RESEARCH

LEADING FOR INNOVATION

Executive Summary

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Roffey Park is an internationally renowned leadership institute based in the UK and Singapore.

We develop people who develop organisations.

With 65 years’ experience of leadership, organisational development, human resources and coaching, we provide executive education and research to many of the world’s leading companies and organisations.

We offer tailored development programmes, qualifications accredited by the University of Sussex, management consultancy, coaching and training courses. Our research services provide a unique combination of research, consultancy and development expertise for organisations who are investigating ways of improving their effectiveness and intelligence.

Research at Roffey Park

Roffey Park funds its own research programme with the aim of meeting one of its charitable objectives: namely to conduct and publish research in support of the health and welfare of people at work. Our research improves the world of work and organisational performance by sharing knowledge of good practice in people management, leadership and organisational development.

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Innovations can change the shape of an industry seemingly overnight and can influence the life and death of an organisation. In a globalised, increasingly competitive world, organisations are realizing the value of innovation both as a means of staying ahead of their rivals but also as a means of doing more with less, a consistent theme in findings from Roffey Park’s Management Agenda survey in recent years. Innovation has also become a hot topic in sectors not traditionally associated with innovation. With public finances stretched and a drive for efficiency savings in national and local Government, there has been a pressing need to develop innovative ways of delivering public services more cost-effectively. Organisations are also realizing that innovation can no longer be the preserve of a specialist unit or department.

There will always be a need for cutting edge research and development in high-tech industries, but organisations are seeing the need to develop innovative capability more widely, collecting and utilizing ideas wherever they may come from.

There are many myths that surround the topic of innovation. This research report looks at the evidence on innovation and in so doing debunks these myths. The research also looks at what practising managers and HR folk see as common barriers to innovation and what organisations are doing to overcome those barriers.

We offer a model of leadership capabilities required for successful innovation encompassing (Figure 1).

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SETTING A COMPELLING VISION
Leaders must set a clear and compelling vision to motivate and facilitate idea generation. Setting goals which are too narrow or prescribed can limit the number of ideas generated and restrict innovation. Setting a compelling vision and purpose also stimulates creativity by motivating employees to solve problems and develop new ways of doing things for the enjoyment and satisfaction of it, rather than any extrinsic reward. Evidence has suggested extrinsic rewards such as financial incentives can actually inhibit innovation, whilst drawing on individuals’ motivation to engage with interesting and challenging work for its own sake can facilitate innovation. Providing a clear vision also helps ensure a long-term rather than short-term focus and facilitate innovation by retaining some constancy of direction.

EMPOWERING AND TRUSTING OTHERS
Whilst setting a vision and purpose, leaders should provide sufficient autonomy to allow employees to decide how to achieve the mission. Instead of setting tight criteria for a task, leaders should give their teams the freedom and opportunity to think about different ways of doing things.

“Creativity thrives when managers let people decide how to climb a mountain; they needn’t, however, let employees choose which one” (Amabile, 1998).

Some degree of monitoring progress is required but this is best restricted to what is necessary to keep the project on track, and to enable the leader of a given project to be sufficiently involved to know when and where action may need to be taken. At least two practical problems may emerge with respect to granting employees autonomy. First, the vision may not be clear enough with a resultant confusion amongst employees about direction. Second, whilst in intention there may be a desire to grant autonomy, in practice there is no such freedom and the way work is done is closely prescribed.

ENCOURAGING DIFFERENCE AND COLLABORATION
Basadur (2004, p. 103) argues that an effective leader should be able to “help individuals to coordinate and integrate their differing styles through a process of applied creativity that includes continuously discovering and defining new problems, solving those problems and implementing the new solutions”.

Leaders must shape a work context in which there is a free flow of information, where differences of view and outlook are encouraged, and there is supportive challenge of ideas. They must also look to ensure that there is not just an exchange of information and ideas within their team or group, but also the wider organisation and its environment. In other words, it is important that information is sought both inside and outside the organisation.

VALUING AND DEMONSTRATING SUPPORT FOR INNOVATION
For employees to suggest ways of improving processes or products, or generating ideas for new ones, they must receive clear and unambiguous signals around the desirability of innovation. They must have a clear sense that ideas are welcomed and positive, constructive feedback provided. The climate must be one of ‘participative safety’. Individuals need to be encouraged to suggest ideas through recognition of their innovative efforts. Recognition can come in the form of awards and status, or the allocation of time to work on their own projects. Financial incentives, as mentioned above, can actually inhibit innovation. The behaviour and actions of the leader as a role model are also important in signaling that innovative efforts are valued.

SENSE-MAKING AND MANAGING AMBIGUITY
As most innovation happens where there are novel, unstructured problems to resolve, an important role of the leader is to make sense of and structure the task. Structuring the task here does not mean specifying exactly how something should be done, but more the overarching goal and broad parameters of the work.

INFLUENCING AND MICRO-POLITICAL SKILLS
As innovation is not just about generating ideas but also implementing them, leaders must have the capability to both win support and buy-in for a project (essentially a change), both to secure relevant resources and to make change happen. Leaders will need an awareness of organisational strategy to help secure buy-in from senior management, but also the ability to understand the perspectives and views of different groups and ‘sell’ the change to them. They will need to develop strategies for gaining buy-in.

RELEVANT TECHNICAL EXPERTISE
Novel, complex, unstructured problems that require creative solutions often require relevant technical expertise. The research evidence suggests that when engaged in creative work, the leader of a group should be seen as having relevant technical expertise by those in the group. This is so that the leader is seen as credible by the group, but it is also seen as enabling the leader to perform key functions including the ability to structure the task, provide feedback on ideas and the progress of the work, and to be able to represent the group and its work to the wider organisation and outside.
We also recognise the reality for many leaders of having to manage multiple tensions in their day-to-day lives in attempting to encourage greater innovation. For example, the tension between a need to make space for innovation with the challenge of delivering greater efficiencies and immediate results. A question, then, for many leaders to consider is ‘have I got the balance right’? We offer a polarities map to help leaders reflect on this (Figure 2).

Figure 2: Key polarities in leading for innovation

- Focus on short-term goals Thinking about the long-term
- Managing risk and compliance Doing things differently
- Doing more with less/efficiency Making space and time to innovate
- Protecting the turf/silo mentality Encouraging difference and collaboration
- Meeting team goals Thinking about the wider organisation
- Pressure to deliver results Tolerance of failure (failure as an opportunity to learn)
- Maintaining control Empowering and trusting others
Finally, we recognise that whilst leadership influences culture, culture also influences leadership. How an organisation functions, its systems, processes and what it chooses to reward can all affect the culture of innovation in an organisation, or indeed lack of it. Mindful of this, we have provided a list of diagnostic questions (Table 1) that HR and OD practitioners, as well as managers, may use to reflect on the innovation culture within their organisation and the levers available to them to change it.

Table 1: Innovation diagnostic

<table>
<thead>
<tr>
<th>Factor level</th>
<th>Factor</th>
<th>Diagnostic questions</th>
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<tbody>
<tr>
<td>Organisational</td>
<td>Innovation a core, lived value</td>
<td>Is innovation a core value in your organisation? How widely shared and owned is it? What status is accorded to innovation activity and efforts in your organisation? Is it a low status or high status activity?</td>
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<td></td>
<td>Resources</td>
<td>Are resources (time, money) made available for innovation? Do the resources supplied match the type of innovation sought (radical vs incremental)?</td>
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<td>Strategic focus on innovation</td>
<td>Does your organisation have a strategy for innovation? Are there long-term as well as short-term goals?</td>
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<td>HR policies and practices</td>
<td>Do recruitment, development, recognition and reward policy and practice incorporate a focus on innovation capabilities and behaviours?</td>
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<td>Culture/Climate</td>
<td>What appetite is there for taking risks? How tolerant is the organisation of failures when trying to do new things? Are failures seen as learning opportunities?</td>
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<td>Structure</td>
<td>Are there sufficient opportunities for working across boundaries/sharing knowledge?</td>
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<td></td>
<td>Management style</td>
<td>What is the predominant management style in the organisation? Is it collaborative or does a silo mentality predominate? How diverse is the leadership population and do leaders encourage dissenting voices to be heard?</td>
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<td>Group/team</td>
<td>Involvement</td>
<td>Is participation in decision-making promoted?</td>
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<td></td>
<td>Psychological safety</td>
<td>Do team members feel safe to suggest ideas/challenge existing ways of working?</td>
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<td></td>
<td>Supported freedom</td>
<td>Are team members given discretion in how they spend their time when attempting to innovate, in a supportive environment?</td>
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<td></td>
<td>Clear goals and rewards for innovation</td>
<td>Is the purpose and boundaries of innovation efforts clear? Is it clear that innovative ideas are valued and recognised?</td>
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<tr>
<td>Leaders</td>
<td>Facilitating information exchange</td>
<td>How open are leaders in the organisation to new ideas and experiences? How comfortable are they at managing difference?</td>
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<td></td>
<td>Demonstrate support for innovation</td>
<td>How willing are leaders to take risks?</td>
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<td></td>
<td>Planning and sense-making</td>
<td>How comfortable are your leaders in managing ambiguity and uncertainty?</td>
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<td>Stakeholder management</td>
<td>How effective are leaders in your organisation at influencing? How capable are they of navigating politics in your organisation? How good are they at establishing and maintaining networks?</td>
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<td>Granting autonomy</td>
<td>How willing are your managers to cede control, manage anxiety and trust their teams?</td>
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<td></td>
<td>Vision/purpose</td>
<td>How able are your leaders to define a purpose and vision that is clear and motivates their staff?</td>
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