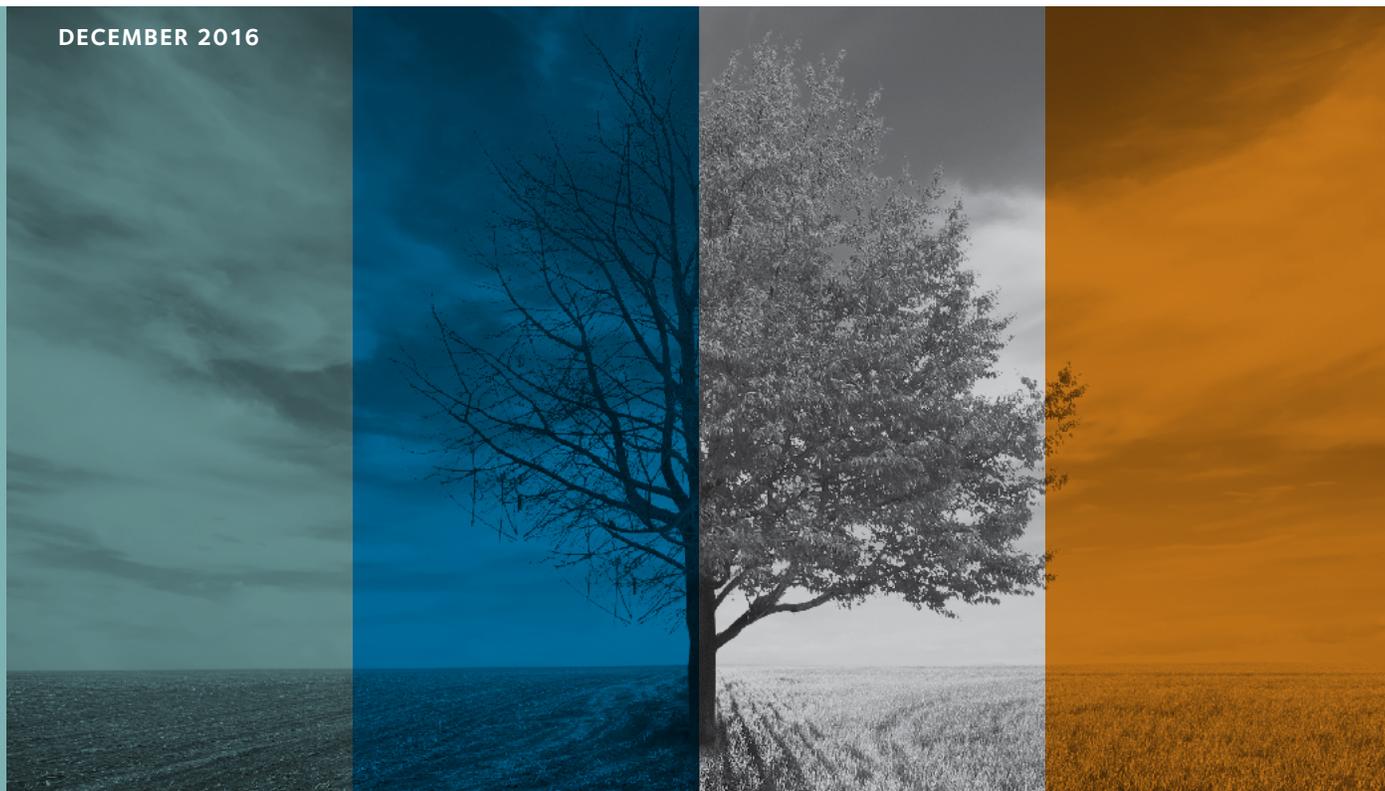


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Leading Innovation:

Organizational Antibodies and Human Biology

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It goes without saying that leaders today face enormous challenges and opportunities. Technologies are evolving at exponential rates. Customers' lives are changing and they expect powerful solutions to support their changing needs. Barriers to entry are falling and new categories of competition pop up every day. It's no longer enough to be a great leader of the current business. Great leaders must embrace disruption and create the future.

That's why the conversation about innovation continues to dominate the popular business press. And while the word is undoubtedly over-used, most organizations recognize that innovation is becoming an important formal competency. It's not something you hire one or two "creatives" for, but rather a skill set that all forward-thinking leaders should understand and practice.

But learning to lead innovation is hard. It means operating in ways that are often in opposition to what made a leader successful to date. Explicit investment in a personal transformation is necessary of any leader who expects to transform their organization into something new.

THE DECK IS STACKED AGAINST YOU

Let's talk more about why leading innovation is so difficult. By better understanding the specific barriers, leaders can develop more effective strategies to overcome them.

COMPLEXITY AND UNCERTAINTY

First, there's a complexity and an uncertainty to innovation challenges that makes solving them inherently difficult. By definition, innovation challenges have no existing solution, and truly innovative solutions cut across and engage all parts of the business. So the combination of not knowing where you're going, but needing everyone to help get there makes for a difficult situation. Being conscious of the complexity and having empathy for key stakeholders is a helpful place to start. Purposefully planning to engage the right stakeholders early, with clear, inspirational, empathetic messaging is critical.

INERTIA

Creating urgency is another common challenge for leaders, particularly in large, successful organizations. As one leader I worked with said, "We're fat and happy—why would we mess with that?" Even in industries that are obviously being disrupted—like financial services where the threat of fin-tech start-ups looms large—it can be hard to break the inertia. Cautionary tales like Kodak and Blockbuster don't seem to inspire profitable organizations to change. Needless to say, creating urgency and overcoming inertia is a critical leadership challenge.

SILLOES, PROCESSES, METRICS

We know that high performing organizations are designed to run like well-oiled machines. Their goal is to deliver existing products and services with increasing efficiency and profitability. To do this, they drive out unpredictability and uncertainty by creating siloes (centers) of excellence, processes, systems, rules, and compliance metrics. On top of this, the capital markets ask leaders to predict and meet quarterly profit goals, creating overwhelming incentive to focus on predicting and delivering the business of today.

Innovation leaders must be savvy about how these specific roadblocks thwart innovation so that they can develop strategies to circumvent them without putting the business at risk.

BIOLOGY

As if those impediments to innovation weren't daunting enough, there's one more significant roadblock that trumps all the other ones: smart, successful, well-intentioned business leaders themselves. Human beings recoil from uncertainty and ambiguity, retreating to the safety of the status quo. Our ancestors on the African savanna evolved to over-respond to the uncertain rustling in the brush. Those that did lived on to procreate; those that didn't, well...

In addition to the leader's own biological instincts, it's also important to remember that the other human beings they're trying to engage in the innovation process will also struggle. By bringing empathy to colleagues who, despite good intentions, may lack the patience, ability to be vulnerable and risk tolerance required to do something new and uncertain, leaders have a better chance at creating the successful cross-functional engagement and team empowerment required to create great results.

BRINGING CONSCIOUSNESS TO MINDSETS

So we know when leading innovation there are obstacles to overcome, including leaders' own instincts and habitual behaviours. What should they do about it?

First, let's explore mindsets more closely. Mindsets are tacit beliefs based on underlying values or priorities. They are often subconscious, but they govern the range of behaviours we consider appropriate in a given situation. If we go back to the premise that operating the current business and innovating new offers and experiences imply different objectives, it isn't surprising that the mindsets that govern the behaviours required to execute on these objectives successfully differ.

Below are lists of common mindsets associated with both traditional business management and innovation. Each mindset really represents an underlying value that supports achieving either current business or innovation outcomes.

The mindsets here are not intended to be mutually exclusive. In other words, it's not that business-minded people don't value good questions, or that innovation-minded people don't value a great answer. But there may be a different prioritization attributed to the mindsets, and they have been purposefully juxtaposed in the lists below to highlight competing priorities.

Keep in mind that mindsets are neither good nor bad. They are just lenses that can be more or less helpful, depending on the outcomes you're trying to achieve. What's tricky about the challenge for most leaders is that they still have core elements of the business to lead. AND they are being asked to lead new solution development. So both sets of mindsets will continue to be valuable, and the trick is to develop the agility and adaptability to move between them depending on the goal.

EXAMPLES OF OPPOSING BUSINESS AND INNOVATION MINDSETS

BUSINESS MINDSETS	INNOVATION MINDSETS
<i>Get the right answer</i>	<i>Get the question right</i>
<i>Drive decisions with logic</i>	<i>Create momentum with emotion</i>
<i>Grow the bottom line</i>	<i>Increase user empathy</i>
<i>Think linearly</i>	<i>Think iteratively</i>
<i>Improve efficiency</i>	<i>Increase exploration</i>
<i>Analyse: break things down</i>	<i>Synthesise: build things up</i>
<i>Use data to inspire confidence</i>	<i>Use prototypes to inspire confidence</i>
<i>Delegate to maximise efficiency</i>	<i>Collaborate to minimise risk</i>
<i>Learn, create, assess</i>	<i>Create, assess, learn</i>
<i>Plan and predict</i>	<i>Surprise and delight</i>
<i>Think</i>	<i>Do</i>
<i>Increase compliance</i>	<i>Ask questions</i>
<i>Create stability</i>	<i>Improve agility</i>
<i>Respect hierarchy</i>	<i>Prioritise diversity</i>
<i>Value accuracy</i>	<i>Value failure</i>
<i>Mitigate risk</i>	<i>Create opportunity</i>

CHANGING YOUR MIND(SETS)

Now, let's talk about adopting new mindsets—ones that will support our innovation leadership objectives. To do that, let's explore how mindsets are formed.

In the human brain, mindsets are neural pathways based on frequent association of specific thoughts and ideas. Neuro-psychologists like to say, "Neurons that fire together, wire together." This means that when you repeatedly fire synapses around two ideas simultaneously—for example, "family" and "important"—your brain formulates a neural pathway that wires these two concepts together. As this happens over time the connection becomes stronger and more subconscious, and you begin to hold the mindset that family is important.

These pathways are like the grooves in the snow on a cross-country ski trail. The more you ski the trail, the deeper the grooves, and the harder it will be to get your ski out of the groove to create a new track. That's why mindset shifts are hard. Add to this that current mindsets have served most leaders well and brought them success, and the challenge of adopting new mindsets is significant.

But not impossible. Thanks to neuroplasticity, it is possible for humans to establish new neural pathways and adopt new mindsets. The brain keeps learning and evolving throughout our entire lives, so with a concerted effort, we can learn to value new things and see the world through new lenses.

New activities and experiences create new neural pathways and 'grow' your brain. This in turn enhances your creativity. So innovating creates a virtuous cycle of improved brain function.

TACTICS FOR CHANGING MINDSETS

To adopt new mindsets that support innovation, it's important to both become more conscious of existing mindsets, and to purposefully 'lay the tracks' for new ways of thinking. For example, here are some tactics:

- 1 Get curious about others' mindsets. Start probing to understand what priorities and values are driving their decisions. Don't make assumptions—ask!
- 2 Find role models, mantras and other sources of inspiration that will reinforce new mindsets you want to adopt. What would Elon Musk do?
- 3 Set small, manageable goals in one week increments. Maybe next week is 'embrace the power of emotion week' and your goal is to use emotion to inspire action at your leadership team meeting.
- 4 Practice contemplating different mindsets in your decision making. Identify which mindsets are governing your decision and 'try on' different ones. How do different mindsets lead you to different outcomes?
- 5 Use imagery. Research shows that the brain makes little distinction between actually experiencing something and imagining it. To get those new mindsets 'grooved' in, imagine decisions and outcomes that embrace the mindset you want to adopt.

LEARNING FROM EXTREME LEADERS

Now let's talk about the leadership behaviours that translate mindsets into results. There's no single formula for leading innovation effectively. I've seen wildly different models produce results across dozens of organizations. In fact, one of the things that's clear about leading innovation inside a large, established organization is that a wide range of behaviours is needed.

In innovation, we often use insights about 'extreme users' to inspire our solutions, so perhaps looking at 'extreme leaders' is instructive when exploring innovation leadership. So let's take a look at some 'extreme' leaders who have a track record of success in very complex, ambiguous contexts.

STEVE JOBS

Steve Jobs is a role model for many leaders who are keen to disrupt their industries. Certainly, Steve's many strengths helped grow Apple into the technology empire it is today.

- He was able to continually evolve and articulate a compelling vision of the future.
- His passion for innovation was unparalleled and translated into a perseverance for what he believed, regardless of the roadblocks.
- He ruthlessly prioritized solutions that delighted consumers with their simplicity and usability.

But biographies show that he could also be dismissive of others' perspectives, controlling, and arrogant. Now, many start-up leaders have similar profiles, and—frankly—these attributes are what help those leaders overcome the staggering odds against them. Those characteristics become embedded in the company's cultural norms from day one.

Not surprisingly, while looking to start-up icons like Jobs may provide some insight and inspiration, many qualities that make leaders of startups successful do not work well inside established organizations. In established organizations, innovation leadership is an act of collaboration and stakeholder alignment in a context of already-established cultural norms and values. So it's important to recognize the very different contexts leaders of start-ups and leaders of innovation in established organizations face when assessing effective leadership models.

MAHATMA GANDHI

Cultural revolutionaries like Gandhi provide an interesting model for innovation leadership. Gandhi's challenge was to create change within an existing system rooted in a traditional mindset – an objective not dissimilar to that of the innovative corporate leader. Here are some of the ways Gandhi engaged the masses to create Indian independence from British rule and overturn the status quo.

- › He articulated and evangelized a clear vision of a different future.
- › He didn't over-direct; his vision provided a platform he encouraged others to embrace.
- › He led by example, behaving the way he wanted his followers to behave.
- › He focused on making a complex issue simple. He used simple narratives, and even his simple white robes are said to represent the simplicity he espoused.
- › He embraced and learned from mistakes, sharing and discussing them openly with his followers.
- › He was persistent, even in the face of great personal sacrifice, he never relented from his cause.

Successful revolutionary leaders—Gandhi, and others like Martin Luther King and Susan B Anthony—can serve as useful models for business leaders attempting to revolutionize their function or their organization.

SPECIAL FORCES

In contrast to Gandhi's peace-loving style of leadership, we can also learn useful lessons from Special Forces Commanders. Commanders lead their teams through incredibly ambiguous and high stakes situations, and in that sense are operating in contexts that have parallels to innovation leadership. Here are some of the things they are trained to do to create successful outcomes:

- › They invest in understanding the context in which they'll operate and pilot elements of their plan to test ideas.
- › They visualize success and the obstacles that might get in their way in advance of the main event.
- › They learn to control their arousal levels. When roadblocks pop up, they train to physically manage breathing and heart rate so they can remain open-minded and agile in case they need to adjust on the fly.
- › They read people exceptionally well. Their operations rely on developing trusted collaborators, so Special Forces leaders are well trained in empathizing with constituent's motives and contexts.
- › They stay positive. Leaders are selected based on psychological indicators that they can remain positive under stress. Research shows that optimism is a key factor in resiliency.

So while the end goal may be very different, some of the mindsets and behaviours of Special Forces Commanders prove applicable to the context of leading innovation in large, established organizations.

THE 5 Cs OF INNOVATION LEADERSHIP

Lessons from ‘extreme leaders’ and from dozens of less extreme leaders of innovation I’ve worked with over the years highlight the importance of a range of behaviours. The model below describes a synthesized perspective on 5 different categories that are important for success: Champion, Creator, Connector, Coach and Conductor. Champion is perhaps the most important category when it comes to leading innovation in a large organization, particularly for senior leaders. But in my experience, leaders who get results ensure that all 5 roles are well represented in either their own leadership footprints, or within their teams.

CHAMPIONS

Champions set an overarching vision, establish a narrative, and inspire the organization by advocating tirelessly for innovation. This is a uniquely challenging task when the vision of the future is unknown, yet innovation leaders must find a way to convert anxiety about the unknown into inspiration.

Key characteristics of strong Champions include passion, energy, good story-telling skills, a tolerance for risk, and an ability to connect innovation to strategic priorities and context.

BEST PRACTICE BEHAVIOURS OF CHAMPIONS:

- › Investing time to develop compelling stories about successes, failures and visions of the future
- › Using consistent language and imagery to build understanding and alignment
- › Looking for opportunities to reinforce the vision in public forums
- › Publicly challenging the status quo in productive ways

The organizational barriers that can thwart a Champion’s efforts include anxiety and feelings of threat from other leaders, organizational politics, and metrics that deter risk-taking.

CREATORS

Creators generate compelling new solutions based on smart insights about what customers (internal or external) want and an ability to integrate disparate insights into a viable solution. They can ‘see’ the future in ways others can’t, and can translate vision into a tangible path forward.

Key characteristics of strong Creators include comfort with ambiguity, empathy for customers, and an ability to connect disparate dots into something meaningful and compelling.

BEST PRACTICE BEHAVIOURS OF CREATORS:

- › Asking a lot of questions
- › Suspending judgement; not rushing the answer
- › Blocking time for thinking
- › Drawing useful lessons from ‘failure’

The organizational barriers that can thwart a Creator’s efforts include cultural expectations around speed, desire to see linear progress, lack of organizational capability to engage with end users, and metrics that incentivize short term impact.

CONNECTORS

Connectors engage the right resources and people to get traction and momentum. They use their organizational knowledge and relationships to create win/wins, bringing others into their efforts.

Key characteristics of strong Connectors include organizational savvy and historical knowledge; strong and diverse relationships both internally and externally; and an ability to see mutual interests and priorities.

BEST PRACTICE BEHAVIOURS OF CONNECTORS:

- › Making explicit time for networking
- › Actively seeking to understand others’ priorities and goals
- › Finding ways to make others look good

The organizational barriers that can thwart a Connector’s efforts include organizational siloes, lack of transparency across divisional priorities, and personal metrics that do not incentivize value created for other parts of the business.

COACHES

Coaches build strong relationships with their team members characterized by psychological safety, and actively help employees cultivate the mindsets, skills and behaviours required to innovate effectively.

BEST PRACTICE BEHAVIOURS OF COACHES:

- › Overt modeling of new mindsets and behaviours
- › Building relationships characterized by high levels of trust—where team members know they can take risks without fear of catastrophic failure
- › Fire-walling team members from organizational antibodies that thwart their efforts
- › Well-communicated, clear and specific expectations about desired innovation results
- › Explicit appreciation and rewards for experimenting and ‘fast failing’ that leads to new solutions

The organizational barriers that can thwart a Coach’s efforts include performance management systems that are focused on the short term, and lack of formal training in how to provide feedback, guidance, and build high-trust relationships.

CONDUCTORS

Conductors orchestrate the process of generating and implementing new ideas. They de-risk innovation through careful planning, resourcing and testing at every stage.

Key characteristics of strong Conductors include business acumen, process and detail orientation; creativity and persistence to navigate roadblocks, and an ability to find and protect resources for innovation.

BEST PRACTICE BEHAVIOURS OF CONDUCTORS:

- › Investment in understanding the details of operations, regulatory, technical and legal requirements
- › Developing key ‘go-to’ people in functional areas (finance, HR, etc.)
- › Looking for opportunities to test and pilot new ideas using existing resources or initiatives

The organizational barriers that can thwart a Conductor’s efforts include existing policies, processes and compliance requirements that sap time and resources; lack of executive support for clearing roadblocks; and absence of metrics to encourage investment in innovation initiatives.

While some of the categories of behaviour for leading innovation effectively may sound familiar, the specific behaviours that create innovation results are quite different. And learning the new mindsets and behaviours discussed here requires strong self-awareness of a leader’s own propensities and tendencies so that he/she can figure out how to leverage existing strengths, and focus development in areas that will feel more unnatural.

The final piece to this personal transformation is resilience. Adopting new mindsets and behaviours is hard. And innovation is hard. This double whammy means that leaders are going to face pressure and discomfort on multiple fronts, and will be inclined to revert to mindsets and behaviours that are familiar. By developing tools for remaining resilient in the face of pressure and uncertainty, leaders can evolve into more agile individuals who can both manage the business of today and help their organizations create meaningful, profitable futures.

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