Introduction
Peter Drucker defined innovation as “change that creates a new dimension of performance.” In today’s turbulent times, bringing about such change is one of the greatest challenges that leaders face.

Max De Pree, chairman emeritus of Herman Miller Inc., says that as our society grows more complex, important segments of it are becoming larger, more structured, more bureaucratic, less nimble and less hospitable to unusual people. Leaders can resist hardening of the arteries, however. They can help unusual people produce innovations. The secret is for leaders to make room for people with creative gifts and temporarily become followers themselves.

Creative Leadership
A leader must first make a personal commitment to be hospitable to creative people, and a broader commitment to be open to contributions from many quarters. That starts with the leader protecting creative people from the bureaucracy and legalism that are part of most organizations. A leader must also remain open to real surprise and true quality. Finally, a leader must connect creative people to the entire organization.

Leaders must understand that creative people are loyal to ideas and often appear to others as non-joiners. That means you can’t demand exceptional personal or corporate loyalty from them. Creative people need breadth of opportunity and the assurance of fair treatment rather than hierarchy and control.

A leader should also be careful about measuring the contributions of creative people. Return on assets has become a divine goal in too many organizations. Not all things can or should be quantified. Financial and legal matters are vital, but they don’t lie at the heart of our future. Resist the urge to structure everything in the same way.

At the same time, creative people, like everyone, need constraints. The famous industrial designer Charles Eames once called restraints “liberating.” Rembrandt never began a painting on an unlimited canvas. One of the striking characteristics of creative people is their ability to renew themselves through constraints.

Creative people also need license to be contrary. Cynicism has no place in an organization, but leaders should welcome the committed skeptic who wants to be held accountable and demands a share of the risk.

Creative people need a reasonable chance that their work will see the light of day. They need to work with others of equal competence. And they need a fundamental level of trust from their leaders. That trust will give the creative person an added sense of responsibility and pressure to see the project done right.
Kaleidoscope Innovation

Rosabeth Moss Kanter, the Harvard University change expert, says that trying to run an organization while the system itself is being redefined means we must look at life through a kaleidoscope — to imagine possibilities outside conventional categories, to envision actions that cross traditional boundaries, to anticipate repercussions and take advantage of interdependencies, and to make new connections or invent new combinations.

Every industry, no matter how mature, can find innovations in the kaleidoscope. Air transportation, for example, is a commodity — airlines use the same aircraft, seat configurations, pilot training, interline ticketing and travel brokers. But Southwest Airlines found a niche in low-cost services through its creativity.

Lurking behind the virtues of innovation, however, are two painful truths. First, innovation can be a pain in the neck for leaders — a nuisance, a disruption, an inconvenience and, even worse, a risk. Second, it’s hard for leaders to predict or control innovation. The innovation process is messy, not orderly. Therefore it’s easier for a leader to praise innovation in theory than to support it in practice.

How to Stifle Innovation

Some organizations that claim to want innovation appear instead to operate by an invisible set of guidelines that discourage it — by applying 10 classic rules for stifling innovation:

- **Stifler #1:** Be suspicious of every new idea from below — because it’s new and because it’s from below. After all, if the idea were any good, senior people would have thought of it already.
- **Stifler #2:** Insist that people who need your approval to act must go through several other layers of management first. That way most will fade away before they reach you.
- **Stifler #3:** Ask departments or individuals to challenge and criticize each other’s proposals. That saves you the job of deciding — you just pick the survivor.
- **Stifler #4:** Express your criticism freely and withhold your praise. Let them know they could be fired at any time. That keeps them on their toes.
- **Stifler #5:** Treat the identification of problems as a sign of failure, to discourage people from letting you know when something in their area isn’t working. Fear of mistakes, after all, will reduce risks.
- **Stifler #6:** Control everything carefully. Make sure people count everything that can be counted, frequently. That ensures a tight ship, with nothing extra for unproven plans.
- **Stifler #7:** Make decisions to reorganize or change policies in secret, and spring them on people unexpectedly. That also keeps people on their toes.
- **Stifler #8:** Make sure requests for information are fully justified. Don’t give it out freely.
- **Stifler #9:** Assign to lower-level managers, in the name of delegation and participation, responsibility for figuring out how to cut back, lay off, move people around, or otherwise implement threatening decisions you’ve made. And make them do it quickly.
- **Stifler #10:** Above all, never forget that you, the leaders, already know everything important about the business. Isn’t that why you’re in charge?

That list would be funny if those behaviors weren’t so common. They can be found in big bureaucracies, founder-driven companies and even small non-profits with “all-knowing” charismatic leaders who manage by whim.

To support innovation, a culture must encourage fast approvals, open communication, co-operation instead of combat across internal units, tolerance for uncertainty, and faith in people who try new things. A few reviews and checkpoints can be a good management tool, especially for ideas that are very risky or require high levels of investment. But routinely making every proposal travel through a hierarchy, level by level, is a sure way to slow things down, inhibit ideas that don’t already fit the organization’s direction, and discourage potential innovators.

Rules of Thumb

C. William Pollard, chairman of the board of The ServiceMaster Co., points out that not every idea is a good one. Choosing between them can test management. But what makes the difference between a good idea and a bad idea? There should be an established process of review and definition that provides a framework for deciding.

First of all, if an idea is worth doing, it’s worth doing poorly at first. Initially, the leader must provide the elbow room for improving the idea by trying and testing. It’s important, however, to move the idea out of the concept stage and into the working-model stage as soon as possible.
Some rules of thumb to follow:

• The potential of any innovation will always require testing and piloting. Successful new ideas are rarely developed on the drawing board or by market analysis or focus-group studies. In other words, get started.

• While innovators must have elbow room for mistakes, they must also be accountable and at risk for the results. No firm can afford innovative bystanders. The involvement of innovating and creating must carry some risk of failure as well as reward for success. Incentives for innovation won’t fit the standard compensation patterns of the firm. Different ownership methods will have to be considered and implemented.

• You must have an organizational structure that separates innovative initiatives from the main business and protects the new ideas from the crushing wheel of the firm’s operations. New ideas and new businesses don’t start with a regular monthly or quarterly track record. No matter how much thought is given to the business plan, there are always variations that aren’t on the mark. But the expected results over a period of time must be established at the front end of the venture or idea, or else the ship will be rudderless.

• You must have supportive senior leadership that’s ready to serve and listen but also has the discipline to bury the corpse of a failed idea. Not every idea will work or every innovation produce. It’s extremely hard for a successful firm to recognize failure. But both successes and failures can be a learning experience for the firm and the people involved, as long as the leadership is committed to the end goal of developing people.

Conclusion

Innovation doesn’t occur without significant challenge. Many people prefer to continue doing things the way they’ve always done them, and don’t welcome change. Many innovations will fail, but being open to innovative ideas, approaches and systems is imperative if we’re to survive both personally and professionally in today’s fast-changing world.

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