

CREATING A CULTURE OF INNOVATION: NEW INSIGHTS FOR HR PROFESSIONALS

IN AN INCREASINGLY OLIGOPOLISTIC WORLD, WHERE A SINGLE SUPPLIER'S ACTIONS CAN IMPACT SO SIGNIFICANTLY ON MARKET PRICE AND ITS COMPETITORS, CONSTANT INNOVATION SEEMS THE ULTIMATE DIFFERENTIATOR OF SURVIVAL. CO-AUTHORS OF THE BOOK "RIDING THE WHIRLWIND - CONNECTING PEOPLE AND ORGANISATIONS IN A CULTURE OF INNOVATION", DR. FONS TROMPENAARS, CEO, AND DR. PETER WOOLLIAMS, SENIOR PARTNER, AT TROMPENAARS HAMPDEN-TURNER, A WORLD-WIDE CENTRE FOR INTERCULTURAL MANAGEMENT, LOOK AT HR'S CRUCIAL ROLE IN ACHIEVING A CULTURE OF INNOVATION WITHIN AN ORGANISATION.

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Much has been written about the recruitment, selection and retention of creative talent and separately about product and process innovation. And even more about corporate culture and more structural approaches to innovation in organisations. What is severely lacking is an overall framework that integrates these components to enable the HR professional to help the organisation create a culture of innovation.

On the one hand we all observe an increasing standardisation of the world and, on the other, an ever growing diversity. Our core proposition is that when we can connect these extremes, we have the essence of what a culture of innovation is all about. The joining of what we share and where we differ is the new challenge for leadership.

Western education and consumerism hasn't helped because they have forced us to think in terms of linear models and forced choices. The result is that most thinking emulates profiling instruments that are used by HR professionals, that owe their origin to an American or Anglo-Saxon philosophy that are still dominated by their cultural signature with linear scales. The basic level of instruments like MBTI or Kirton's KAI model direct us to think in terms of profiling staff as *either* thinking *or* feeling, an adaptor or an innovator, and not how these attributes can be combined. Measurement of amount of creativity is usually done on a linear scale rather than trying to find out whether the individual combines orientations like: 'Do you check your feelings with thinking?'. Similarly, received wisdom prescribes that all team roles must be present in a group to make an effective team. But there is less guidance about how these contrasting roles can be combined to work together. How do we connect the contributions of innovative idea generating Plants* by

combining them with the critical Monitor-Evaluator(s)* who want to halt yet more innovations, freeze design and deliver the current idea? And managing a multi-cultural innovative team adds even more tensions from contrasting orientations to resolve.

**"we cannot realise the potential of an innovative team
by just putting creative individuals together"**

The evidence from our research and consulting shows that innovation requires us to combine differences. In turn, this requires the identification of the dilemmas that derive from the tensions caused by personality differences, team role preferences and value (i.e. cultural) differences - whether from national, ethnic or corporate cultures. In our findings, all people from all cultures and corporations share similar dilemmas but it is their initial approach to them that is culturally determined. For example, should we be directing and 'hands-on' in our management of staff or should we be empowering staff to be 'hands-off' and innovative? Realising innovative potential will depend on both the autonomy of its people and on how well the ideas arising from this autonomy can be connected, centralised and co-ordinated.

SO WHAT DOES THIS MEAN FOR CREATING INNOVATIVE TEAMS?

Belbin has shown clearly that we cannot realise the potential of an innovative team by just putting creative individuals together. Only if members of a team play different roles and have different cultural orientations, is the team then full of potential conflict and creativity. With

PepsiCo, IBM, Stream and other organisations we asked senior executives what tensions they face with working with other members of their team that had 'opposite' team roles to themselves. Note that the focus was on the dilemmas they faced when working with other team members by virtue of the team roles, and not aspects of personality or inter-personal relationships. Simply posing these questions instantly generated new insights to how they were working with others, and they were all well able to be creative about how they could reconcile their own team role with opposite team roles. Consider a team member who was a Shaper. What dilemma did they identify in working with the Finisher role in a team - and how could they work better in the future by reconciling this dilemma?

Respondent	Working with a contrasting team role	Other team member
Shaper Challenging, dynamic, thrives on pressure. The drive and courage to overcome obstacles. But prone to provocation. Offends people's feelings.		Finisher Painstaking, conscientious, anxious. Searches out errors and omissions. Delivers on time. But inclined to worry unduly. Reluctant to delegate.
This is what she said about herself: <i>"Difficult for me to take on and develop ideas I have not had an original input to"</i>		And about her colleague: <i>"May not appear interested in alternative viewpoints as focus is on detail and delivery"</i>
This is what she proposed as a reconciliation		
Request the finisher to structure meeting time to evaluate my new ideas and then to identify and discuss his/her concerns and how they could be overcome if my idea might be implemented.		

Creative individuals and inventive teams are necessary, but they are not sufficient to generate conditions for the organisation to be innovative.

SO HOW CAN HR DIRECTORS HELP GUIDE THEIR ORGANISATION?

Well it is too simplistic to expect a straight journey down a single path. It is becoming clear that any single corporate culture has its strengths and weaknesses. At any given time, most organisations have a single dominant corporate culture that struggles with less dominant orientations. The organisation life-cycle follows a series of transitions from one corporate culture to the next where each transition is prompted by a crisis. Each crisis arises when growth outgrows the current culture. Here we find frequently occurring dilemmas that must be reconciled in order to progress from one culture to the next. Each dilemma requires an innovative solution and a truly innovative organisation copes successfully with each. So the prerequisite for an innovative organisation is the reconciliation of a variety of organisation cultures in order to face the changing dynamic world in which it operates. Cultures can learn to reconcile differences from values at ever higher levels - for example, so that better rules are created from a variety of exceptions that come with growth. But let's follow the typical life-cycle of cultures. >

CHALLENGES FOR HR

HR should be prepared to help the crisis of leadership with leadership development programmes focusing on the reconciliation of the following crucial dilemmas:

1. Leading participating employees versus respect for authority
2. Team spirit versus individual creativity
3. Effectiveness of teams versus creation of cultural knowledge about these teams.

In the crisis of autonomy, the HR professional is responsible for facilitating the reconciliations between:

1. Lord, servant, or servant leader?
2. How do we centralise lessons reaching us from decentralised locations?
3. Social learning versus technological learning

Effective levers to pull at this stage are processes in corporate learning and knowledge management.

And the crisis of control can best be overcome if HR helps to resolve:

1. The role of standards and benchmarks: should we meet or transcend them?
2. Meeting financial criteria versus developing our people
3. Focus on external customers versus focus on internal.

Traditional job evaluation systems, freezing the reality of ever evolving creative jobs, jeopardise innovative cultures. Programmes related with appraisal systems and customer orientation programmes can be the focal point for exposing these issues.

For the crisis of 'red tape' the HR role needs to be broadened so that the following dilemmas can be resolved:

1. Authority of sponsor versus empowered teams
2. Lean processes versus client is king
3. Should we strive to be right first time, or make errors and correct them quickly?
4. Do we learn explicitly or tacitly?

The HR role supports the chief inquirer by becoming a consultant to make learning systems possible, job evaluation systems transparent and integrated (not 'balanced' scorecard to support this.)

Finally, HR roles become crucial in helping the organisation going external and assist with the following dilemmas:

1. Internal versus external innovations
2. Investing in research and development efforts versus co-operating with rival companies
3. Hi-tech versus 'hi-touch' in virtual teams
4. Systemic versus modular innovation.

Here the HR professional needs to connect to systems and partners outside the company and learn by connecting to alternative systems.

CREATIVE ENTREPRENEURSHIP

Typically organisations begin by the founders creating both a product (or service) and a market. As the organisation grows, it exceeds the capacity of the founder to know everyone personally resulting in a *crisis of leadership* because management problems cannot be handled through informal processes.

FROM INVENTION TO INTENTION: GROWTH THROUGH DIRECTION

The solution is to appoint a strong paternalistic manager who can pull the organisation together into a kind of family. Often a trusted relative of the founder is chosen who has to reconcile the original incubator culture with the developing family culture. Dilemmas manifest as team spirit versus individual creativity, and leading participative employees versus respect for authority. But later, people find themselves restricted by the cumbersome and restricted centralised authority. Their dilemma is now between following orders and taking initiative so creating a *crisis of autonomy*.

FROM INTENTION TO INVASION: GROWTH THROUGH DELEGATION

It is difficult for leaders who had been successful at being directive, to relinquish control and delegate, whilst the lower level managers are also not used to making decisions. The need to develop a task oriented culture (that we caricature as a 'Guided Missile') becomes evident. But this gives rise to dilemmas of lord, servant or servant leader and tensions from asking how we centralise lessons from decentralised locations and, finally, social learning versus technological learning. Innovative approaches are again required in which leaders need to lead by giving service to others. And concerns for people have to be connected with concerns for productivity resulting in a reconciling socio-technical philosophy. In this way, the reconciliation of the 'family' with 'guided missile' cultures means the inventions have gained intention through the directive infusion of long-term commitment, which in turn has come about from the support of loyal people. Furthermore, the intended inventions have obtained focus to the outside world and are ready for invasion.

FROM INVASION TO IMPLEMENTATION: GROWTH THROUGH CO-ORDINATION

Just when we thought all was well, top management senses that it is losing control over a highly diversified operation. So the *crisis of control* arises. Now we need more formal reporting systems and committees which results in a return to centralisation. We caricature this as the rise of the role-oriented Eiffel Tower culture. Dilemmas now appear between meeting financial criteria versus developing people, focusing on customers versus internal processes and whether we should meet benchmarks or transcend them. Standards and benchmarks become obsolete when we realise they are linear one-dimensional measures. So it is not simply if people have lived up to the standards, but have the standards lived up to the people! Reconciling internal orientations with customer focus can be achieved by involving customers in improving internal processes.

FROM IMPLEMENTATION TO INQUIRING: GROWTH THROUGH COLLABORATION

Most co-ordinating systems eventually gain a momentum of their

own resulting in a *crisis of 'red-tape'*. Now the organisation has become too large and complex to be managed through rigid well-prescribed systems. Procedures take preference over problem solving.

So how do we sustain the innovation spirit of the organisation now? We've given 'intention to invention', invaded the market, and implemented the right processes whilst fighting the crises of leadership, autonomy, control and red tape. New dilemmas involve striving to be right first time or correcting errors quickly, learning explicitly or tacitly, and connecting the authority of sponsors with empowered teams.

FROM INQUIRING TO 'EXNOVATION': GROWTH THROUGH EXTERNAL CONNECTIONS

By reconciling the dilemmas characteristic of this phase, the infinity loop is finally closed and simultaneously, it is time to go outside the organisation.

The organisation may now have exhausted what it can achieve from itself so growth now may depend on the design of extra-organisational solutions, such as buying a new small pioneering 'incubator' that brings a fresh input of innovative ideas! This networking and alliance phase has more emphasis on the market than internal hierarchical concerns. The locus of innovation now shifts to networks and away from the individual firm.

IN PERSPECTIVE

In our consulting, we have captured, encoded and trawled through some 7,500 dilemmas with which organisations wrestle. Linguistic analysis and data mining shows this raw database can be reduced and clustered to a manageable series of frequently recurring dilemmas that embrace the life-cycle stages we have described.

It is those organisations that successfully reconcile the dilemmas by making connections between different orientations that survive in the ever-changing world. HR has a key role to facilitate this mindset change.

Ultimately, people are still the unique and scarce entity. But the challenge for HR is not to think of itself as human resource management, but rather the management of resourceful humans.

And that really would be innovation!

***Plant and Monitor-Evaluators**

These are two examples of the nine team roles as defined by Belbin in his well known team-role model. In the extreme, a 'Plant' is creative, imaginative, unorthodox, solves difficult problems but, ignores incidentals and may be too pre-occupied to communicate effectively. A 'Monitor-Evaluator' is strategic and discerning and sees all options. He/she judges accurately but lacks drive and ability to inspire others.



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