

Innovation by design



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In the current economic reality of margin erosion and rapid commoditisation of products and services, innovation is often seen as the last competitive differentiator. As a result, organisations are desperately looking for ways to improve their "ability to innovate". Over the past years, some common thinking and sound practices have emerged that focus on a number of key requirements to enable the innovative enterprise. One of these requirements is the development of a working environment that facilitates and stimulates innovation. However, is this thinking radical enough or do we have to go one step further and question the very nature of the organisation itself?

The quest for innovation

In general, the current thinking about innovation is that it is an ongoing process of improvement focusing on three main categories of competences:

- The creation of a working environment that facilitates and stimulates innovation.
- The development of personal skills and the promotion of practices, tools and methods to stimulate creative thinking.
- The management of new ideas.

In order to succeed, an organisation has to address all three requirements. My current interest is essentially focused on the first one of these three requirements.

In the innovation management literature we can find an elaborate list of techniques and best practices to address this requirement. Without pretending to be complete, some of the more frequently mentioned examples are:

- Adopting an open communication between all layers of the organisation so that everyone is fully aware of the strategic direction, the opportunities and also the challenges of the organisation.
- Having a willingness to accept a reasonable amount of risk allowing promising, yet risky ideas to have their fair chance for development and implementation.
- Stimulating an entrepreneurial mindset.
- Being tolerant for failure.
- Fostering knowledge sharing and cross-fertilisation of ideas across all entities of the organisation.
- Having the conviction that anyone in the organisation can be a potential contributor for innovation.
- Introducing a fair amount of challenge.
- Promoting creativity.
- Freeing up the necessary time and resources for innovative thinking.

Many of these approaches might seem obvious. Indeed, we "feel" that these are reasonable and appropriate steps. Still, without wanting to descend into the very darkness of human behaviour, it is important to ask ourselves the question: why? Why do such actions create an environment that stimulates creative thinking?

Well, I assume psychologists and sociologists will have a better, more complete and certainly more complex answer to this, but in general, it is my conviction that this increased creative thinking emerges from the combined presence and interaction of three main human behavioural drivers: challenge, authority and trust.

Challenge

The presence of challenge is obvious in several of these approaches. The concept of introducing challenge is even explicitly mentioned. However, many of the other items also introduce a fair amount of "challenge". What about management that communicates its strategy and the challenges the company is facing? Suddenly, you become the co-owner of a problem that you can hardly understand or oversee. What about being placed in a multi-disciplinary project team? Very likely you will be facing a different business language, different opinions, a different culture...

Authority

It is important to state that the expression "authority" is not used here to refer to some kind of formal hierarchical ranking. Instead, we are talking about the authority you have to change the processes that you are participating in or that you have control of. Again, this authority driver is clearly visible in several of the mentioned approaches. Implicitly or explicitly, authority is given to experiment, to give it a try, to take some risks and some level of resources is put at your disposal.

Trust

However, the most important driver remains the aspect of "trust". Trusting that any employee is able to develop interesting ideas that go way beyond the boundaries of his or her formal job description and that, by definition, he/she will do his/her utmost best to help you. In a similar way, the employee has the feeling being really seen as a peer. In a traditional organisation, an employee never has this feeling.

This aspect of trust might seem similar to the "authority" aspect, yet it is much stronger. By definition, "trust" assumes, for all parties involved, some degree of "not being in control of". Giving authority still assumes that you are in control. You "grant" something that goes further than the formal organisational structure or you delegate some of your own authority.

Trust allows for interactions taking place without the need for any formal procedures or agreements. Conversely, authority always assumes the existence of some level of formal procedures and agreements.

Of course, this still doesn't explain why the combined presence and interaction of these three drivers will trigger or facilitate innovation. However, that is not so important for our thinking here. The important thing is that in most situations, the combination of these drivers will incite people, in a positive way, to address the challenges that they are confronted with, hopefully resulting in a solution. That solution is then called innovation.

As such, this type of behaviour is not that special. It is very similar to the behaviour we exhibit in our own private life. Here also, we have our fair amount of challenges and risks. We have no complete control, but we have authority to act and we feel confident that we can and will manage. And of course, there is the blind trust of our partner.

Compare this to the context and the mindset of the average employee in a traditional hierarchical organisation and the difference is very obvious. The employee will never get married.

OK, we all agree that this type of approach delivers results. All of these initiatives are steps in the right direction. Is it enough?

Well, we also have to acknowledge that very few of the approaches mentioned above are a "natural behaviour" that fits perfectly with the reality of the traditional organisational structure. In fact, the way traditional companies are structured is in fact only large chain of boundaries and hurdles that are even so many inhibitors for innovation. All our steps to create the environment that facilitates and stimulates innovation are only poor attempts to avoid or circumvent the obstacles we first put in place.

In addition, all these actions require some kind of decision. They will not happen just like that but do require various conscious actions such as the changing of rules, approvals, the crossing of boundaries, the motivation of people, training sessions and workshops... It is not easy and it is not natural.

Therefore, let us ask the fundamental question: what type of organisational canvas do we need so that the environment that stimulates innovation does not have to be created "by brute force", but is incorporated in the very nature of the organisational structure?

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