

WHITE PAPER

3 Crucial Behaviors for Successfully Leading Innovation



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When we are creating, we are at our most human.
When we are at our most human, we are at our most vulnerable.

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Summary

Does innovation matter? In a 2015 survey, we asked the Center for Creative Leadership (CCL®) clients about innovation.¹ Not surprisingly, nearly all of them—94%—told us innovation is important.

We live in a time when technology is advancing at a blistering pace, creating new possibilities for individuals and organizations that we could hardly have imagined a generation ago. The global political and economic environment is also shifting faster than ever, often moving in unpredictable directions.

It seems clear that innovation will be a defining trait—perhaps *the* defining trait—of those organizations that thrive over the next few decades. In this white paper, we lay out the essential leadership behaviors that are required to successfully lead innovation.

To better understand those behaviors, we interviewed people on the front lines of innovation work and we interviewed their bosses. We looked closely at the interactions between bosses and those responsible for driving innovation, investigating which boss behaviors encouraged their direct reports and which discouraged them. Our interview subjects came from various industries, and all had been involved in multiple, successful initiative projects.

From those interviews, we've identified the critical leadership behaviors exhibited during successful innovation efforts, as well as behaviors that worked against innovation. The lessons from these interviews are broadly applicable to managers at multiple levels. But we are especially focused on the leaders charged with overseeing innovation projects—often in addition to other responsibilities—and those working on and directing innovation projects on a day-to-day basis.

The actual job titles these individuals hold vary widely from one organization to the next, so for simplicity we are calling leaders who oversee innovation projects “leaders.” Those working in and directing that innovation work on a day-to-day basis and reporting to those leaders we label as “innovation managers.”



The Leadership Difference

What does it take to lead innovation?

In our 2015 client panel survey, just 14% of respondents told us their organizations are effective at innovation. It's certainly not for lack of trying—nearly all of them agree that innovation is important.

In prior research on the differences between organizations that innovate successfully and those that don't, CCL outlined 5 key organizational differences.ⁱⁱ They are:

1. Leaders who support innovation.
2. A culture that supports innovation.
3. Having a formal innovation strategy.
4. A budget allocated for innovation.
5. A clear direction for their innovation efforts.

Here, we are most interested in the first of these differences: Leaders who support innovation.

Innovation is unpredictable, and traditional leadership behavior was developed largely to produce excellence in the relatively predictable context of operations. An organization frequently can look at its own history, industry case studies, competitor behavior, and benchmarking data to understand existing operations. Our interviews with innovation leaders reveal that leading innovation is markedly different, in large part because those operational guardrails simply don't exist.

It's not obvious or intuitive that leading an innovation manager and that manager's team is markedly different than leading existing operations, and this is likely a trap that many innovation efforts and their leaders fall into. Our research suggests that trying to adopt the same approach to innovation as is used when leading ongoing operations is likely to fail.

Creating something completely new, rather than simply making incremental changes or managing ongoing activities, requires a different approach to leadership. Defining these differences and helping leaders adopt behaviors, values, attitudes, and techniques that support innovation are essential for any organization pursuing innovation.



How Innovation Leadership is Different

When leading operations, there is often a clear goal and a definable path to reach that goal. While that clarity doesn't always ensure success, it at least makes success more likely. You don't know if you'll reach your destination, but usually you're following a well-trodden path. Furthermore, it's easier to see, as you move down that path, whether you're on track to achieve a goal.

Innovation, on the other hand, happens in a unique context. Many organizations don't appreciate how different innovation is and what the implications are for leadership behaviors.

Existing Operations vs. Innovation

| Focus Area | Existing Operations Leadership | Innovation Leadership |
|-------------------|--|--|
| Finances | Revenue is flowing, providing leaders and managers financial information about that helps them make decisions. | The eventual return on investment from innovation efforts are difficult to forecast accurately. |
| Strategy | A path to success is already in place, or can be mapped based on past experience and formal expertise. | We're cutting the path as we go, without knowing exactly where it will lead or how long it will take to get there. |
| Leadership | Leaders usually have experience and knowledge related to the problems and issues arise. | Novel challenges arise that no one may have dealt with before; finding solutions can be challenging. |
| Management | There's a tried and true process for improving the business. | New processes are being created, tested and refined as we go. |



There are 4 key differences between innovation leadership and operations leadership that help explain why innovation leadership is different. These differences highlight the emotional stakes and amplify the daily fluctuations that innovation managers (and their teams) experience.

- **Innovation is ambiguous.** The outcome of any innovation effort is, of course, uncertain. But the entire context of innovation is ambiguous and uncertain. It is impossible for leaders to know for certain if innovators are pursuing the right idea at the right time, giving the entire enterprise of innovation an ambiguity that isn't present in other ongoing business operations. This means innovation managers require great emotional fortitude, resilience, and energy to persist in their work.
- **Innovation is high profile.** The innovation efforts of most organization are highly visible. Regardless of who is leading them, the C-suite, board and other leaders inside (and sometimes outside) the company are watching closely. For innovation managers and their leaders, high visibility creates enormous pressure to succeed, generating greater anxiety, and taking a greater emotional toll.
- **Innovation is risky.** Because it's unpredictable, there is a high risk of failure built into innovation. Outcomes are often binary—success or failure. This makes innovation work an emotional roller coaster, as the work advances or stalls. The highs are higher, the lows lower, and these ups and downs are emotionally draining.
- **Innovation is uncharted territory.** Innovation means moving into uncharted territory; there is no path to follow. The role of innovators is to cut a new path, without knowing for sure if it will take them where they want to go, how long it might take or how much effort will be required to get there. This uncertainty is stressful.

These 4 attributes—ambiguity, visibility, risk, and uncharted territory—can make innovation activities seem riskier, especially to those involved in them. Everyone's job is challenging in the modern enterprise, but innovation managers, and their direct reports, face greater emotional stress because there is no map of success for them. Persistence and success requires more risk taking and greater emotional tenacity. Leaders, then, must find ways to guide and support innovation managers through this fraught organizational environment.



3 Keys to Supporting Innovators

How leaders support and relate to innovators is different than how leaders relate to operationally focused subordinates. The three crucial leader behaviors that distinguish effective innovation leaders from others:

1. The leader demonstrates trust in the follower.
2. The leader keeps the purpose of the initiative front and center.
3. The leader is an equal partner in the effort.

Based on our interviews with leaders and innovation managers, all three of these behaviors are critical in providing the emotional support required for successful innovation.



While trust and purpose are often components of good leadership, as is partnership, these “softer” leadership competencies are more important in the risky, uncertain context of innovation. Innovation managers and their teams will be at their most effective when they feel confident in their own ability to experiment, take risks and, as Apple phrased it a famous ad campaign, “Think different.”



Trusting Followers

Leaders who demonstrate they trust their followers who are tasked with innovation—innovation managers—communicate to those managers that they believe in their ability to lead the innovation effort.

This fuels innovation managers' confidence in themselves. Because of the uncertainty inherent to innovation, confidence is key. Confidence increases innovation managers' willingness to take necessary risks—often big risks. They must have enough confidence in themselves, and in the trust their leaders trust have in them, to “swing for the fences,” taking the big risks essential to drive new ideas through to fruition.

Demonstrating trust is not merely a matter of words. Leaders should empower innovation managers, provide them autonomy, a broad framework and reassurance about their efforts. Micromanaging innovation initiatives, by contrast, is likely to hurt the manager's confidence and limit their risk-taking. A focusing on narrow details, rather than a broad focus on possibilities, can discourage creativity.

In demonstrating trust, it's helpful for leaders to take a coaching approach. They can draw out answers from those they manage, which demonstrates their trust in their followers' capabilities and builds their confidence. This kind of coaching for results is in line with a developmental approach to leadership that we know is characteristic of many high-performing organizations.





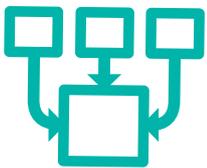
Focusing on Purpose

In addition to trust, another important function of bosses is to keep innovation project managers and their teams focused on the “why” of the innovation and its value to the organization. Because of its inherent uncertainty, innovators will face their own internal doubts about the project along the way.

Even if they are confident in their abilities, they may doubt the initiative, especially during the most challenging phases of the project. Leaders can help sustain the positive emotional engagement with the work that’s required to keep innovators move through the dips and past the setbacks.

Leaders who waiver on how innovation fits into the big picture, or who communicate that they’re losing faith in the value of a project, can drain motivation and confidence from their direct reports. That can sound the death knell for an innovation project.





Partnering with Innovators

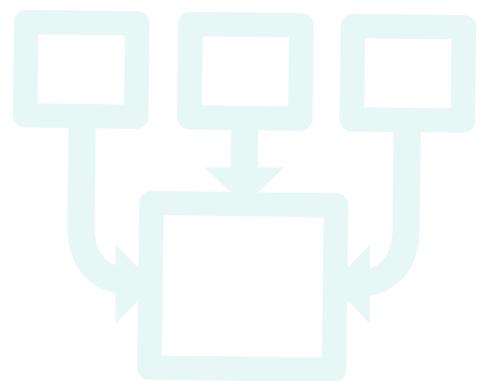
Perhaps the biggest difference between leading innovation managers and leading people handling ongoing operations is partnering. In our interviews, partnering behaviors were a crucial differentiator between successful and unsuccessful innovation, in large part because it strengthens the emotional reserves of those working in the innovation trenches.

In innovation, no one knows the path forward: Not innovation teams, not innovation managers, and not those leaders innovation managers report to. In this context, leaders have to change their mindset about how they relate to innovation managers. Since neither the innovation manager or the leader knows the path forward, the leader's job becomes—when appropriate—an act of cocreation.

These leaders view themselves as egalitarian in their relationships with their direct reports, and are willing to work directly with their innovation managers, when that's helpful, and share in the risk inherent in innovation.

This partnering behavior is not just about leaders adding to the innovation effort. By participating in the work themselves, leaders demonstrate to innovation managers and their teams that they support their efforts and are willing to personally invest time, energy, and reputational capital to help. This form of emotional support can energize and help shore up the emotional reserves of those involved in the day-to-day work of innovation.

By contrast, leader-follower relationships that are less egalitarian, or where leaders stand in judgment of new ideas, are not as conducive to fostering innovation.





Leaders who see themselves as partners with innovation managers are much more likely to succeed. Some of these partnership behaviors include:

- **Participating in problem-solving exercises**, not as a boss with all the answers, but as another voice in the room who can provide input, ideas, and new perspectives.
- **Cocreating with innovators**, working side-by-side with innovation managers and their teams to help chart the innovation path. Here again, the leader is an equal and a supporter, in the room to help, not direct.
- **Clearing away obstacles to innovation**, which may range from handling minor administrative issues to running interference with higher-ups.
- **Sharing risks equally with innovation managers and innovation teams**, by, for example, taking responsibility for the success or failure of innovation efforts and being willing to push back on inappropriate demands from higher-ups.

Prescriptive Approaches Don't Work

Managing by exception, where bosses review financial or operational results against forecasts or budgets and then focus on the deviations, is prescriptive, rather than partnering, and doesn't support innovators.

Likewise, a leader invested in a "Theory X" approach to leadership, who therefore believes that subordinates require close supervision and respond primarily to external rewards and penalties, would not be well suited to lead people whose job is to innovate.

A Cure for the Innovation Blues:

Raj had risen through the ranks of the hospital chain's IT staff and caught the eye of the CTO after successfully leading a major project to replace the company's purchasing and supply chain management software. Raj attributed his success in that project to his strong project management skills and quickly identifying, and eliminating, obstacles to the software implementation. Now the No. 2 technology executive for the company, Raj had been given responsibility for its Smarter Care initiative, which was trying to blend big data, artificial intelligence, and machine learning to predict expensive medical complications among patients before they occurred—and then alert caregivers in time to prevent them.

Raj had been a little intimidated, because the team included several physicians and he didn't really understand all the health care issues they were dealing with. But the manager leading the team had been confident, so Raj had taken a hands-off approach, trusting in the expertise of the manager and those on the team.

Now he faced a dilemma: The team manager said the Smarter Care project seemed to be stuck, as several attempts to link the medical records databases with the AI software had failed. The team was having a retreat to consider the problem, and their whole approach to the project. She wanted Raj to join them.

Raj considered how he might approach the meeting:

1. Use the same prescriptive approach that had worked so well for him on the purchasing and supply chain project? But in that situation, he had usually been able to identify the problem and a solution. He wasn't sure he would be able to do so with this project.
2. Give the team a pep talk to get them energized and then let them focus on the problem? After all, they were the experts.
3. Dig into the subject matter and offer whatever ideas or input he could come up with, not knowing if he would really be able to offer any value? This seemed the riskiest approach, but Raj wondered if this was actually what his project manager needed.

He thought about his own career and past projects he'd managed. Looking back, he realized that in the projects with the greatest uncertainty, what had been most helpful to push through was not a boss who provided the answers, but a boss who was willing to work side-by-side on especially tough problems.

What the team and their manager needed most of all was to know that Raj supported them. If he came up with some good ideas for the team to explore, even better, but just his participation would be helpful.



When leaders partner with innovators, two things happen. First, the innovators get access to resources that the leader can bring to bear on their efforts. Sometimes this may simply be another brain in the room providing ideas, or it could be additional financial resources or expertise from other parts of the organization or even outside the organization. Additional resources can increase the odds of success.

Second, and perhaps more importantly, the leader demonstrates through their actions that they are fully bought-in to the work of innovation. Given innovation's inherent risk, this emotional support helps motivate and fuel innovation managers and their teams. Actions speak louder than words, so true partnership is far more powerful than a pep talk or mere encouragement.



Endnotes

ⁱ CCL Client Panel, 2015

ⁱⁱ Clerkin, Cathleen and Culler-Lester, Kristin: “Navigating Innovation Roadblocks: Key Differences Between Innovative and Non-innovative Organizations.” <https://www.ccl.org/articles/white-papers/navigating-innovation-roadblocks/>

About the Author

Michael T. Mitchell, PhD, serves as senior faculty at the Center for Creative Leadership (CCL®) and is responsible for a variety of open enrollment programs. Working with a diverse portfolio of custom clients, Mike is involved in early discovery, development and program delivery. Additionally, he advises CCL's portfolio of clients on all aspects of innovation, including innovation leadership.

Mike has 35 years of business experience and has held senior positions in Fortune 500 companies. His experience spans more than 25 industries, including consumer packaged goods, electronics, agribusiness, manufacturing, financial services, energy, transportation, retail, advertising, technology, industry associations, construction, and home improvement. Innovation has been a key focus of Mike's career and he has served in innovation roles such as Director of New Products and VP of Global New Products and Strategy.

He has worked with a variety of clients to improve their innovation process, innovation leadership, and marketplace success. His perspectives on innovation have been published in *Forbes*, *Fast Company*, the *American Management Association*, *The Business Journal*, the *Journal of Strategic Innovation*, and *Sustainability and the Academy of Management*. In addition to his industry experience, Mike is also an experienced instructor and trainer. As an executive trainer and coach, Mike has worked with clients in the US, Europe and China.

Mike earned his PhD in Organizational Leadership from The Chicago School of Psychology and an MBA from Xavier University in Cincinnati, Ohio. In addition, he completed an executive program in Global Marketing at Thunderbird School of Global Management and has studied innovation and research techniques at the Creative Problem Solving Institute, Burke, and RIVA Institute.

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