

INNOVATION FOR THE HR PROFESSIONAL

TODAY INNOVATION MUST BE A CORE COMPETENCY FOR HR PROFESSIONALS. HERE'S WHAT YOU NEED TO KNOW.

When you entered the HR field, and as you have acquired different HR certifications, were you expected to be an innovation expert? Probably not. But today, innovation is one of the top three priorities of CEOs globally. And increasingly, HR is expected to drive innovation through talent acquisition, talent management and talent development. After all, innovation comes from people!

In this series on HR and Innovation, [HR.com](https://www.hr.com) is proud to bring you a Primer on Innovation. In this first article, you will learn the basic concepts and terminology that you need to know in order to: (a) hold your own in an innovation-related discussion, and (b) expand your role in driving innovation in your company.

In up-coming articles, we will cover:



How to Hire More Innovators



How to Drive a Culture of Innovation



How to Design and Lead Innovation Teams



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A PRIMER ON INNOVATION FOR THE HR PROFESSIONAL

What is innovation, anyway?

Today the term "innovation" is bandied about in almost every setting. From innovative HR software to innovative pet grooming! The term "innovation" is so ubiquitous that it probably deserves greater clarity:

Definition of Innovation:

Innovation is the process of developing novel solutions to either existing or new opportunities. Successful innovation results in market adoption and increased societal and commercial benefits, as compared to the status quo.

Why is innovation so important today?

There may be four reasons why we are hearing the term "innovation" more often today than in the past:

- One reason is that in the developed world at least, our basic needs have largely been met. To continue to grow the economy, companies need to find new needs to meet, or invent them. The rest of the world is now exposed to middle class lifestyles through online and social media, and many aspire to leapfrog the traditional stages of economic development (as Africa did by adopting cell phones faster than the developed world). These forces drive the appetite for innovation.
- The second reason we hear more about innovation today is that certain technologies, like software and the internet, have made it much easier and faster to innovate. If we were still in the Industrial Era, we'd have to innovate by altering physical materials, which is way more difficult, costly and time-consuming. Now almost anyone can code a website or a mobile app and get it to market. This makes innovation more feasible.
- The third reason we hear more about innovation today is that certain [highly innovative companies](#) — like Apple, Amazon, Google, Tesla and Netflix — have captured the imaginations of the public and business press. Yes, their founders have been glamorized by the media. But it's also these companies' extraordinary market capitalizations, achieved in less than a decade, that have shifted what it means to be successful in business. This makes innovation more desirable.
- Finally, in every generation there are cultural norms. In the 1950s, the ideal was the ["Organization Man."](#) The man (usually) who followed the rules, fit in, was consistent at all costs. This made sense at a time when the nation was in the grips of the Industrial Era. Today, the cultural ideal is the Innovator: flexible, creative, globally-aware and tech-forward. These days, it seems, everyone wants to be an innovator!

The most innovative companies in the world enjoy much higher market capitalizations per dollar of revenue than their peers. — Forbes



SIX KINDS OF INNOVATION

There are at least six different kinds of innovation. The one we hear most about is **Product innovation**, where a company brings out a new "thing." Like the first smartphones, the first self-driving cars, the first 3-D printers. Product innovations can be inherently "wow." They look great in photographs, so they are conducive to news coverage.

But new products are not the only kind of innovation. There is also Service innovation, Process innovation, Technical innovation, Marketing innovation and Business model innovation. Some businesses like Uber and AirBnB incorporate several of these kinds of innovation and manage to create entirely new markets. Let's briefly define, and give an example, for each of these kinds of innovation:

Service innovation

Definition: Creates a novel and useful service.

Example: TaskRabbit lets you hire a worker to perform a service, such as assembling your IKEA purchase for you. Dry bars only style your hair. No cut or color.

Process innovation

Definition: Changes an internal process to substantially improve it, through greater efficiency, savings or reduced friction.

Example: One of the most famous and groundbreaking examples of process innovation is Henry Ford's invention of the world's first moving assembly line.

Technical innovation

Definition: A fundamental technical breakthrough (that may or may not reach the market unless applied to a compelling use case.)

Example: Millimeter-wave technology reflects light off of water molecules in our bodies. It has many uses, from airport security scanners to 3D physical measurement of body shape for apparel design, prosthetic devices design, ergonomics, entertainment and gaming.

Marketing innovation

Definition: A novel way to go to market, or to promote a product or service.

Example: \$1 Shave Club allows men to order razors on a monthly, recurring basis. The founder's [online video ads](#) also broke marketing conventions with their bold, in-your-face style, and went viral.

Business model innovation:

Definition: A novel transaction, use of assets or partners that often creates an entirely new market. Highly disruptive of incumbents.

Example: AirBnB and Uber were early examples of businesses that leveraged ubiquitous smartphones and Wifi, as well as assets owned by others (spare rooms, cars otherwise left idle).

INNOVATION HORIZONS

Even within one kind of innovation, you will find varying degrees of newness or novelty. This continuum of newness can be organized into four "innovation horizons," from Continuous Improvement to Disruptive Innovation. Novelty should be interpreted in context. An innovation may be new to a company, new to a category, or new to the world.

The four horizons of innovation are:

Continuous Improvement

Continuous Improvement is sometimes not considered innovation at all, but more process improvement. Many companies primarily pursue Continuous Improvement because it is the most familiar, involving tweaks to known processes, technology or known markets for existing customers.

Incremental Innovation (Horizon 1)

This is the practice of developing new features, new flavors, new sizes for an existing product or service. It involves more unknowns than Continuous Improvement, as it may require different supply chains or may appeal to a slightly different customer. Mini Oreos appeal more to young children, for example, than full-sized Oreos.

Adjacent Innovation (Horizon 2)

This is the process of exploring adjoining opportunities to your core business. Examples include a carbonated beverage company that enters the snack category. The customer may be the same, but the manufacturing and merchandising systems are not. You can throw sodas on a truck and drive them across the country. Sodas have long shelf lives. Not so for chips.

Disruptive Innovation (Horizon 3)

Also called Radical Innovation, this innovation horizon is furthest from the core business. Thus Disruptive Innovation involves the most uncertainty. Examples include the first electric cars (who needs gas stations?). And the first private space travel for individuals.

Just like when you're investing in stocks and bonds, companies need to pursue a balanced portfolio of "asset classes," with initiatives in all four innovation horizons. As with investments, higher risk is correlated with higher returns:



Continuous Improvement and Incremental Innovation (H1) often comprise 70 percent of companies' investments, but tend to deliver only about 10 percent of a company's ROI.



Adjacent Innovation (H2) comprises 20 percent of investments and delivers about 20 percent of a company's ROI.



Disruptive (H3) comprises 10 percent of investments yet it returns about 70 percent of a company's ROI.

Investing too much in Continuous Improvement and Incremental Innovation will suppress your company's long-term growth potential.



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CORPORATE INNOVATION STRATEGIES

Companies tend to have a core competency or approach that they repeatedly exploit in innovation. There are three such core competencies or approaches: Tech Drivers, Need Seekers and Market Readers.



Tech Drivers

- Their Strategy is to develop leading-edge products. They need to be particularly good at understanding emerging technologies and also skilled at managing product lifecycles.
- Sustained investments in R&D to drive both breakthrough innovation and incremental change.
- Seek to solve the unarticulated need of their customers through leading-edge new technology.



Need Seekers

- Actively and directly engage both current and potential customers to help shape new products and services based on superior end-user understanding.
- Often address unarticulated needs and then work to be first to market with the resulting new products and services
- Use both direct observation and sometimes indirect methods such as ethnography and archaeology to drive insights on both user needs and products weaknesses



Market Readers

- Closely monitor both their customers and competitors but they maintain a more cautious approach.
- They focus largely on creating value through incremental innovations to their products and being fast followers' in the marketplace.

Some companies excel at Technical innovation (e.g. Google). They may prefer to develop the tech themselves but will also acquire any components needed, if it helps them get to market first.

Others are called Need Seekers, actively engaging with customers to detect and meet their needs (e.g. Procter & Gamble).

And finally, some companies are Market Readers or "Fast Followers." For example, Huawei is a Market Reader or Fast Follower. They may not be first with new core technologies or recognizing emerging needs, but they excel at quickly adapting to market conditions. Fast Followers license or acquire more of their technology than Tech Leaders, so they have to be good at "Open Innovation."

OK, what is that? Open Innovation is an approach that contrasts to the old "silo mentality" of traditional in-house R&D labs. [Open Innovation](#) is "a paradigm that assumes that firms can and should use external ideas as well as internal ideas, and internal and external paths to market, as the firms look to advance their technology." Most companies today have some kind of Open Innovation strategy, but Fast Followers, especially, must excel at Open Innovation.

While we all may want to be Tech Drivers, the reality is that all three strategies can be equally effective.

INNOVATION STAGES

There are some common stages that innovations pass through on the way from the proverbial "back of the cocktail napkin" sketch to reality. This is true regardless of the innovation strategy, what kind of innovation (product, marketing, business model), or which innovation horizon mix your company pursues. These stages are commonly grouped into the "Front End of Innovation" (ideation and product development) and "Back End of Innovation" (commercialization). There are whole conferences dedicated to the [Front End](#) vs. [Back End of Innovation](#)!



Here are three common innovation stages, and the abilities needed in each:



Ideation Stage

At the ideation stage, companies need an ability to gain insight into customer needs and an understanding of the potential relevance of emerging technologies.



Product Development Stage

At the product development stage, companies need an ability to engage actively with customers to prove the validity of concepts and to assess market potential and risks, and the ability to leverage existing product platforms into new products.



Commercialization Stage

At the commercialization stage, companies need an ability to work with pilot users to roll out products carefully but quickly, and to coordinate across the entire organization for an effective launch.

HOW HR CAN BECOME INDISPENSABLE TO INNOVATION

Now that you know these basic innovation terms and concepts, you're ready to go learn more about innovation at your company! You may find that innovation is centralized or distributed at your firm. If it's centralized, you may have a CINO (Chief Innovation Officer), or someone appointed to head the Innovation Center of Excellence (iCOE). You may have Innovation Centers or Labs. Other companies believe that innovation is everyone's responsibility. They may engage in internal crowdsourcing to solicit ideas from employees at all levels. It may be a mix of all of the above. Go find out how your company structures for innovation. Try to get a handle on how mature these programs are and how results are measured.

The role of HR will vary depending on how innovation is structured in your firm. If innovation is centralized, the CHRO (or equivalent) should form a strong bond with the CINO. If innovation is decentralized, driven at the business unit level, then HR partners in each BU may have more chance to influence direction. One caution: When innovation is driven at the BU level, it may tend to be focused on shorter-term initiatives that can hit the bottom line within 1-3 years, and longer term, bigger bets may be deferred for lack of central sponsorship and funding.

Once you determine how innovation is structured at your company, find out what innovation leaders need from HR, including:

- What is the company's primary innovation strategy?
- What is the company's ideal and current mix across the Innovation Horizons?
- Does the company try to drive a Culture of Innovation? If so, how? How is it measured? Is it working?
- Do leaders know who their innovators are? How are they identified?
- Does the company currently hire for innovation skills?
- Does the company include innovation in selecting High Potentials?
- How does the firm develop innovation talent?
- Are there different career paths for innovators?
- How do leaders currently design innovation teams?
- How do they reward innovation?
- How does the company measure innovation outcomes?

We will address some of these topics in subsequent articles on HR.com, so please check back in the coming weeks. And please let us know if there is an innovation-related topic you'd like us to address for HR professionals.

Categories:

Talent Acquisition, Talent Management, Training and Development

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Suzan Briganti is CEO and Founder of Swarm Vision. Swarm Vision is a software-as-service platform to identify, organize, develop and leverage innovation talent in the enterprise to drive growth. Suzan brings 25 years of experience in research, strategy and innovation. She has grown Swarm Vision from a garage start-up to a trusted solution provider to global Fortune 500 clients. Suzan leads Swarm Vision with a focus on building great products and teams. Suzan has an MBA *summa cum laude* from Boston University and a design degree from Italy. She serves on the International Standards Organization for Innovation Management (ISO 279), representing the United States. Suzan is a frequent writer and speaker on innovation in the workplace.

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HOW TO HIRE MORE INNOVATORS

COMPETE IN A CHANGING WORLD BY ATTRACTING AND RETAINING INNOVATIVE TALENT.

Today most companies aspire to become more innovative. Why is that? Because innovative companies enjoy massive market cap premiums, up to 85 percent over their peers. That means that innovative companies are worth more per dollar of revenue they generate than less innovative companies. That tends to get leadership's attention!

Some of the ways companies go about becoming more innovative include:



Sending management on tours of Silicon Valley to absorb the culture and (hopefully) bring some of it home.



Putting employees through innovation training such as Design Thinking or Lean Start-Up.



Sponsoring hackathons and innovation crowdsourcing campaigns;



Investing in start-ups either directly or through Corporate Innovation funds..

But one of the most obvious and cost-effective ways for companies to become more innovative is often overlooked: Hiring more innovative candidates.



One of the most obvious ways for companies to become more innovative is often overlooked: Hiring more innovative candidates.

Here's why hiring innovators can be a great play from an HR perspective.

As any good HR pro knows, every company has a certain employee churn rate. For example, the average employee tenure in the Fortune 500 is four years. So that means, on average, about 25 percent of employees churn out per year, whether they leave on their own accord or are ushered out. If you decide to replace some of these employees with more innovative candidates, in just four years you can transform your company from the inside out, for about the same salaries as you're paying for ordinary employees. Having this talent in good measure on staff is way more sustainable than management tours of Silicon Valley, hackathons or periodic crowdsourcing campaigns.



SO HOW DO YOU FIND, ATTRACT AND RETAIN INNOVATORS? HERE ARE SOME TIPS.

1. Innovators Have Distinct Resumes

First, innovators' resumes may look different than resumes of your regular employees. Innovators' careers may not be quite as linear, moving up in the same industry and job function, step-by-step. This is because innovators tend to have broad curiosity and diverse interests. They are attracted to big, difficult challenges and will often pursue these vs. following more conventional career ladders.

Following their interests and big challenges may lead innovators to diverse fields and roles. In fact, if things become too staid and predictable, innovators may seek out new challenges. There will be "connective tissue" between their diverse undertakings, but it may not be obvious on the surface. Certainly, resume-reading "bots" won't know what to do with these resumes!

So how can you spot innovators from their resumes?



Candidates have taken on big challenges



They have shown persistence through uncertainty and ambiguity.



They likely have a mix of successes and failures.



They show an appetite for diverse experience, e.g. developing and applying their skills in varied sectors, departments or roles.



2. LEARN TO RECOGNIZE THE EIGHT TRAITS OF INNOVATORS

The book, Serial Innovators, by Abbie Griffin, does a great job of profiling a small number of serial innovators from diverse industries. Reading it was an epiphany to me, because my company shares the same passion as Ms. Griffin. Ms. Griffin studied about 50 serial innovators for her book.

Unbeknownst to me, we were occupying a parallel universe to Ms. Griffin, also studying about 50 serial innovators in Silicon Valley. But we followed this qualitative research with three rounds of large-scale quantitative research on serial innovators (N=3,300). Our research revealed eight skills that successful innovators possess in spades:



DRIVE

Ambition, initiative,
Intensity, Persistence



DISRUPT

Boundary-breaking,
Thriving in uncertainty,
Self-confidence



CREATE

Novelty-seeking,
Problem-solving,
Uncommon connections,
Growth mindset



CONNECT

Relating, Persuading,
Team-building, Social
intelligence



CONTROL

360-degree involvement,
Competitiveness,
Financial orientation



THINK

Information Capacity,
Rapid Pattern
Recognition, Reflection



DELIVER

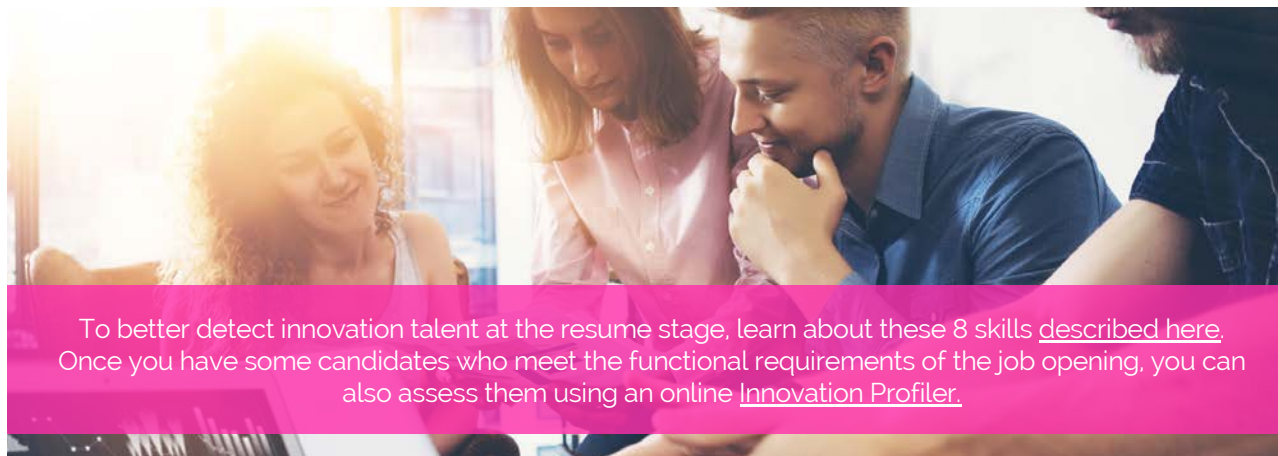
Contextual Goal-
orientation,
Resourcefulness,
Adaptability



GIVE

Benefitting others,
Making the world better

Figure 1: The Eight Innovation Skills



To better detect innovation talent at the resume stage, learn about these 8 skills [described here](#). Once you have some candidates who meet the functional requirements of the job opening, you can also assess them using an online [Innovation Profiler](#).

3. USE INTERVIEWS TO CONFIRM INNOVATION PROMISE



When you find candidates who score in the desired Innovation Profiler range, use interviews to dig deeper into their motivations and behavior patterns.

Here are some examples of interview questions for an innovative candidate who scores high on Disrupt, Create and Connect:



DISRUPT

Tell me about a time when you framed a problem differently than your peers, and how that led to a new opportunity or a novel solution.



CREATE

Can you describe a time when you put two things together that maybe didn't appear to other people like they belonged? What was the result?



CONNECT

Can you share a story about when you encountered resistance to your ideas from the usual channels. How did you proceed?

You can find more tips for interviewing innovators in this [blog post](#).

4. HAVE INNOVATORS INTERVIEW THESE CANDIDATES

In addition to HR and hiring managers using interview questions like those above, it's also key to have innovators interviewed by other innovators already on your payroll. Why? Because:



Innovators share the same "wiring" and have travelled the same road. They can better sniff out an innovator.



Innovative candidates want to work with other innovators. Involving innovators in the hiring process will convey that your company attracts and values innovators.



5. DESIGN JOB OFFERS THAT APPEAL TO INNOVATORS

Once you understand the eight skills of innovators, you will see that innovators are not necessarily motivated by the same things as ordinary employees. Sure, everyone wants to be paid fairly, but security and conventional signifiers of status (aka the corner office) are not going to be deal-makers for this breed.

Innovators need to be assured that by exceling at their core functional role:

- a. They will get to work on interesting projects with people who challenge and stimulate them.
- b. They will have resources and some degree of freedom to pursue innovative projects and approaches.
- c. They will have the opportunity to interact across diverse lines of business or functions.
- d. Their boss has more of a "coaching" style than a "command and control" style of leadership.

Innovators are not necessarily motivated by the same things as ordinary employees.

To summarize, innovators often have distinct resumes compared to regular employees. But you can learn to identify them from the eight innovation traits. Use interviews to confirm these signs. Innovators should also be interviewed by other innovators in the company. And successful job offers will address innovator's unique motivations.

Now you may think this is asking too much. Will you have to transform your talent acquisition process to attract innovators and keep them happy?

We say, the world is already transforming in these directions. By intentionally hiring innovators, you will get a lead on the workforce transformation already underway. And hiring innovators is the least expensive and most sustainable way to become a more innovative company. One thing is for sure, the financial rewards are accruing to those companies who learn how to do so.

Hiring innovators is the least expensive way to become a more innovative company.



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HOW TO DRIVE A CULTURE OF INNOVATION

COMPETE IN A CHANGING WORLD BY DRIVING A CULTURE THAT DELIVERS INNOVATION.

In the field of innovation, one of the most often-used terms is a "Culture of Innovation." It sounds so appealing. Who wouldn't want one? Yet in our opinion, this important topic remains way too vague. Exactly what is a Culture of Innovation, and how do you create one?

At the highest level, any culture is a set of common values, attitudes, beliefs and behaviors that bind a group of people together. The culture acts as short-hand for how to conduct oneself in order to belong and thrive in that group. Similarly, a workforce culture is short-hand for how to conduct oneself in order to belong and thrive in that company.

A Culture of Innovation is one that encourages and rewards innovation values, attitudes, beliefs and behaviors. A Culture of Innovation produces more innovation than a culture that prizes conformity and standardization.



A Culture of Innovation is one that encourages and rewards innovation values, attitudes, beliefs and behaviors.

You can recognize a Culture of Innovation by its results. A Culture of Innovation is one that regularly generates novel solutions that create societal and financial value greater than the status quo. But where such results are lacking, we have to create the right culture from scratch. Like cooking an unfamiliar recipe, we need to first obtain the ingredients and learn how to combine and leaven them.



WITH THIS BACKGROUND IN MIND, LET US LAY OUT THE CHARACTERISTICS OF A CULTURE OF INNOVATION AND SOME STEPS TO ACHIEVING ONE.

1. Understand the ingredients of an innovation culture

An innovation culture is one that encourages and rewards the behaviors that drive innovation. There are eight behaviors that distinguish innovators from the general population. These are the same eight behaviors that the innovation culture must advance:



DRIVE

Ambition, Initiative,
Intensity, Persistence



DISRUPT

Boundary-breaking,
Thriving in uncertainty,
Self - confidence



CREATE

Novelty-seeking,
Problem-solving,
Uncommon connections,
Growth mindset



CONNECT

Relating, Persuading,
Team-building, Social
intelligence



CONTROL

360-degree Involvement,
Competitiveness,
Financial orientation



THINK

Information Capacity,
Rapid Pattern
Recognition, Reflection



DELIVER

Contextual Goal-
orientation,
Resourcefulness,
Adaptability



GIVE

Benefitting others,
Making the world better

Figure 1: The Eight Innovation Skills



2. LEADERS REFLECT ON THE CURRENT CULTURE AND IDENTIFY GAPS

The next step is for the leadership team to honestly reflect about the current organizational culture. To what degree does the current culture support and reward the eight innovation behaviors? What are the gaps? Why and how did this culture develop? Is it a reflection of a founder's values, an industry-wide culture, or national traits? How does the current culture promote or inhibit innovative behavior?

One big caution here: Leadership tends to assess the culture that *they* experience. The rank and file may have a very different experience. Be sure to gather feedback on the culture from throughout the organization.

The current profile of the workforce is another clue to the behaviors that you tend to recruit for, support and reward. An example is shown below, where a company's workforce is under-developed on Connect, Think and Control. These gaps, for example, will inhibit employees from relating to diverse stakeholders (Connect), recognizing emerging patterns (Think), and converting opportunities into financial benefits (Control):

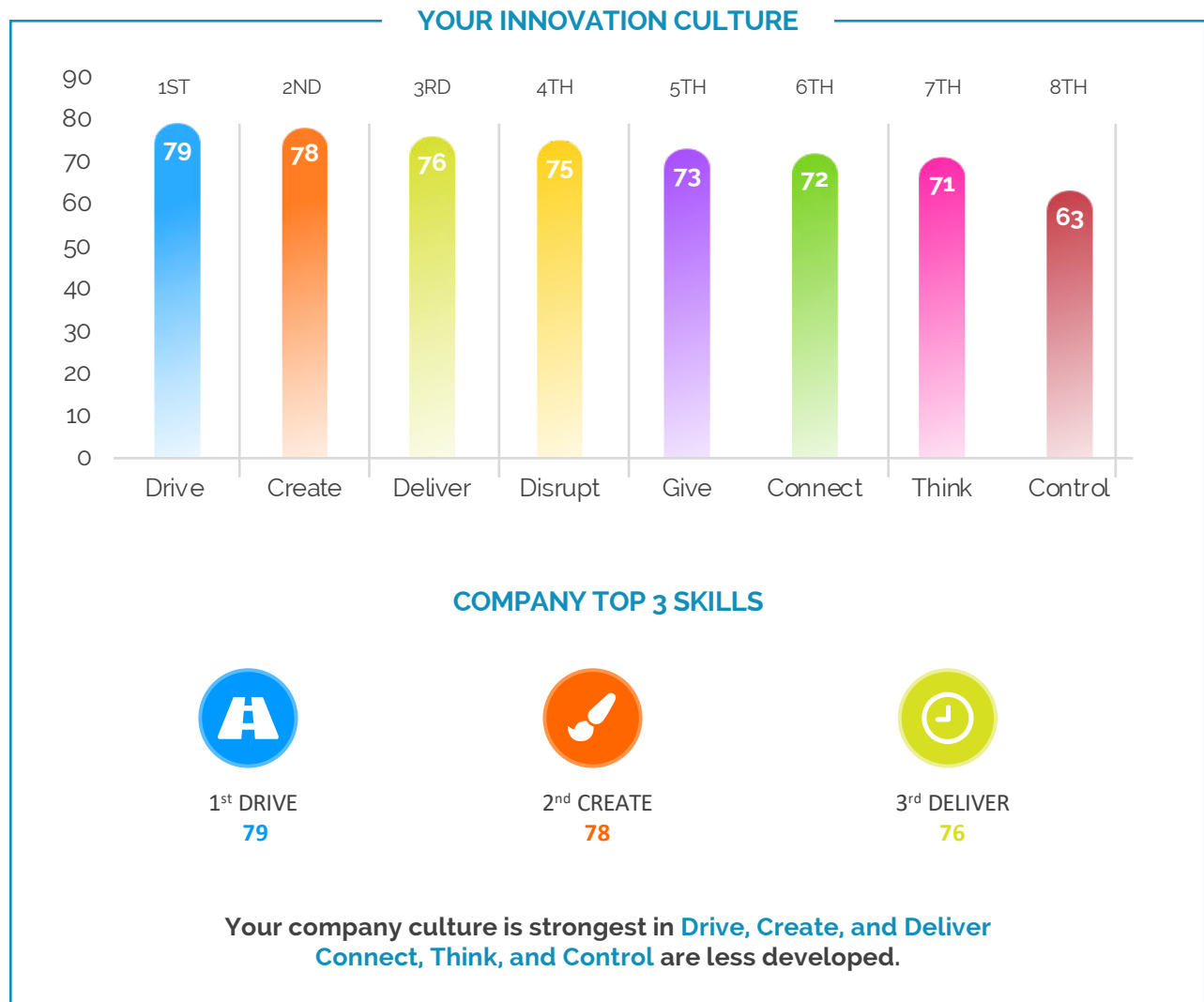


Figure 2: View of Innovation Culture

3. SET GOALS FOR CHANGE

Once you identify your cultural strengths and gaps through reflection (and if you use Swarm, the aggregated data views such as the above), you can set goals for change. In the above example, the highest score is Drive at 79. Scores in the 70s are sufficient for incremental innovation (Horizon 1). If your goal is to pursue Adjacent and Disruptive Innovation as well (Horizons 2 and 3), you will need talent with scores in the 80s and 90s.

You can see an example of one company's mix of innovation talent by Innovation Horizon in this dashboard view, below. They have few H2s (Adjacent Innovation, blue) and almost no H3s (Disruptive Innovation, pink):

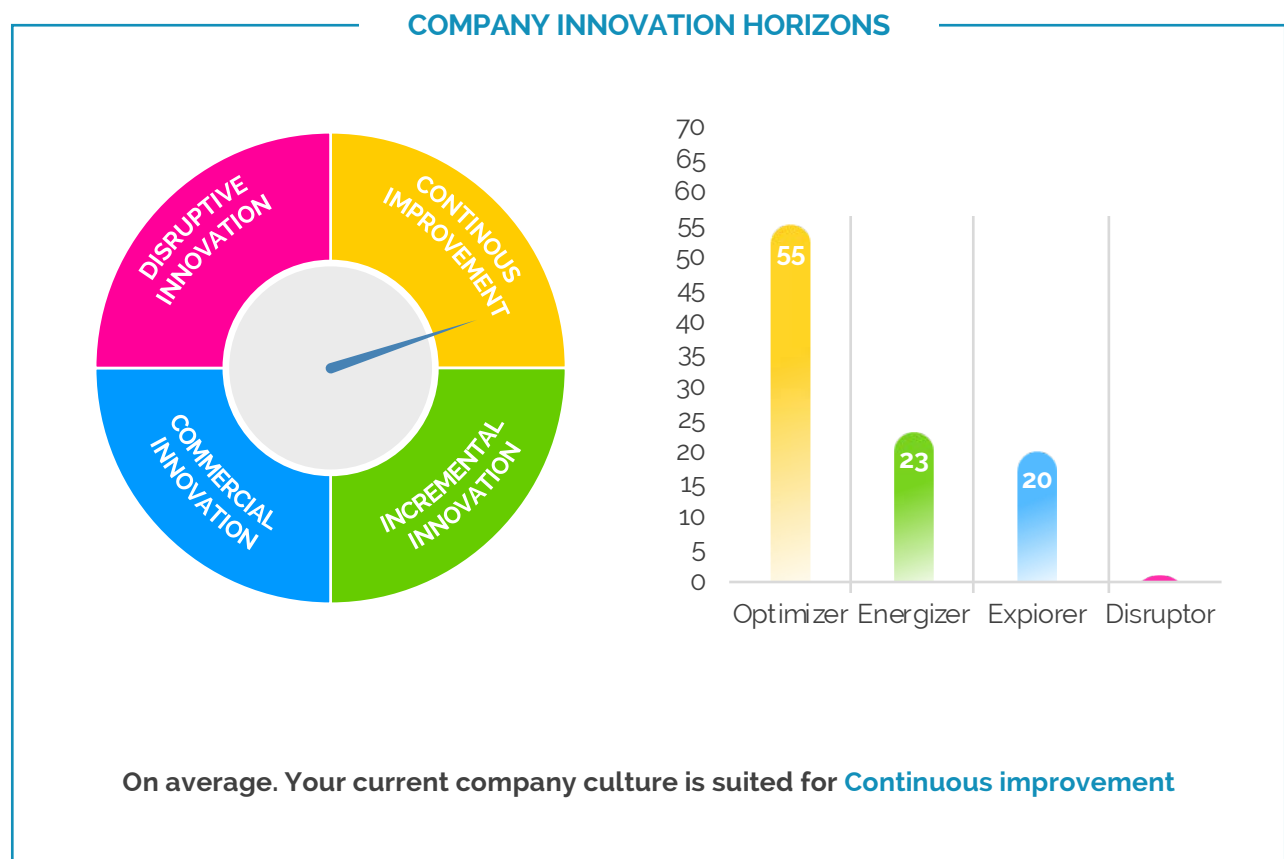


Figure 3: View of A Company Workforce by Innovation Horizons

4. Ensure leadership team includes Horizon 2 and Horizon 3 talent

Since culture is set from the top, it seems obvious that the leadership team needs to include a good representation of innovators as well. This signals like nothing else that innovators will be rewarded in your culture.

Innovators bring a different perspective and skill set to decision-making than individuals who are content with the status quo. For innovation to really happen in the company, innovators must be present on the leadership team, and be part of making the day-to-day decisions that determine company strategy and resource allocation.

5. INCLUDE INNOVATION ON EVERY EMPLOYEE'S KPIS

In most companies, individual employees are reviewed and rewarded based on their KPIs (key performance indicators). For innovation to be taken seriously, it follows that innovation must be on employee KPIs.

Innovation KPIs can take the form of:

- Activities, e.g. Participating in an innovation initiative such as a hackathon, innovation training, or interaction with start-ups.
- Skill development, e.g. Increasing your Innovation Profiler score by 10 percent through Training.
- Outcomes, e.g. Developing an innovation proposal that progresses through the stage-gating process from idea to MVP (Minimum Viable Product).

While outcomes matter the most in business, offering employees an array of KPIs related to innovation, including activities, skill development and outcomes, creates a meritocracy. Those with the most interest and drive will attempt to achieve actual outcomes.

6. Recognize and deal with resisters and blockers

As you launch an innovation culture initiative, those who repeatedly block, resist or undermine innovation must be put on notice. You can't say, on the one hand, that you want a Culture of Innovation, and also tolerate these anti-bodies who kill all progress.

So what can you do with resisters and blockers? They can be moved to roles where innovation is less critical, such as in a roles where existing procedures must be upheld for compliance. Clearly, after written warnings and a suitable time to cure the destructive behavior, resisters and blockers can be removed through your company's sanctioned processes. Be sure to work with Legal on this, dotting all of the I's and crossing all of the T's.

Decisive action (or the failure to take it), says more about how serious you are about innovation than 10,000 words. Employees watch what we do, not what we say!



7. CELEBRATE SUCCESSES. CULTURE CHANGE IS NOT A 'WON AND DONE'

As you take the above steps, be sure to celebrate even small successes and progress. It's a good idea to create a company-wide communication channel for regular updates on innovation.

Be sure to share not just successes, but struggles and learnings on the innovation journey. Emphasize a love of learning, and a growth mindset.

One caveat from my years of experience advising companies on innovation: Be careful not to create "innovation super-heroes." We all hear endlessly about Steve Jobs and Elon Musk. In the same way, when we lionize a small handful of super-stars inside the company, it can inadvertently make innovation appear out of reach for everyday employees.

The better approach is to convey that innovation is everyone's job. From our research, we know that innovation talent is found in every department — not just in IT or R&D. So innovation should be an equal opportunity for employees in every department and at every level to bring their whole selves to work, help drive company growth and to shine.



8. Monitor the culture continuously

What you don't measure you can't improve, right? So you need to monitor the innovation culture regularly. A good approach to avoid survey burnout is progressive sampling, where you ask a handful of culture diagnostic questions to a representative sample of the workforce on a regular basis, say quarterly or twice-yearly.

Don't forget to compare the views of leadership to the views of the rank and file. If the innovation culture is real, it will be felt all the way down to the people who water the plants!

To summarize, a culture of innovation is based on modelling, supporting and rewarding eight innovation behaviors. Leadership should reflect deeply on the current culture, identify any gaps and set clear goals. The leadership team should include a good representation of innovators, and innovation should be part of every employee's KPIs. Decisive action should be taken to redirect resisters and blockers. You need to celebrate your successes. And the culture should be monitored regularly at all levels of the organization.

The payoff for a true Culture of Innovation is manifold. First, innovative companies attract high quality talent, which makes your job in HR easier. And secondly, innovation drives growth, and ensures that you retain a lead over your competitors in the market. And last but not least, for every dollar of revenue a company earns, the market valuation for innovative companies is significantly higher. Which is why investment in a Culture of Innovation should be a priority for the C-suite, and for HR professionals.

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HOW TO DESIGN AND LEAD INNOVATION TEAMS

COMPETE IN A CHANGING WORLD BY DESIGNING AND LEADING STRONGER INNOVATION TEAMS.



These days, there is a tremendous focus on working in teams. Which is why it's surprising that so little science exists to guide us in team design. What do we know that can help us?

The defining trait of all successful teams

First let's talk about great teams in general. Google spent years analyzing data on hundreds of teams trying to unlock the secret of high-performing teams. Nothing appeared to explain it...not personality, not education, not years of experience, not even diversity.

Instead the researchers found that what really mattered was how the team worked together. The number one explanation for high-performing teams? *Psychological safety*.

Psychological safety refers to an individual's perception of the consequences of taking an interpersonal risk, or a belief that a team is safe for risk-taking in the face of being seen as ignorant, incompetent, negative, or disruptive. In a team with high psychological safety, teammates feel safe to take risks around their team members. They feel confident that no one on the team will embarrass or punish anyone else for admitting a mistake, asking a question, or offering a new idea. Here is a [great article](#) on psychological safety, including tools that you can adapt and make your own.

WHAT SKILLS ARE NEEDED ON INNOVATION TEAMS?

Psychological safety may be even more critical on innovation teams, because these teams encounter a higher degree of ambiguity and uncertainty. Our research found that certain skills are required for innovation teams vs. ordinary teams (who function within more defined contexts). These are the eight traits that are essential for innovation teams to possess:



DRIVE

Ambition, Initiative,
Intensity, Persistence



DISRUPT

Boundary-breaking,
Thriving in uncertainty,
Self - confidence



CREATE

Novelty-seeking,
Problem-solving,
Uncommon connections,
Growth mindset



CONNECT

Relating, Persuading,
Team-building, Social
intelligence



CONTROL

360-degree Involvement,
Competitiveness,
Financial orientation



THINK

Information Capacity,
Rapid Pattern
Recognition, Reflection



DELIVER

Contextual Goal-
orientation,
Resourcefulness,
Adaptability



GIVE

Benefitting others,
Making the world better

Figure 1: The Eight Innovation Skills

Leaders of innovation teams should start by understanding these eight behaviors, which they can do by reading this simple guide.

This is where psychological safety comes in. When team members feel psychological safety, they feel they can contribute all of the skills and ideas they possess, versus holding back in fear of judgement. The team benefits from the strengths each person possesses, which may be less developed in the other members. An effective innovation leader has the strength to show humanity, humility and some degree of vulnerability. He/she ensures that there is conversational turn-taking on the team, so all perspectives are heard and all of the eight skills are leveraged.



An effective innovation leader ensures that there is conversational turn-taking, so all perspectives are heard and all of the eight skills are leveraged.

Take a typical team like the one shown in Figure 2 below. On average, they score a 64, in the Continuous Improvement range. But when you look at the Coverage score (Figure 3) showing the highest score for anyone on the team for each of the eight skills, the team scores a 73. If the leader can leverage all of their skills, the team may have what it takes to perform in the Incremental Innovation (Horizon 1) range.

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If we then add a team member with complimentary skills, the team Average score improves to 69, but their Coverage score jumps to 84, in the Horizon 2 range. This score is consequential, because the ROI from innovation tends to be much greater as you go from Continuous Improvement to Incremental, Adjacent and Disruptive Innovation ranges.

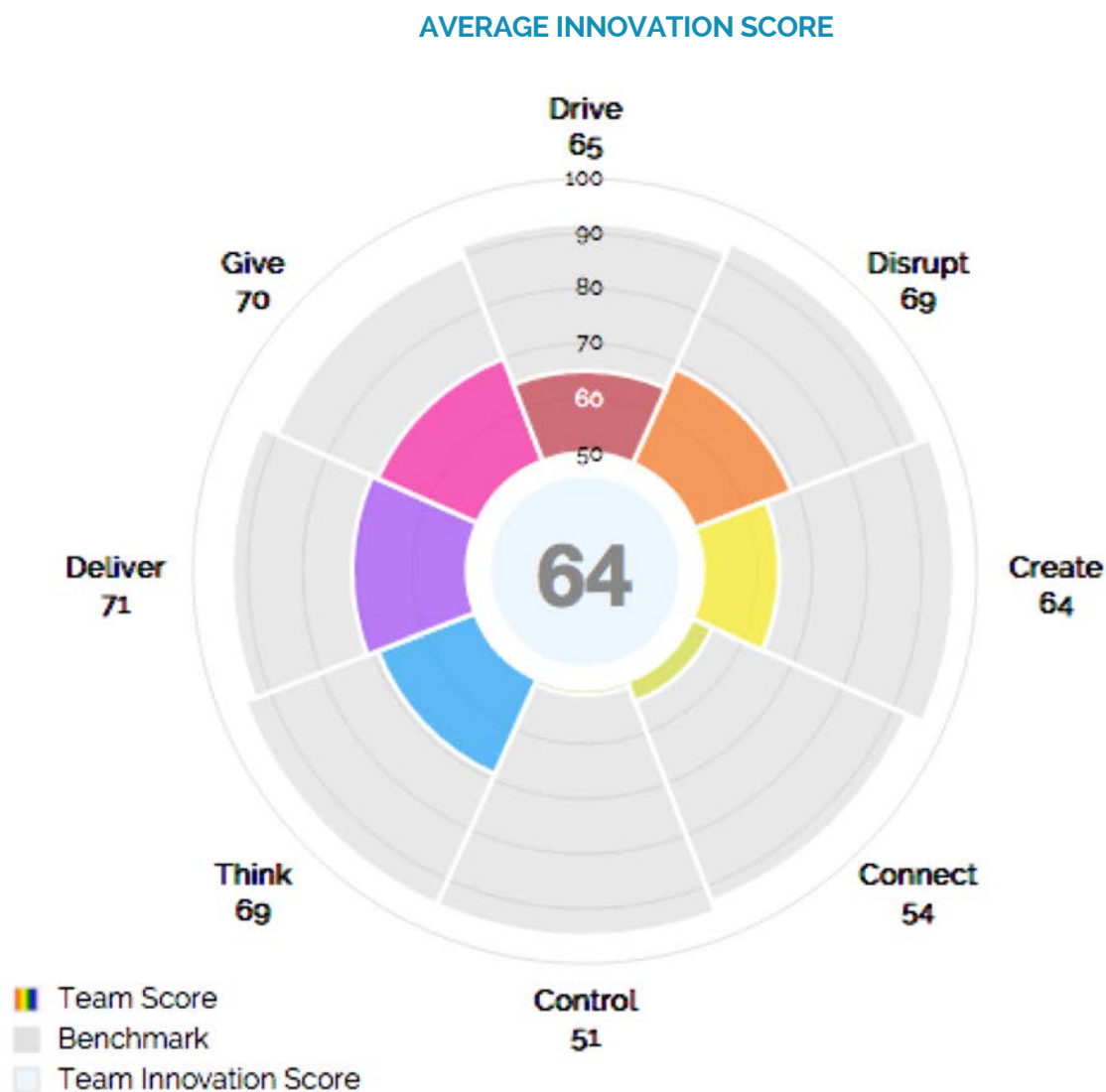
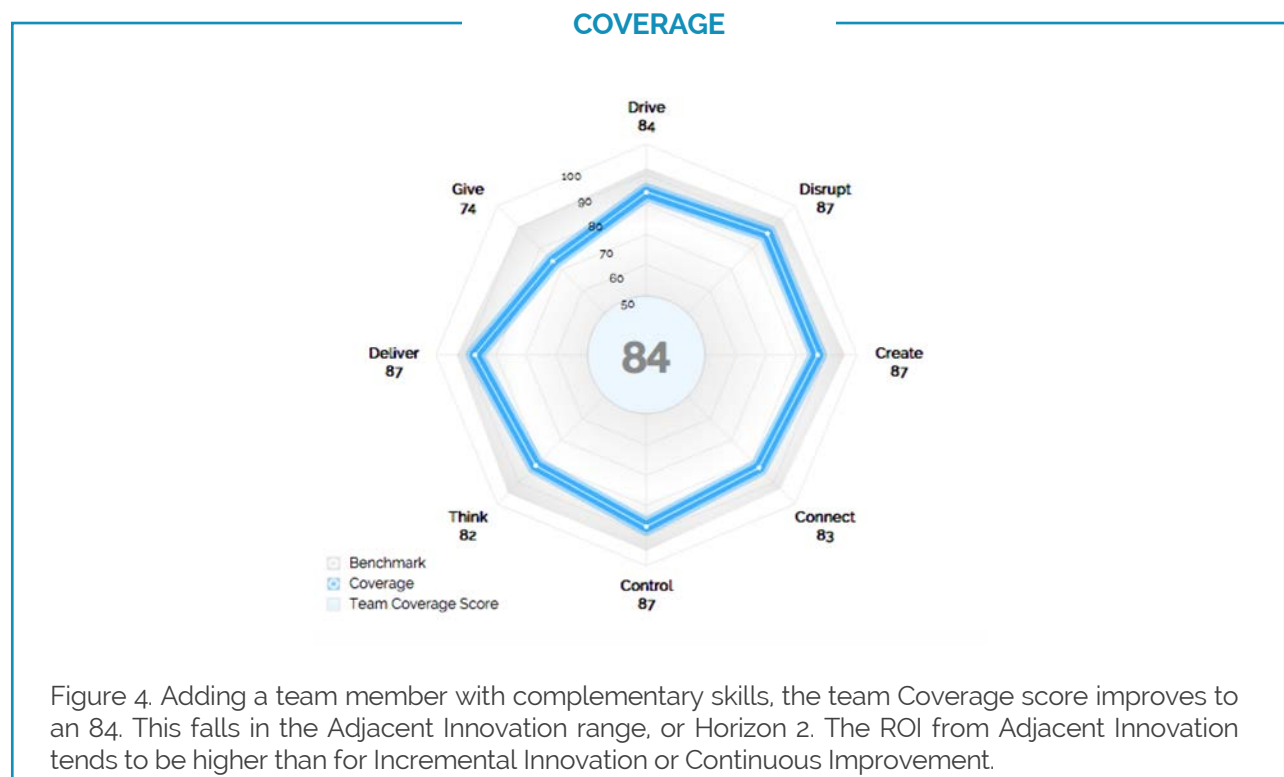
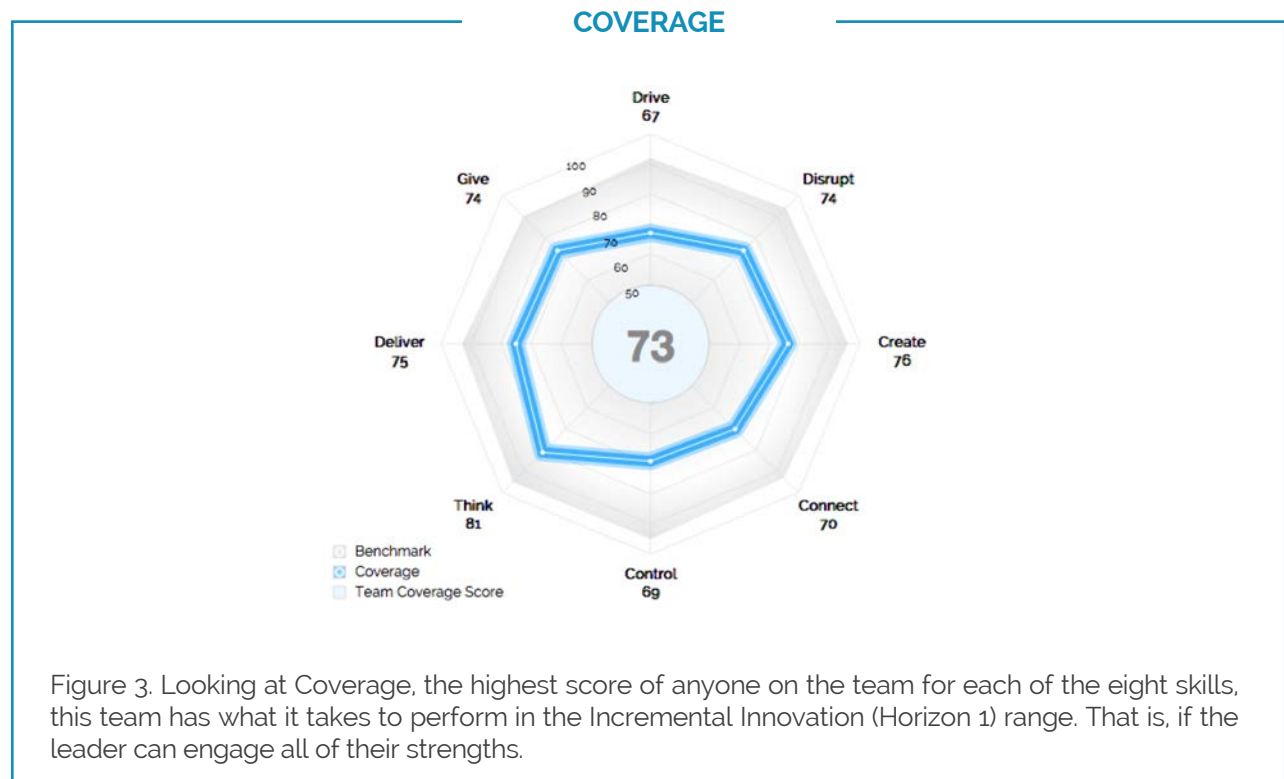


Figure 2. This team has an average innovation score of 64, in the Continuous Improvement range. They are under-developed on Control, Connect, Create and Drive.

WHAT SKILLS ARE NEEDED ON INNOVATION TEAMS?



ARE DIVERSE TEAMS MORE INNOVATIVE?



Maybe you already try to design diverse teams, with representation from a wide range of backgrounds. Isn't that enough to drive innovation? Well, the data is finally in, and the answer is "yes and no."

A study published in [Harvard Business Review](#) found a difference between innate and acquired diversity. *Inherent diversity* involves traits you are born with, such as gender, ethnicity, and sexual orientation. *Acquired diversity* involves traits you gain from experience. In a meta-analysis of 30 years of research, it was found that teams with innate or background diversity (gender, age, ethnicity) is not enough.

Back to the [HBR](#) article. Its authors refer to 2-D diversity as the presence of both *inherent* and *acquired diversity*. Companies with 2-D diversity out-innovate and out-perform others. "Employees at these companies are 45% likelier to report that their firm's market share grew over the previous year and 70% likelier to report that the firm captured a new market."

Developing the eight innovation skills enhances acquired diversity: e.g. developing employees' ability to relate to diverse stakeholders, respond to emerging patterns, synthesize diverse sources of data and thrive in ambiguity. Instilling these innovation skills in your workforce may just be a short cut to acquired diversity, and to achieving 2-D diversity.

HOW TO LEAD INNOVATION TEAMS

Assuming you design strong innovation teams with great coverage of the eight innovation skills and with 2-D diversity¹, does it matter who is in charge? Yes, innovation leaders need special skills and play a unique role.

For ordinary teams working in a well-defined area of the business, the priority for leaders is to manage, coach and inspire — in that order. For innovation teams, it's the opposite. Innovation team leaders need to inspire, coach, then manage — in that order. This is because innovators have high sense of personal agency; they believe that they can determine the outcomes of events. They need more room to explore, and support for voicing divergent opinions. After all, innovators' tendency to re-frame situations often leads to the breakthrough solutions we seek.

Innovation team leaders also play a unique role at the intersection of their innovation team and the mature, main business. In large companies especially, there can be an antibody-like response to innovation. Anything foreign is flooded with "antibodies" and the organ is rejected. Effective innovation team leaders therefore must protect their team from the antibodies.

But at the same time, innovation teams that are too removed from the larger organization will lack resources and access to go-to-market channels. So the innovation leader is like a blood-brain barrier that insulates the team from negative forces, while ensuring a plentiful blood supply (resources) from the main body.

The innovation team leader acts like a blood-brain barrier. He/she insulates the team (the brain) from negative forces, while ensuring a plentiful blood supply from the mothership (the body).

To summarize, innovation teams (like all teams) blossom with psychological safety. Innovation teams perhaps need such safety even more than regular teams, since they have to function in greater uncertainty. In addition, innovation teams require eight specific skills. Innovation teams with both *innate* and *acquired* (2-D) diversity produce better results than less diverse teams. Innovation team leaders need to inspire first, then coach then manage. And they need to act like the blood-brain barrier, protecting the innovation team from toxins while ensuring a plentiful blood supply from the main body.



¹ While this finding may fly in the face of accepted wisdom, teams with innate or background diversity are not necessarily more successful than those without. In a meta-analysis of the past 30 years of innovation research, it was found that "background diversity" (age, gender, ethnicity) "may lead to communication problems and difficulties in resolving opposing ideas and reaching consensus within the team." The authors found that "job-relevant diversity (e.g. functional skills and roles) is positively related to innovation, whereas background diversity is negatively related to innovation."

Source: Hülshager, Ute & Anderson, Neil & Salgado, Jesus. (2009). Team-Level Predictors of Innovation at Work: A Comprehensive Meta-Analysis Spanning Three Decades of Research. The Journal of Applied Psychology. 94. 1128-45. 10.1037/a0015978

ABOUT THE AUTHOR

Suzan Briganti is CEO and Founder of Swarm Vision. Swarm Vision is a software-as-a-service platform to identify, organize, develop and leverage innovation talent in the enterprise to drive growth. Suzan brings 25 years of experience in research, strategy and innovation. She has grown Swarm Vision from a garage start-up to a trusted solution provider to global Fortune 500 clients. Suzan leads Swarm Vision with a focus on building great products and teams. Suzan has an MBA summa cum laude from Boston University and a design degree from Italy. She serves on the International Standards Committee for Innovation Management, representing the United States. Suzan is a frequent writer and speaker on innovation in the workplace.

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