

## Can Our Staff Innovate?

By Amy Tan and Dr Uwe H Kaufmann

Innovation has drawn tremendous attention in the business world over the last decades and seems to be up on the radar screens again. The character of Innovation has changed over time from the traditional research-based theory towards the knowledge-driven approach that is based heavily on our social networks. Innovation has made its way from the laboratory into all parts of business life.

The more important is to identify drivers and hindrances for Innovation. The Readiness to Innovate depends on basically three factors: Individual Creativity & Innovativeness, Support by Organisational Climate and System Openness.

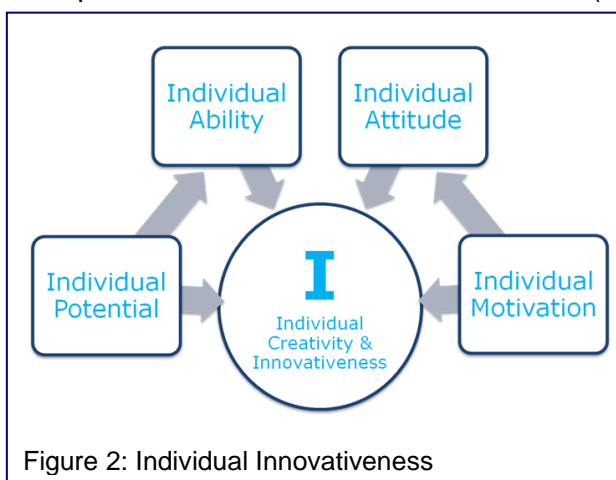


This article aims to explore the motivation for Individuals' Innovativeness and hence their influence on company's growth and revenue.

## What Makes The Individual Innovative?

**Each of us has the potential to innovate** – we could generate great ideas, follow through in step-by-step actions and processes, and bring ideas to life. And, it is rather easy to use the potential and turn it into the ability to innovate. Tools to support creativity are readily available on the market and are more or less easy to use. Most of these tools are packaged into methodologies that go all the way from creating new ideas towards refining and implementation at the end. "Creative Problem Solving" by University of Buffalo, New York is one of these methodologies.

The question is not whether I can innovate (abilities) but rather whether I want to innovate (attitudes).



As individuals, we have similar potential for being innovative but have different approaches to the process of innovation. As illustrated in figure 2, by recognising individual's potential, developing his *ability*, and combining it with adequate *motivation* or support to reinforce the innovation *attitudes* (or *styles*), we can expect the individual to bring the best innovativeness to the organisation.

However, some organisations assume that motivating for innovation is as simple as offering a reward for every idea submitted.

We need to look beyond the simple "suggestion box" or "staff suggestion scheme" and develop an effective motivation programme to make innovation efforts sustainable. Continual

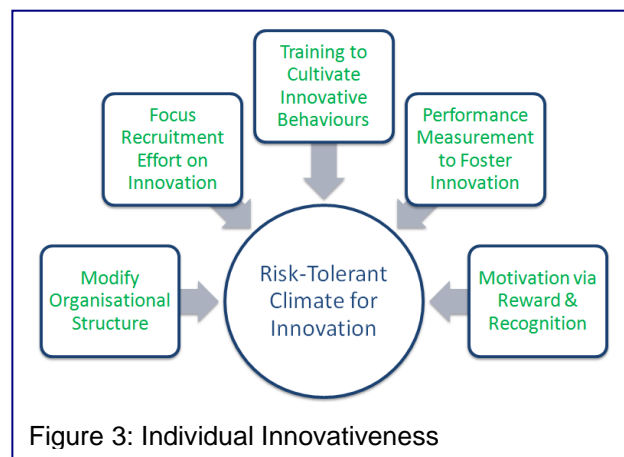
innovation drives revenue growth and success for businesses. Companies such as Nokia, Dell, Toyota, IKEA and 3M have continuously demonstrated how product and operational innovation can fuel financial growth. These companies are challenged to continually generate new ideas and effectively turn these into marketable products.

## How Can Your Organisation Support Individual Innovativeness?

HR plays a key role in supporting and promoting continuous innovation within the company through organisational design, recruitment, training, performance management and employee recognition programmes. By developing the individuals styles, create a motivational or risk-tolerant climate, HR can foster various aspects of innovation such as intellectual freedom, creativity, risk-taking and cross-functional collaboration.

### 1. Encourage Risk-Tolerant Climate for Innovation

Innovation is difficult to achieve in organisations that do not tolerate risk-taking or failure or mistakes. An environment that promotes freedom to think and act against status quo spurs innovation. Companies that punish employees for failures instead of drawing lessons from failures tend to discourage employees from exploring creative ways to problems or address their customer needs. These companies tend to emphasis managing risk and avoiding failure, punishment for failure – loss of jobs or promotion, budget cuts, etc. – will end up overshadow the benefit of succeeding innovation.



**Provide employees with a Second Chance** - Companies can foster a culture of risk-taking by giving employees a chance to recover from failures and providing them with encouragement to create new ventures. The former CEO of General Electric encourages risk-taking: “You can make mistakes! But, make sure you and the organisation learn from these mistakes to avoid them next time!”

**Recognise and Accept Failure Among Senior Leaders** – Failure-tolerant leaders help employees overcome their fear of failure and encourage risk-taking. Leaders shall communicate to employees that failure is acceptable and forgiven by admitting and talk about their own mistakes.

### 2. Modify Organisational Structure to Enable Innovation

A company’s structure can greatly influence the livelihood of innovation as it affects relationships, interaction and flow of Organisation’s structure if a key ingredient to promoting innovation in the workplace. An effective structure can facilitate the transfer of information and ideas among employees as well as opportunities for sharing ideas & information and collaboration on new projects. Organisations that encourage cross-functional collaboration often experience accelerated idea generation and product development. Organisations such as Nokia facilitate collaboration by supporting matrix-reporting relationships and cross-functional teams. Nokia aligns innovation processes across business units.

Some organisations promote innovation by creating a business group specifically focusing on innovation. Creating a separate innovation unit protects development and commercialisation of the new products or processes from the operational processes where incentives are generally geared towards serving established products and markets. The figure below illustrates the characteristics of Operational Organisation and Innovation Organisation.

Operational Organisation	Innovation Organisation
<ul style="list-style-type: none"> <li>• Defined roles &amp; responsibilities</li> <li>• Efficiency-oriented culture</li> <li>• Highly structured, documented and engineered work processes</li> <li>• A balanced mixed of older and experienced talent</li> </ul>	<ul style="list-style-type: none"> <li>• Loose, decentralised product structure</li> <li>• Strong entrepreneurial and technical competencies</li> <li>• No documented work processes</li> <li>• Young, dynamic and enthusiastic employees</li> </ul>

Some companies determine the distance (eg. physically, financially, etc) between innovation unit and operational unit by assessing the relation of innovation to the existing business.

### 3. Focus Recruitment Efforts on Innovation

Individual's creativity need to be stimulated by flexible processes and cultures. Thus, some companies wish to speed up the process of innovation by recruiting individuals that exhibit creativity. Companies screen & select candidates who have creative intuition and also tailor interview questions to uncover the innovation tendencies of new individuals.

**Tailor Interview Questions to Identify Innovative Tendencies** - Nokia uses self-screening tools, traditional resume screening techniques and regional assessment centres to narrow the pool of candidates.

The final stage of the selection process focuses exclusively on identifying individuals who can thrive in an entrepreneurial work environment. The following behaviour-based interview questions help Nokia identify candidates with appropriate behaviours and attitudes sort by the company.

**Measure for Individual's Creativity** – A rather creative individual can be identified through psychometric testing, including the Kirton Adaptation-Innovation Inventory (KAI). This test works under the assumption that individuals exhibit different problem solving styles leading to different forms of creativity.

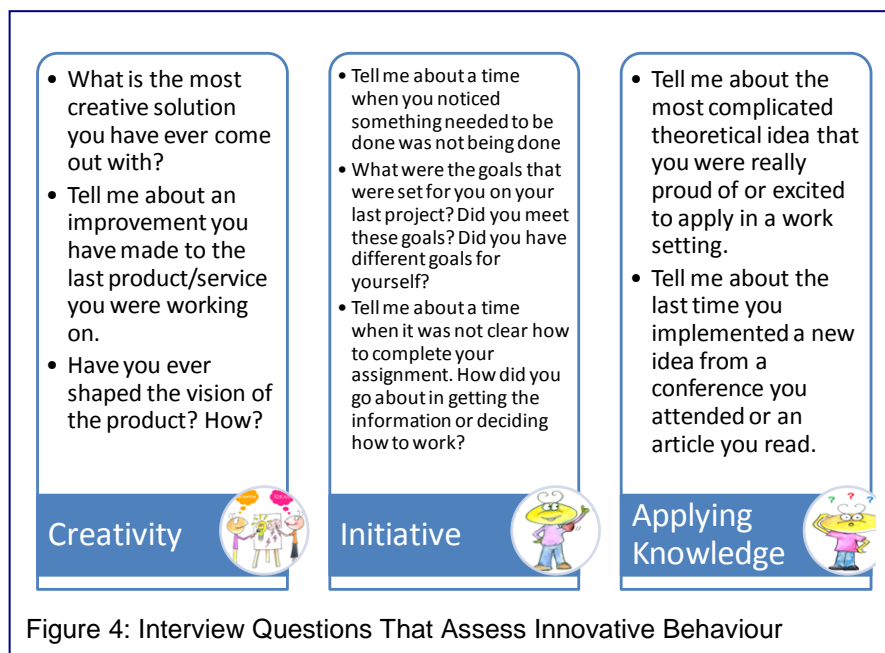
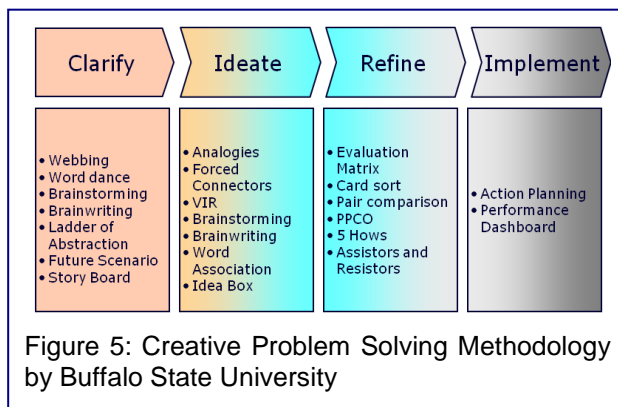


Figure 4: Interview Questions That Assess Innovative Behaviour

#### 4. Train to Cultivate Innovation Behaviours

Companies can develop entrepreneurial and creative behaviours within the workforce by providing training in innovation processes and business skills. However, innovation training is only effective if employees are given the freedom to apply the new knowledge and skills they have acquired.



Innovation requires a set of analytical and business skills that differ from traditional, tactical skills. In order to encourage these skills, some companies provide innovation training on topics such as analytical thinking, business case development and presentation, and collaboration with colleagues.

For example, Creative Problem Solving (CPS) framework, developed by the Buffalo State University, is a flexible and eclectic system that would allow employees to customise to specific needs using a variety of thinking skills, principles and tools.

Nokia has introduced this training as part of their management & leadership development training modules for the Asia Pacific region, focusing on tools and processes to enable individual to become project initiators, and advisors to teams in developing ideas.

#### 5. Establish Innovation Performance Expectations

To encourage innovation among the workforce, companies should evaluate employees against performance goals and competencies that focus on innovation. This is a way to reinforce innovative behaviour at the workplace.

For example, Nokia created value-based performance management system that places emphasis on behaviours that promote innovation. This performance management system places greater focus on critical attitudes and behaviours, not simply the technical skills, that support and foster innovation. The following behaviours were identified as supporting entrepreneurship at Nokia:

- Analytical thinking
- Applying knowledge
- Creative
- Initiative
- Openness to New Ideas
- Customer orientation
- Managing Risks

Some companies have also included references to creativity and innovation to their leadership competency framework to hold leaders accountable for developing creative enterprise. For example, 3M leaders must possess visionary competencies to assume increased level of responsibility. Innovation is included as a core competency for the leaders and leaders are evaluated against it, and 3M holds their leaders accountable for creating risk-tolerant culture.

## 6. Motivate Innovation via Reward & Recognition

In order to encourage innovation at workplace, companies implement specific monetary reward programmes for innovation & creativity. Cash awards may vary in size and value, but generally equal to the size of net savings.

For example, in Singapore, The Enterprise Challenge (TEC) Public Service Innovation Award which was implemented in year 2000, aims to recognise and encourage the spirit of innovation and enterprise within the Public Service. The award covers the following:

Innovation Type	Description of Type
<b>Product</b>	New product offerings which are unique and create significant value to the public
<b>Service</b>	New service offerings which are unique and create significant value to the public
<b>Process</b>	New way of doing things
<b>Policy</b>	New policies that meet specific needs
<b>Business Model</b>	New business models implemented for the organization

Besides public recognition, some companies use other types of non-monetary awards such as gift certificates, paid days-off, and other small gifts.

## Conclusion

Each of us has the potential for being innovative but has a different innovation style. Leaders play a vital role in providing adequate innovation climate so as to encourage individuals to bring the best innovativeness to the organisations. Solely investing in training employees on creativity tools & techniques will not lead to higher degree on innovation.

## About the Author

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