

WHITE PAPER

# Innovation

## How Leadership Makes the Difference

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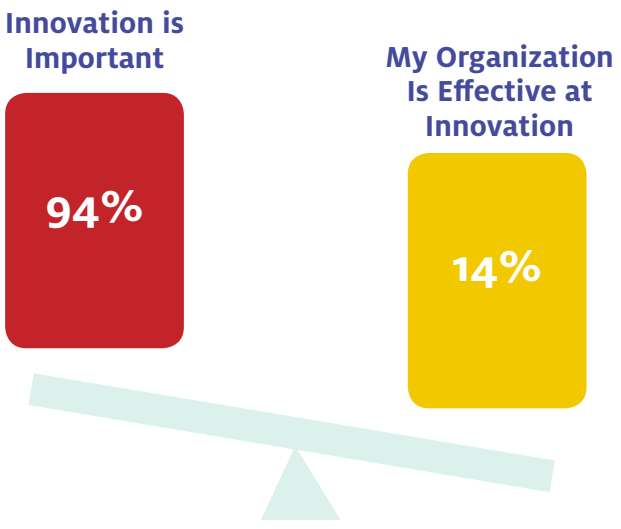
# Introduction

Executives and managers routinely talk about the importance of innovation, but turning talk into reality isn't easy to do.

Nearly everyone who took part in CCL's 500-person client panel said innovation is a key driver of success (94%), and 77% of their organizations have made attempts to improve innovation. Even so, just 14% are confident about their organization's ability to drive innovation effectively (CCL Innovation Leadership Survey, 2014).

Why do so many organizations struggle with innovation?

## Why Innovation?



(Source: CCL 500-person client panel)

# Innovation Efforts Fall Short

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In every industry and sector, leaders are faced with the need to achieve growth, define new products and services, enter new markets, create better internal processes and business models, and develop new global strategies. Innovation is routinely touted as the key to future success for today's companies and as the engine that creates new businesses. Responding to these needs takes tremendous efforts—and many executives, managers, and human resources professionals are unsure how to drive innovation alongside the day-to-day operations.

A survey of 600 senior leaders by Deloitte accurately reflects our work and conversations with clients:

*“In today’s rapidly changing business environment, there is no doubt that innovation is a key factor in business growth. Yet, America’s top leaders seem to have trouble moving beyond the buzzword and are split on how to foster innovation.”*

—Deloitte Business Confidence Report 2014

Leaders who seek innovation but are unsure how to make it happen can easily undermine innovation goals. In fact, *leadership behavior* contributes from 20% to 67% of the climate for creativity in organizations, according to research from creativity researcher Goran Ekvall (personal communication with one of the authors).

We argue that *leadership* is the most important factor needed to foster creativity and fuel innovation at the individual, team, and organizational levels. Leaders must act in ways that promote and support innovation in their culture.

# 3 Foundations of Leading Innovation

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Leading innovation is not the same thing as coming up with creative ideas. We define *innovation* as creating and implementing something new that adds value. *Innovation leadership* is needed to overcome challenges and transform ideas into actions. Without leadership, ideas are not pursued or acted upon, and certainly not transformed into game-changing products, services, or solutions.

Even when innovation is desired, leaders face challenges to fostering innovative thinking and acting. CCL focuses on three key areas:

**1. Navigating the inherent tensions between managing day-to-day business and leading innovation.**

Organizations must balance managing current business with the countless ways they could create new opportunities. Often, promising new ideas are ignored or postponed due to the pace of daily operations and the pressure to hit short-term targets. But, innovation and operations can—and must—coexist.

**2. Embracing the constancy of change and remaining agile.**

The context for innovation is difficult—organizations and everyone working in them are experiencing change upon change upon change. Leaders must be agile about innovation, too. Trying to maintain the status quo is not a sustainable option. There is no recipe for successful innovation. Innovation practices cannot become routine.

**3. Taking an enterprise-wide perspective.**

It may be hard to let go of the image of innovation coming from a single creative person having a flash of insight or relying on one department to make it happen. However, enduring efforts towards innovation come from people with diverse perspectives who network, collaborate, and build on each other's ideas. Today's organizational challenges are so complex and ambiguous that no one person can solve them alone.

So, how do organizations address real-world challenges to innovation? What leadership capabilities and actions are needed?

# 5 Recommended Practices for Developing Innovation Leadership

To get traction on innovation leadership in your organization, start with these guidelines.

## 1. Learn how roles and capabilities needed for innovation vary by level.

- Individual leaders are responsible for ideation and creation.
- Team leaders may serve as project leaders who are responsible for processes and managing resources.
- Middle managers support innovation teams by serving as connectors and champions.
- Functional leaders help develop the innovation strategy and manage the pipeline of new products, processes, and services.
- Executive leadership shapes culture and strategy and communicates the vision for innovation.

Understanding the different skills required to drive innovation by level focuses leaders on their responsibilities and helps target training and development.

## Innovation Leadership Skill by Leader Level

LEADING SELF	LEADING OTHERS	LEADING MANAGERS	LEADING THE FUNCTION	LEADING THE ORGANIZATION
<b>Ideating and Creating</b>	<b>Innovation Project Leader</b>	<b>Connecting and Championing</b>	<b>Managing Innovation Portfolio and Pipeline</b>	<b>Shaping Culture and Strategy</b>
<ul style="list-style-type: none"> <li>• Seeking and generating novel solutions and approaches</li> <li>• Participating on innovation teams</li> <li>• Pushing Across Boundaries and Systems</li> </ul>	<ul style="list-style-type: none"> <li>• Leading group Innovation processes</li> <li>• Effective team leader and flexible project manager</li> <li>• Finessing resources from outside their unit</li> </ul>	<ul style="list-style-type: none"> <li>• Supporting and protecting the innovation team from other parts of the organization</li> <li>• Building a case for grass roots innovations</li> <li>• Facilitating constructive cooperation between groups working on similar opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Helping develop an innovation strategy that bridges silos</li> <li>• Initiating strategic and structural changes to accommodate promising innovations</li> <li>• Managing pipeline of new products, processes, and services to ensure right mix of innovation bets—including managing inherent competition for resources</li> </ul>	<ul style="list-style-type: none"> <li>• Setting innovation strategy for the organization</li> <li>• Shaping culture to support innovation where “new, different, and disruptive” ideas are supported throughout the organization</li> <li>• Finding ways to view concepts not filtered or “de-risked” by many layers of management.</li> <li>• Modeling behavior</li> <li>• Communicating the vision of innovation</li> </ul>





## 2. Focus on an innovation process.

Innovation in organizations is not a random or unstructured activity. Innovation requires people with innovative mindsets working together towards a common target to understand and clarify the challenge, generate and refine ideas, develop solutions and plans, and implement the innovation to realize a quantifiable gain. These four steps—*Explore*, *Ideate*, *Craft*, and *Implement*—focused on a target make up CCL’s *Targeted Innovation* process and can be applied to any innovation need. When leaders understand how innovation works, they can see what is missing and, as with any other leadership challenge, create a strategy or plan to make it better.

## 3. Identify and leverage different contributions to innovation.

If innovation can be seen as a process, with different steps and stages, leaders can then see how different skills, perspectives, and contributions are needed along the way. CCL often uses a framework and assessment tool called *FourSight*, based on research by Gerard Puccio, PhD, director of the International Center for Studies in Creativity at the State University of New York College at Buffalo. *FourSight* parallels CCL’s *Targeted Innovation* process and identifies four thinking profiles to help understand the preferences and perspectives that contribute to the innovation process.

- *Clarifiers* explore the challenge to understand and pinpoint it.
- *Ideators* prefer to generate big possibilities.
- *Developers* focus on crafting and planning potential solutions.
- *Implementers* like to put workable solutions into practice.

#### **4. Work across boundaries.**

Innovation is a multidisciplinary, cross-boundary activity. Innovation leaders must learn to work across organizational boundaries to connect:

*Ideas with ideas,  
Ideas with people, and  
People with people.*

Innovation also requires leaders to influence, connect, and collaborate with people who have different innovation styles, or preferences. Without these capabilities, boundaries, bureaucracy, and hierarchy can easily kill innovation efforts.

#### **5. Embrace polarities.**

Paradoxes, conflicting priorities, must be approached from a polarity thinking rather than problem solving mindset. For example, there isn't a clear answer to a first-level manager weighing whether to deliver immediate results or champion a new process when viewed from a problem solving mindset. Or to a mid-level manager wrestling with how to allocate resources for current business while advocating for innovation projects with unknown return. Polarity Thinking, developed by Barry Johnson, helps leaders determine how to understand and respond to issues that don't have fixed solutions and to address conflicting perspectives and interests.





## The Bottom Line?

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Organizations can design a creative workspace and tout the importance of innovation . . .

Team members can be taught idea-generation techniques . . .

Employees can have good ideas and develop novel solutions . . .

Organizations need to support leaders at all levels, providing the knowledge and experiences to help people develop the mindset, skillsets, and toolsets to spur a leadership culture that sustains innovation.

*Leadership makes the difference  
when it comes to innovation.*

## Want More on Leading Innovation?

CCL offers a two-day course, [Driving Results through Innovation](#), to help managers learn to champion innovation while managing the day-to-day business. Participants work with peers and CCL experts on an innovation challenge they are facing, with an emphasis on helping leaders connect and champion innovative solutions in their organization

CCL can also help you set an Innovation Strategy to create a leadership culture of innovation and map out the development needed at each level of the organization. [Contact us for details.](#)

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