Ai information INL371 assistant

# Lesson 1

**1.2 Defining Innovation leadership & the CREATE Model**

Completion requirements

**Defining Innovation**

An innovation is a new idea or an idea perceived as new that creates progressive change. Innovation leadership involves synthesizing different leadership styles in organizations to influence employees to produce creative ideas, products, services and solutions. It is a practice and an approach to change management. Groups, teams, organizations, and governments can implement innovation leadership to support the development of innovations. There are many leadership, management, change, communication, and educational theories commonly used in innovation leadership and many will be explored throughout this book.

**Leadership with Innovation**

Leaders inspire their followers to achieve a shared goal. The key role in the practice of innovation leadership is that of the innovation leader. Within an organization, people develop creative ideas that can become innovations. Creativity is a common human inspiration and innovation leaders can inspire their followers by encouraging creativity. An innovation leader collaboratively develops a new idea with creative employees and key stakeholders and makes it real.

The CREATE Model is a model of innovation leadership that includes a set of steps that innovation leaders can use to develop and diffuse an innovation and create progressive change. It is synthesized from a triangulated set of theories including the action research model, path-goal theory, and leader member exchange theory. There are six steps in The CREATE Model of innovation leadership:

The CREATE Model can be used by an innovation leader with a group, team, or organization whose goal is to innovate.

**1. Capture Data:**

Capture applicable organizational data sources and/or conduct data gathering activities. Data is at the heart of an innovation since the new ideas are inspired greatly by a vision for the future using a clear assessment of the past and present. Analyzing both quantitative data and qualitative data sheds light on the scale of innovation and also the potential for consumers of the innovation. The variety and type of analyses is commonly dependent on the nature of the innovation. However, some common methods of data analysis such as surveys, focus groups, observations, interviews, needs analysis, emergent group behavior analysis, quality assessments, performance measurements, and customer service data can help support a strong foundation of data for the development of an innovation

**2. Review Best Practices:**

Review applicable best practices that exist within the organization or in the external organizational, market, or customer environment. Best practices in organizations are valued much like experience is valued in employees. The step of reviewing best practices helps innovation leaders to avoid developing innovations that fundamentally may take an organization in the wrong direction. Likewise, the best practices help to build a foundation for new ideas. Knowing what works can help to drive variations on or a synthesis of good ideas.

**3. Evaluate the Choices:**

Evaluate the choices using the information gathered as well as any inspired ideas when capturing data and reviewing best practices. Knowing what *is* helps to drive knowing what *can be*. Knowing the choices can help innovation leaders to determine how the innovation might work, what the innovation might do, and how ideas can be combined to develop an innovation. This stage can include a wide variety of interactions including: planning/strategy meetings, brainstorming sessions, collaboration using technologies, and discussions. Key stakeholders, creative employees, and innovation leaders build innovations as they thoroughly evaluate the choices and develop a goal for the innovation.

**4. Apply the Innovation:**

Apply the innovation in a test environment. In this step, the innovation is engineered or created and rigorously tested to ensure that it meets its intended goal. This may include developing multiple prototypes for the innovation to discover which may be most feasible, efficient, or productive. During this period, the innovation may be refined or tweaked depending upon the changing nature of the organization, regulatory approval, or its business environment. Again, it is critical that the innovation leader involve key stakeholders and creative employees in a collaborative discussion regarding the innovation to gain approval for the larger scale implementation of an innovation.

**5. Train the Team:**

Once the innovation has passed the test environment and is approved, it is now ready for broader implementation. The production team (anyone needed to produce, diffuse, and implement the innovation on its full scale) should be trained on the innovation and how it is to be produced, used, and managed. Educating people using effective training methods on the innovation is critical to building a positive reception. Since innovations are new ideas, they may not initially be easily understood. To help people understand the nature of an innovation, it is important to relate it to concepts that exist and then explain how the innovation differs in nature.

**6. Establish the Trend:**

Establish the trend to support the diffusion of the innovation. Launch, communicate, and market the innovation to users. Effectively marketing an innovation provides users with the knowledge they need to choose to adopt the innovation. Getting innovators, early adopters, opinion leaders, and change agents initially on board with the innovation plays a critical part in the diffusion process. Since diffusion is a social process, preparing a strong communication plan between the organization and the community of users including support for feedback, user support, building continued excitement and continuous quality improvement for the innovation can greatly enhance the reception of the innovation.

**Research foundations**

The CREATE Model of innovation leadership, when used by an innovation leader and applied in a group, team, or organization can support the development of innovations.

There are two types of innovations.

**a**. Exploratory innovation involves generating brand new ideas

**b.**Value-added innovation involves modifying and improving ideas that already exist

**Perspectives exploring innovation leadership**

There are three perspectives that are useful when exploring innovation leadership:

**(a) the interactive process**

The interactive process perspective describes a means to communicate an innovation among others within a social system. Although this can be done using a wide variety of media ranging from a global marketing campaign to word of mouth conversations, many technologies such as email, video, and social and professional networking platforms or a combination of these methods are commonly used to diffuse innovations.

**(b) the individual**

The individualist perspective focuses on the characteristics of innovation leaders. One practical way to explore the characteristics of innovation leaders is to understand an innovation leader’s competencies. A competency is a common measure used in organizations to ensure that an employee has both the knowledge and knowhow to do their job. A competency model is used as part of a job description to:

i. select,   
ii. train, and,   
iii. evaluate the performance of an innovation leader.

Many organizations have developed the role of an innovation leader as a unique job or have incorporated portions of the role of an innovation leader in various jobs. Thus, applying the competency model of innovation leaders in these key strategic roles in an organization is a critical part of using innovation leadership in organizations.

**(c) the structural phenomenon**

The structural phenomenon perspective focuses on how an organization’s structure can be adapted to be suitable to develop innovations. Some examples include process reengineering, policy development, strategic partnerships, mergers/acquisitions, and building a culture of innovation. A cross functional innovation network team can be developed to support creating new products, processes, programs, or to do pure research and development. In many organizations, common innovation leadership networks include teams or groups in business development, sales, marketing, human resources, research, product development, information technology, design, communications, and finance. Likewise, cross-functional or product development teams are common innovation leadership networks. These teams or groups are commonly tasked with discovery, creativity, and producing innovations.

**Innovative Leader**

Innovation leadership using the CREATE Model provides a method by which innovation can be coordinated and led within and between groups and organizations to focus their efforts and increase their ability to innovate. An innovation leader, using the CREATE Model applies their competence to develop a culture of innovation within an organization. What is highly advantageous about the model of innovation leadership is that it is applicable to many organizations, not merely for-profit corporations. Non-profit, community, athletic, religious, artistic, musical, or political organizations can derive much benefit from incorporating the model of innovation leadership. Likewise, it is broadly applicable to many industries and institutions.

Leaders inspire their followers to achieve a shared goal. The key role in the practice of innovation leadership is that of the innovation leader. Within an organization, people develop creative ideas that can become innovations. Creativity is a common human inspiration and innovation leaders can inspire their followers by encouraging creativity. An innovation leader collaboratively develops a new idea with creative employees and key stakeholders and makes it real. The CREATE Model is a model of innovation leadership that includes a set of steps that innovation leaders can use to develop and diffuse an innovation and create progressive change.

# Lesson 2

**The competencies of innovation leaders**

Innovation leaders are critical for success at all levels of the organization and during all phases of the innovation process. Corporations are increasingly focused on using innovation leadership to develop their competitive edge. As a result, they are finding ways to harness the creativity of their employees in many different areas of their organizations including entrepreneurial and research and development programs. 

Various leadership styles have been shown to be effective in specific organizational cultures and an organization’s effectiveness has been shown to be partially dependent on its innovation leaders. Innovation is all about people and innovation leaders need to recognize the importance of leading groups and developing individuals. They should foster employee creativity so that individuals can feel free to develop innovations. In many cases, innovations are the result of people solving problems. An effective innovation leader understands that people differ in their approach to solving problems.

**Defining Key Terms**

* ***Characteristics*** are the underlying attributes of an individual that drive their behaviors.
* ***Behaviors*** are an individual’s observable actions that are manifested as a result of the individual’s characteristics.
* A ***competency*** is an area of knowledge or skill that is critical when performing a job function; it includes both knowledge and expertise.

Individual competencies are built from underlying characteristics that enable a person to demonstrate the competencies associated within a particular job. A competency model includes the set of competencies needed for effective performance in a particular role or position.

The following image describes the competency model of innovation leaders organized into ten categories:

**1) Learning:**

Individual learning, organizational learning, and knowledge management have all been linked to innovation. Individual learning increases an organization’s knowledge base and can increase an innovation leader’s effectiveness. An innovation leader is also critical in supporting an organizational culture that facilitates individual and organizational learning and effective knowledge management. The following are competencies related to Learning:

**a. Expert competency:** identifies innovations.  
**b. Core competencies:** focuses on fundamentals, knowledge transfer, use of technical/professional expertise, curiosity, and business acumen.  
**c. Supplementary competencies:** conducts needs analysis, employs research methods, and values higher education.

**2) Leading Groups and Teams:**

Once an innovation is identified, the ability to lead groups and teams is critical during innovation development, implementation, and adoption. The following are innovation leader competencies related to Leading Groups and Teams:

**a. Expert competencies:**manages expectations and leads by example.  
**b. Core competencies:**knows the strengths and weaknesses of the team, teamwork, team commitment, empowerment, establishes team rapport, and team problem solving.  
**c. Supplementary competency:**cultivates loyalty.

**3) Energy Level and Motivation:**

In order for the innovation leader to promote an innovation effectively and to lead groups and teams during innovation development, implementation, and adoption, they must understand their own motivations and understand how to motivate others, while maintaining the necessary energy level required to be successful. The following competencies are related to Energy Level and Motivation:

**a. Expert competency:**sense of urgency.  
**b. Core competencies:** stress management, motivates others, ambition, passion driven, shows tenacity, and perseverance.  
**c. Supplementary competencies:**success driven and competitiveness.

**4) Management and Delegation:**

The innovation leader must be able to manage resources effectively, including people, budgets, and time. The following are competencies associated with Management and Delegation:

**a. Expert competency:** planning and project management.  
**b. Core competencies:**time management, encourages accountability, delegation, knows and utilizes resources, and balances team and individual priorities.

**5) Communication, Interpersonal Skills, and Emotional Intelligence:**

To be effective, the innovation leader must have key interpersonal skills, well developed emotional intelligence, and be able to communicate their vision, seek support for the innovation, and direct followers through verbal, non-verbal, and written communication methods. The following are competencies related to Communication, Interpersonal Skills, and Emotional Intelligence:

**a. Core competencies:** understands non-verbal cues, seeks to understand psyche of others, empathy, objectivity, fluency, translates literal speech, clarification, establishes feedback loops, addresses the correct audience, selects and uses appropriate communications, and asks open-ended questions.  
**b. Supplementary competencies:** exemplary writing skills, gate-keeping, open door policy, participates in active listening, tact, sparks discussion, and builds relationships.

**6) Commitment and Sense of Ownership:**

For successful innovation, leaders must be personally committed to projects that require innovation and have a sense of ownership. Leaders need to develop a culture of trust and formulate challenging goals that are clearly linked to a work unit, the organization as a whole, as well as their customer, and they must ensure that individuals in their organization have meaningful work objectives and goals that are clearly connected to the goals of the organization and needs of the customer. The following are competencies related to Commitment and Sense of Ownership:

**a. Core competencies:** takes responsibility, establishes a trust culture, goal setting, links corporate/department/team goals, concern for customer, constantly seeks improvement, displays initiative, self-confidence, sets high standards, dedication, sense of pride, commitment to ethics, and develops focus.  
**b. Supplementary competency:** takes responsibility.

**7) Creativity and Imagination:**

Innovation leaders must have an understanding of what creative employees value and be able to provide an environment that encourages new idea generation. The need for change often accompanies innovation, and the innovation leader must be a champion for change. Gliddon (2006) identified the following competencies related to Creativity and Imagination:

**a. Core competencies:** identifies problems early, encourages new ideas, analytical thinking, champions change, eccentricity, flexibility, and generates new ideas.  
**b. Supplementary competencies:** accepts bad ideas, finds and uses analogues/benchmarks, employs brainstorming, builds visuals, employs alternate scenarios and role plays, takes time to muse, and risk-seeking.

**8) Role Identity, Power, and Politics:**

The change that is often necessary to champion, develop, and implement innovation (whether the innovation is related to organizational processes or products and services) can initiate power struggles, as well as issues related to role identity, and can often lead to political challenges. The following are competencies related to Role Identity, Power, and Politics:

**a. Core competencies**: integrity, professionalism, humility, negotiation, and impact and influence.  
**b. Supplementary competencies:** political savvy, salesmanship, employs game theory, diplomacy, and courage and conviction.

**9) Mission and Vision:**

The successful innovation leader is able to develop, support, and articulate the organization’s mission and vision, while aligning innovation efforts with the mission and vision. The following competencies are related to Mission and Vision:

**a. Core competencies:** visionary leadership, strategy development, and encourages systems thinking.

**b. Supplementary competencies:** employs multiple perspectives and organizational citizenship.

**10) Understanding the External Environment:**

Innovation leaders must have an understanding of the external environment in order to develop a successful business strategy. The external environment includes an organization’s competitors and market, as well as relevant governmental policies and regulations. The following are competencies related to Understanding the External Environment:

**a. Core competency:** knowledge of competitors.  
**b. Supplementary competencies:** organizational awareness, market and industry awareness, and cultivates cosmopolite relationships.

When using the competency model, the innovation leader may need to adjust his or her leadership style depending on the context in which they are operating. To be competitive, organizations have moved toward more interdisciplinary team structures to be able to respond with agility and manage change rapidly. Leaders of innovation teams must be able to overcome unique challenges of creative interdisciplinary teams to promote collaboration using appropriate leadership styles.

# Lesson 3

**Innovation leaders and followership**

In order for innovation leaders to lead teams and achieve successful outcomes, they must understand the concepts of followership and team dynamics. While much emphasis has been put on leadership attributes when explaining the roles and characteristics of group or team dynamics, another aspect is often overlooked. This unique aspect is followership.

**Followership:**

Fellowship refers to a role held by certain individuals in a group or team environment. Followership is often referred to as the reciprocal social process of leadership. The study of followership involves the examination of the nature and impact of followers and following in the leadership process. The leadership process is a term used to describe leadership as a dynamic system involving leaders and followers interacting simultaneously.

Followers play a powerful role in the successes or failures of organizations, groups and teams. Effective followers are individuals who are enthusiastic, intelligent, ambitious, and self-reliant. Team projects allow both innovation leaders and followers to reproduce their existing norms and values through daily interaction thereby legitimizing their innovation leader–follower relationships. As a form of people management, innovation leaders can use active coaching techniques to ensure followers cultivate teamwork and strong communication. Innovation leaders must also give followers accurate and timely feedback so that they feel valued and show followers that their contribution to the team and to the organization is recognized.

**Behavioral Characteristics of Followers**

1. **Alienated** followers are mavericks who have a healthy skepticism of the organization. They are capable, but cynical.
2. **Conformist** followers are the yes people of the organizations. They are very active at doing the organization’s work and will actively follow orders.
3. **Passive** followers rely on leaders to do the thinking for them. They also require constant direction.
4. **Exemplary** followers are independent, innovative, and willing to question leadership. Exemplary followers as critical to organizational success. Exemplary followers know how to work well with other team members and present themselves consistently to all who come into contact with them.

**Main Qualities of Followers**

1. **Self-management** - refers to the ability of group or team members to think critically, control their own actions and to work independently.
2. **Commitment** - refers to the group or team member’s ability to be committed to the goal, vision, or cause of the group or team.
3. **Competence** - refers to skills and aptitudes the group or team members hold which are necessary to complete the goals or tasks assigned to the team.
4. **Courage** - refers to the ability of team members to hold steadfast to their beliefs and uphold ethical standards even when faced with dishonest or corrupt leaders.

**Leadership Theories**

There are three leadership theories that focus on developing the innovation leader–follower relationship:

**1) Path-Goal Theory**

This theory identifies a leader’s effectiveness by evaluating a leader’s impact on employee motivation, their ability to perform effectively, and their ability to increase employee satisfaction. The major concept of Path-Goal theory is that a leader influences the subordinates’ perceptions of their work goals, personal goals, and paths to goal attainment. Innovation leaders, like a trail guide, lead their followers along the path to the goal. The theory suggests that a leader’s behavior is motivating or satisfying to the degree that the behavior increases subordinate goal attainment and clarifies the paths to these goals.

The first proposition of Path-Goal theory is that leader behavior is acceptable and satisfying to subordinates to the extent that the subordinates see such behavior as either an immediate source of satisfaction or as instrumental to future satisfaction.

The second proposition of this theory is that the leader’s behavior will be motivational. These motivational behaviors are measured to the extent that:

**(a)** such behaviors make the satisfaction of subordinates’ needs contingent on effective performance by complementing the environment of subordinates  
**(b)**by providing the coaching, guidance, support and rewards necessary for effective performance

These two propositions suggest that the leader’s strategic functions are to enhance subordinates’ motivation to perform, satisfaction with the job, and acceptance of the leader.

**2) Leader Member Exchange (LMX) Theory**

The major concept of LMX theory is that within work units or teams, different types of relationships develop between leaders and followers. These relationships are depicted by the physical and mental effort, material resources, information, and emotional support exchanged between the leader and follower. LMX theory is a development-focused theory of leadership and employee development is a key source follower motivation.

LMX theory is grounded in role theory. Role theory suggests that organizational or team members accomplish their work through roles or sets of behaviors expected of the team members in their positional roles on the team. Role definition tends to occur when team members are assimilated into new positions on the team and involves the leaders having a vested interest in the performance of that team member.

An innovation leader can have a significant impact on the role assignment process because the leader has the authority to negotiate roles using formal methods. Thus, when combined with Path-Goal theory, innovation leaders lead followers along the path to the goal and develop them using LMX theory along the way.

**3) Diffusion of Innovations Theory (DOI)**

This theory explains how an innovation is communicated through certain channels over time and among members of a social system and is based on many different attributes such as:

* diffusion networks,
* individual influence, and,
* innovation attributes.

To understand DOI, it is important to use socio-technical systems theory, which explains how people interact with technology in a social system, as a foundation. When an innovation is shared with others, the new idea diffuses among people as they communicate the idea within their social and professional networks. This can happen in live interpersonal interactions and through the use of technology.

Many modern communication and social and professional networking platforms allow innovations to be diffused quite rapidly to large numbers of people. An example would be a viral video that can receive millions of views in less than a day. Once the innovation is communicated, it is up to the decision-maker to decide if the innovation is useful. Thus, both the innovation leader and followers play a critical role in deciding if an innovation is successful.

The CREATE Model provides a set of steps by which the innovation can be readied for diffusion. Many of the competencies discussed earlier in this book play an important role in how the innovation is developed in the innovation leader–follower relationship.

**Leader–Follower Implementation Strategies**

A more democratic leadership style may work best when working in a leader–follower paradigm. Innovation leaders who possess a democratic leadership style:

i) involve followers in setting team guidelines for all to follow,   
ii) involve followers in setting goals,   
iii) engage in two-way open communication,   
iv) facilitate discussion with and amongst followers,   
v) solicit input when setting policy and procedures,   
vi) immediate conflict for team gain, and,   
vii) provide consistent and frequent feedback to followers.

Followers bring their individual/internal aspects of their personal internal reality to the team environment. Their internal reality includes attributes such as personal values, attitude, intention and meanings, as well as various experiences. Followers reflect on the ‘I’ in the team environment as specific relationships. The ‘I’ is articulated by expressing their intra-personal characteristics such as views, feelings, and intuitions. Innovation leaders must understand that followers differ from one another in many ways. Innovation leaders must find ways to allow each follower to safely bring their own personal attributes to the team environment. This interaction makes up the internal aspects of the innovation leader–follower paradigm.

The innovation leader–follower dyad is also made up of an individual’s external aspects such as individual knowledge, skills, accountabilities and performance levels. This part of the leader–follower paradigm treats followers as catalysts having external aspects which can be measured and defined. Leaders must know how to identify knowledge, competencies and actions of followers in order to achieve the strategic goals of the organization. Leaders must also reinforce desired behaviors of followers such as attendance, following team guidelines, and the ability to bring substantial ideas to innovative team environments.

In order for both innovation leaders and followers to have successful communication interactions, they must both share critical interpersonal skills with team members. Innovation leaders and followers must be able to engage in the following interpersonal skills.

* Focus on feelings, emotions and attitudes as they relate to personal needs
* Hold open communication at all times
* Communicate through oral and written correspondence
* Actively listen to leader and other team members
* Make requests for assistance and help when needed

It is important for innovation leaders and followers to build a self-awareness of their interpersonal and social styles. By building this self-awareness, leaders and followers create synergy for the team by learning how to communicate in an effective manner.  When leaders and followers understand each other’s social style and individual traits, they have the ability to communicate, listen, react, collaborate, and negotiate in an efficient and effective manner for the good of the entire team.

Emotional intelligence (EI), sometimes referred to as emotional quotient (EQ), is the capacity for individuals to recognize their own and other people’s emotions. The more team members understand about their EI or EQ, the more they can respond the emotional needs of other team members. This understanding helps to guide thinking and leads team members to use appropriate behaviors that will lead to successful team outcomes. Innovation leaders must be aware of the diversity of their followers and how to manage diversity within the team environment.

There are several ways innovation leaders can establish relationships of trust with followers and these are listed below.

* Help followers develop team interaction guidelines.
* Understand how each follower uniquely contributes to the team and recognize their contributions.
* Encourage followers to learn about and respect each other’s potentially differing perspectives.
* Show followers that you value their unique individual characteristics and views.
* Assure that you as the leader and all followers treat each other professionally and respectfully at all times.
* Assist followers to build a common focus on the goals of the team.

If a follower does not trust his/her leader, their team will not be able to converse on issues of real significance. Therefore, building trust between innovation leaders and followers is a necessary foundational activity in innovation leadership.

# Lesson 4

**Synergies in Innovation Teams**

An innovation network team is a cross-functional group that is tasked to create innovations. An innovation network team may be comprised of members from different departments or organizations. An example of an innovation network team in an organization is a new product team. An example of an inter-organizational innovation network team is an industry coalition.

The strong desire for established and start-up organizations to stay ahead of their competition demands that solutions are found to quickly solve complex problems. This implies that team members with appropriate and diverse skill sets interact to create synergy based not only on business practices, but also on a mutual desire to solve problems.

**Positive vs Negative Energy**

In order to understand the implications of creating teams with positive synergy, it is useful to examine some historical foundations of synergy. This backdrop will set the basis for a discussion on how the culture of a company can provide innovation leadership and design innovation network teams that promote, fuel, and foster creativity.

Diverse people who bring differing mindsets to a group should be carefully managed so they can cooperatively build solutions in an environment of trust. Individually, one person who does not match the energy, purpose, desire, and passion of the group can be a detriment. Similarly, one member of the team cannot be a predictor of positive outcomes. It is the combined mix of the right individuals where synergy is formed that can result in innovative solutions to challenging problems. Innovation leaders need to understand the psychological aspects of synergy for team composition and to more fully understand their role.

**Defining Synergy**

Synergy originated from the Greek word ‘***sunergos***’ meaning ‘working together.’ Synergy in the workplace is a complex concept that goes beyond placing random individuals in teams and assigning them a task to complete.

One way of understanding synergy is to consider the composition of water. Water, or H2O, is composed of the merger of oxygen and hydrogen. Each element is independent of the another, but when correctly combined atomically, a new substance is formed. The human body provides a good example to understanding synergy. To know how a particular bodily function works, it is necessary to study individual systems and subsystems.

**Innovation Leaders & Team Synergy**

Innovation leaders should carefully understand the capabilities of individuals and what they can contribute. If a goal is to climb over a ten-foot high wall, one person alone may not be able to achieve the task. But, two well-coordinated individuals can accomplish the task by one person standing on the shoulders of the other. The key is that they need to work together, be motivated to climb to the top of the wall, and be physically capable.

When exploring synergy, innovation, and innovation leadership, it is essential for one to be comfortable in acknowledging what one does not know. Once this becomes internalized and accepted, new learning can be realized and innovations can be developed in innovation network teams. It is important for an innovation leader to ask challenging questions without fear of judgement. In corporate environments, emphasis is commonly placed on individual problem-solving.

**Ways of Achieving Synergy in Teams:**

* Synergy in a corporate structure recognizes what individuals know and do not know, fostering collaboration to fill knowledge gaps in a cooperative, supportive manner.
* Encouraging synergy ensures that every employee is acknowledged for their worth and can contribute fearlessly.
* Respect for individuals, guided by a philosophy of personalism, is crucial in achieving synergy.
* Innovation leaders should view work as an opportunity for self-actualization, demonstrating personality traits such as calmness, confidence, and competency.
* These traits from an innovation leader motivate team members by creating an environment that promotes learning and problem-solving.
* An innovation leader should be outgoing, social, and focus on the positive attributes of others, while also striving for self-actualization.
* A non-intervening management approach sets the stage for a cooperative and effective working environments.
* Synergy begins with removing restraints about judgment and establishing mutual respect for team members and their problem-solving talents in a humanistic setting.
* Once a culture of collective performance is established, working towards positive synergy becomes a worthwhile challenge.
* Innovation leaders must understand the composition of personalities within an innovation network team, and team members should understand themselves.
* Helping people become their authentic selves in the workplace through effective communication creates an environment that nurtures team synergy.

# Lesson 5

**Building a culture of continuous innovation**

It is crucial for organizations to build and maintain a culture of continuous innovation to be successful. Organizational culture is a set of values, beliefs, and ways of thinking shared by members of the organization. As innovations become more radical, management of organizational culture is key. Innovation leaders are able to foster and promote organizational cultures that spark creativity and risk-taking, motivate and reward employees to think out of the box, and channel ideas to increase stakeholder value.

Innovation creates a mindset to envision, shape, and attack the future. However, many organizational leaders do not know where to begin, how to unleash the creative potential of their employees, or how to equip leaders with the right competencies to lead innovation. Many understand the ‘why’ of innovation but are still unclear about the ‘what’ and ‘how’. Building a culture of continuous innovation can help to address the ‘what’ and the ‘how’ of innovation.

To achieve a culture of continuous innovation, three key questions:

**1) What is organizational culture and why is it important?**

Organizational culture is reflected in the way that people relate to each other, to the organization, and the organization’s environment. An organization’s culture responds to the organizational environment, structures day-to-day work assignments, and rewards the talents of its people.

Besides performance, an organization’s culture uniquely distinguishes an organization from other organizations. Employees internalize values, beliefs, norms, and behaviors to fit into the culture of the organization, do their work, and interact with each other professionally. An organization’s culture develops over time and is subject to a variety of positive and negative influences.

The vision of a founder who has since left the organization, conditions that are not typical or expected to repeat, and practices that were coincident with, but not actually responsible for, the organization’s success are examples of such influences. Thus, as an organization grows and matures, the culture may encourage and reward practices and policies that are not appropriate for or counter-productive to the needs of a changing organization, especially for a culture of continuous innovation.

**2) What is a culture of continuous innovation?**

If organizations pursue and articulate an innovation strategy, the organization needs to have a culture of continuous innovation aligned to its innovation strategy. A culture of continuous innovation define cultural relationships among creativity, innovation, and implementation in a dynamic cycle, such that:

(a) creativity is the wellspring of ideas that feed innovation  
(b) an innovation happens when creative ideas are transformed into realistic action plans  
(c) implementation fosters additional creativity.

                                              Dynamic cycle of creativity, innovation, and implementation

* Considering ***creativity***, organizations can establish creativity as a core organizational value and criteria for acquiring and developing talent.
* In regard to ***innovation***, organizations can communicate the importance of innovations and their quantifiable impact on the organization. An organization can then set measureable innovation goals and allow employees the freedom to choose how they are to be achieved.
* During ***implementation***, organizations can streamline work processes into project-based activities, review performance and progress toward goals, and provide rewards for achieving goals.

Once the dynamic cycle of creativity, innovation, and implementation in a culture of continuous innovation is initialized, organizations can begin to change their culture.

**3) How do we build a culture of continuous innovation?**

Organizations commonly change to a culture of continuous innovation to develop a strategy of sustainable growth. Although it is sometimes challenging, changing an organization’s culture is possible if it is managed in steps. The following is a set of steps organizations can use to develop a culture of continuous innovation. Innovation leaders should help members of organizations answer the questions included in each step:

**Step 1. Plan a cultural assessment.**

* What does the organization’s innovation strategy tell us about the culture?
* Who are the innovation leaders and key stakeholders in the organization?
* What else do we know about the culture? Still need to know?

**Step 2. Define the culture of continuous innovation.**

* What is the organization’s vision/mission and what part does innovation play?
* What do we want people to understand and believe about innovation?
* What are the desired innovation competencies, behaviors, and practices?

**Step 3. Audit existing organizational cultures.**

* What organizations have a culture of innovation?
* What are their innovation competencies, behaviors, and practices?
* What are current attitudes toward innovation?How effective is communication in the organization?

**Step 4. Analyze the gaps.**

* What are the similarities and differences between the existing cultures and our desired culture?
* How big are the gaps and what is the risk?

**Step 5. Plan the transition.**

* How can we close the gaps?
* How can we motivate people to change?
* What is the priority and timing of the action plan?
* How will we measure the success of the cultural change?

Organizations that have started to develop an innovation strategy should consider conducting a cultural assessment after a six-month to one-year period. Organizations should seek to align their organizational culture with their strategy for innovation using an integrated view. This integrated view of organizational culture provides a comprehensive framework for understanding and assessing an organization’s culture:

**Organizational Culture Assessment**

An innovation leader must decide if an organization’s culture enables or is a barrier to successful innovation.

1. The first step in conducting a cultural assessment is to articulate the organization’s vision and innovation strategy to determine the culturally driven practices and behaviors that will enable them.
2. The next step is an assessment of the current culture and an analysis of the gap between the current and the desired innovation culture.

An organizational culture assessment, such as can be administered to employees and is an excellent way to assess the current culture and obtain the information needed to conduct the gap analysis. When conducting an organizational culture survey, employees provide quantitative and qualitative information on the way organizational and innovation-focused policies and practices are actually working in an organization.

An employee survey also provides information on how employees’ view their relationship with the organization. An examination of formal policies may not reveal whether employees believe they are being treated equitably, whether they trust management, or feel engaged in the organization. Because employee perceptions help to drive their work behavior, it is essential to gather this type of information. Employee data is more than employee opinion, it is essential information about the organization that can be used by innovation leaders to plan successful innovations and develop organizational sustainability.