put a process in place to make it happen, and hold our managers accountable for implementing it.”

The Truth: Any process for boosting innovation will fail if the employees you expect to follow that process lack the skills to constructively challenge the ideas that emerge from that process. Instead of simply asking, “How can we put a process in place to get our ideas executed more quickly?” leaders must also ask themselves:

- “Are my people willing and able to talk about the downsides of new ideas as well as their benefits?”
- “Do they have the skills – and courage – to say ‘no’ when they know a new idea is weak?”
- “Are my managers leading their teams to encourage constructive challenge to new ideas...or to simply gain silent compliance?”

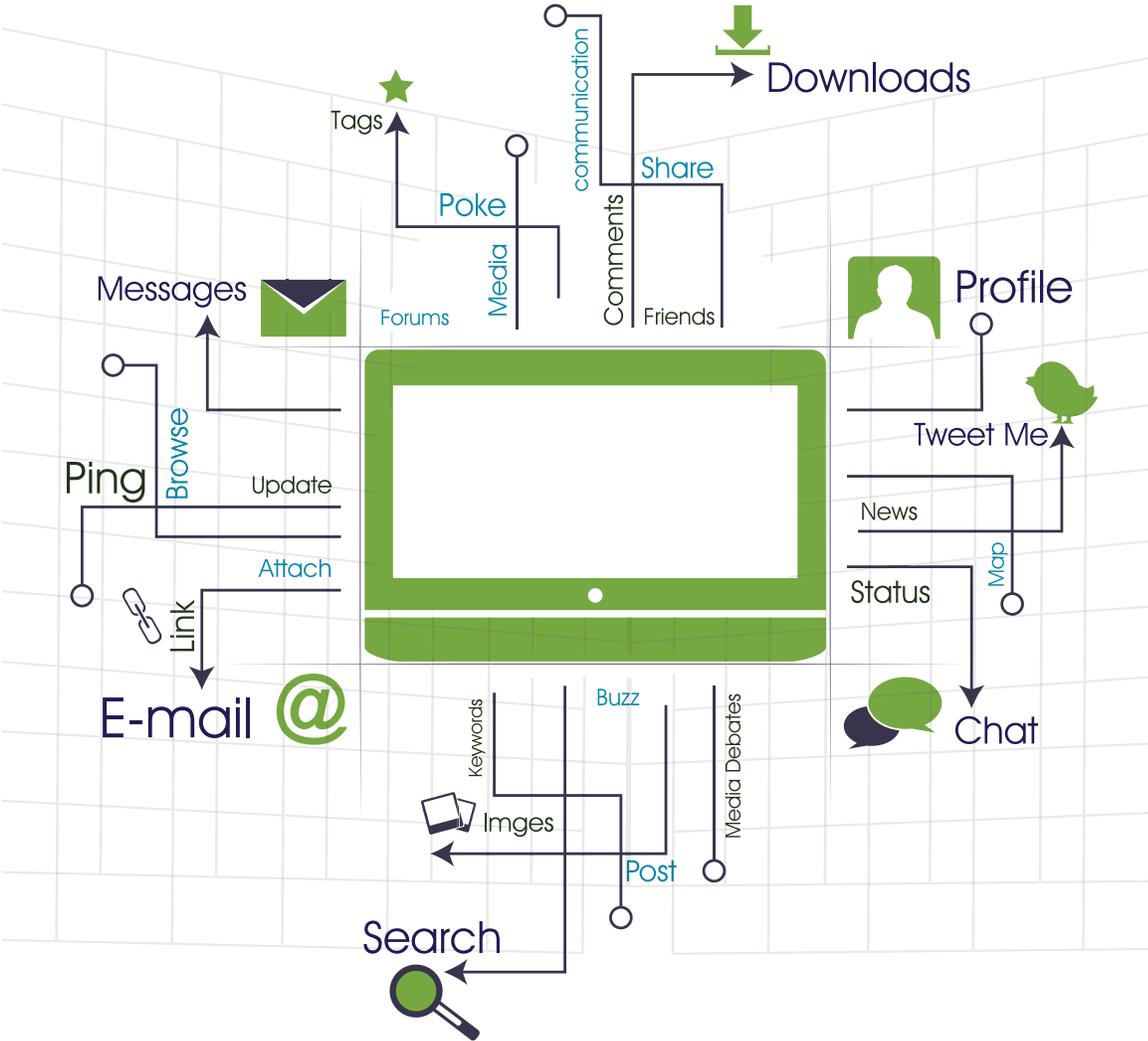
Unfortunately, as the percentage of “millennials” and other post-baby-boom employees in the workforce has grown, willingness to courageously take challenging stands has declined. This is the true leadership challenge.

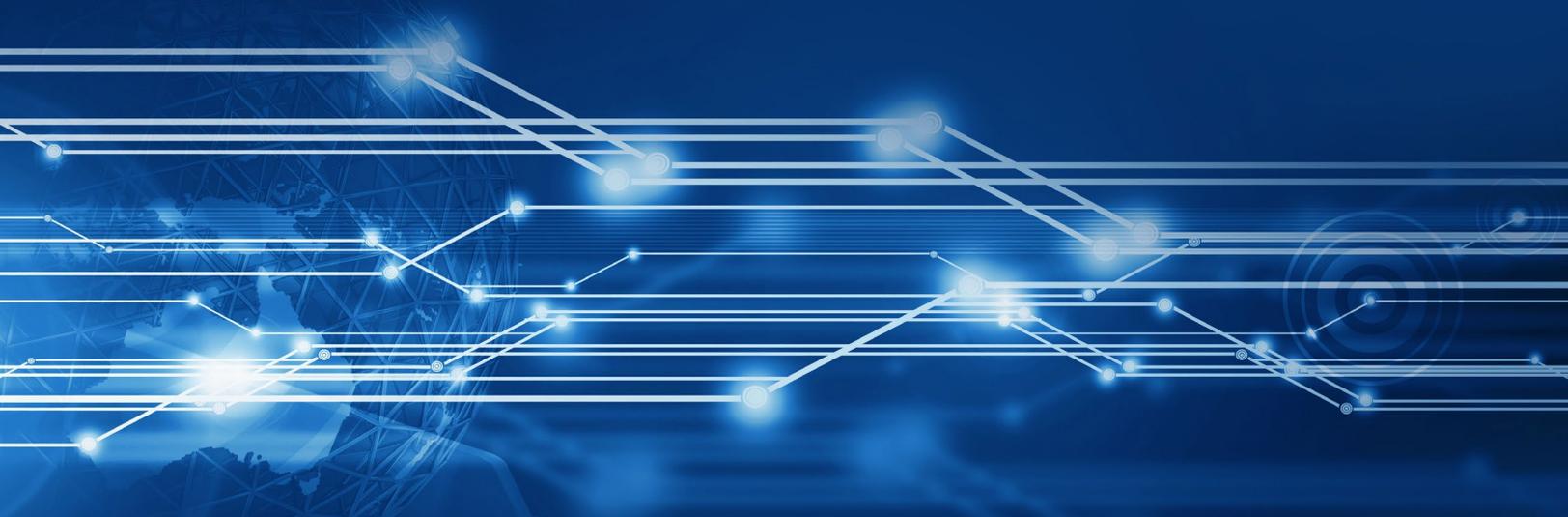


Do Your Employees Use Facebook? You May Have a Problem...

According to a Pew Research study “Social Media and the Spiral of Silence,” the average employee who uses Facebook is significantly more unlikely to share their opinions on difficult subjects than the average employee. 35% of typical employees say they are “very unwilling” or “somewhat unwilling” to share dissonant opinions in conversations about tough issues...but 58% of Facebook users are similarly unwilling to challenge their peers.

The Bottom Line: If your employee base is part of the “social media generation,” they are less likely than average to actively engage at work on tough issues, the very issues most important to successful execution of innovative new ideas.





5 IT'S ALL ABOUT GETTING OUR PEOPLE FOCUSED ON EXECUTING NEW IDEAS FASTER THAN OUR COMPETITION

In a business world driven by quarterly financial performance and demanding shareholders, it's not surprising that business leaders want innovation – and they want it quickly. Understandably, executives not only want their organizations to generate innovative ideas; they also want to be the first to market with them.

“If you don't have time to do it right, when will you have time to do it over?”

– John Wooden, hall-of-fame UCLA basketball coach

The Truth: In business, getting to market with new ideas quickly is critically important. But if those ideas are weak or if implementation is poorly executed, moving quickly is simply wasted energy and money.

The goal of any innovation effort must be to make optimal decisions rather than fast and easy ones. This requires leaders and their teams to:

- Welcome input from team members and colleagues who might challenge their thinking.
- Be aware of their natural (possibly counterproductive) reactions to ideas that come from people who have different perspectives and personal styles than they do.
- Focus less on telling and selling, and more on asking and constructive challenge, to ensure that the team's innovative thinking has been fully explored.

In the end, it's about doing things right the first time, and avoiding rework and costly innovation launch mistakes.

INNOVATION IMPERATIVE: GET YOUR PEOPLE INTO “THE ARENA”

Innovative thinking is key to business growth. But all too often the “loudest voices” are the ones heard inside organizations, while those with innovative thinking or important input on key decisions are either not speaking up, or are silenced by the power of the way things are discussed and decided.

“You can kill or nurture creativity by the way you treat uncomfortable ideas and the people who thought of them.”

– Ram Charan, author of *Leadership Know-How*

The Bottom Line: In order to ensure that innovative new ideas turn into profitable products, processes, and strategies, your employees need the skills and courage to “stay in the arena,” and constructively challenge their colleagues. To accomplish this, your leaders must encourage courageous, honest conversations about new ideas that lead to:

- Collaboration, not just compliance;
- Optimal decisions instead of fast, easy ones;
- Solid resolutions instead of issue avoidance; and
- Innovation instead of the status quo.

At the same time, employees at all levels must not only be told what do and why – but also need the behavioral skills and tools to know how to constructively engage: how to challenge themselves, others, and the status quo.





US: 203.202.7523

EMEA: +43 676 724 9560

Info@GlobalPerformanceGroup.com

www.GlobalPerformanceGroup.com

© 2018 Global Performance Group. All rights reserved.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.