

INNOVATION

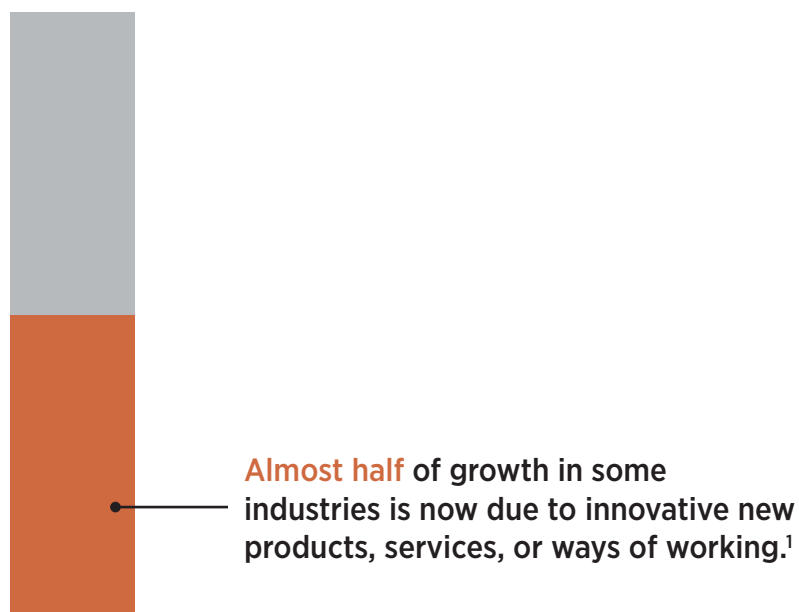
A CRITICAL NECESSITY



For many executives, the idea of innovation in their industry doesn't immediately resonate. "Innovation" has become an over-used buzzword associated with high-tech products, start-ups, and market disruptions. But innovation is both more—and less—than that. For centuries, people believed that a legendary "fountain of youth" could reverse the aging process for those who bathed in its enchanted waters. Popular articles on innovation seem to give it that kind of magical aura, implying that it could make any business the next ServiceNow, Netflix, Amazon, or Apple.

Innovation *can* mean a whole new life for companies. For most though, rather than thinking of innovation as a fountain of youth—similarly magical and elusive—it can help to consider it as more of a health and wellness program. And just as with these types of programs, innovation yields results from dedication and consistency. It won't guarantee immortality, but like people who commit to well-executed nutrition and exercise plans, organizations that commit to making innovation part of their regular work would be expected to have longer life spans and improved quality of life. Ongoing innovation is crucial for organizations to compete, grow, and succeed.

Customers' growing expectations of personalized products, services, and experiences, advances in automation, AI and robotics, ongoing developments in materials and processes, new competitors, and even entirely new business models, are all pushing organizations to innovate. On the pull side, there is research that suggests almost half of growth in some industries is now due to innovative new products, services, or ways of working, and that for every 1% increase in innovation spend, organizations are realizing, on average, an estimated 1.95% increase in overall revenues.¹



¹ Fieldwork by Citrix. (2021, October). The Era of Hyper-Innovation. Citrix. https://www.citrix.com/content/dam/citrix/en_us/documents/white-paper/the-era-of-hyper-innovation-wp.pdf

Innovation Really Is for Everyone

Innovation is simply the creation, development, and execution of new and valuable processes, services, or products. It can range from modest changes that improve a single individual or team's work processes incrementally to radical new ideas that can have impact across an entire organization. Both incremental and radical innovation have their place in gaining and maintaining a competitive advantage.

Even the traditionally low-tech, highly competitive restaurant sector provides a good example of how fostering creative ideas and making innovation part of its core work has helped a decades-old organization remain healthy and viable: McDonald's. The globally franchised organization is not only making big investments in technology to radically transform their customer experience (mobile ordering, voice recognition and digital ordering kiosks, integrated delivery, and personalized, dynamic drive-thru menu boards), but also constantly innovates and tests creative new food items. New menu items aren't radical innovation; they are variations rather than wholly novel foods. While many are failures, a few are immensely successful and profitable, drawing customers from competitors to help make the fast-food chain one of the most enduring and successful brands worldwide.

Almost anything can be, will be, or has been subject to innovation. Recent history has witnessed innovations dealing with delivery methods, customer experiences, workflows, business models, workplace issues, and much more. More than ever, leaders are turning their attention to preparing their people to solve problems with creative thinking and innovative work behaviors.

Steve Jobs famously demystified the creativity that underpins innovation by saying "it's just connecting things." Connecting ideas in new ways, big or small, is something that anyone can do. So, with the idea that every organization can and should consider innovation as part of their regular core work, AMA Global set out to examine practical strategies to help them maximize their innovative potential with a survey of nearly 6,000 employees across 11 countries.²



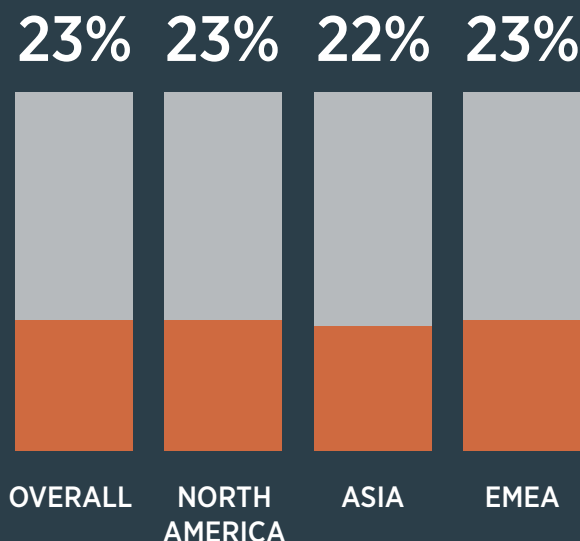
² Online survey conducted January-February 2022 by AMA of full-time employees, aged 21 years or older, across a range of industries, in the US, Canada, Mexico, Belgium, The Netherlands, Germany, Switzerland, Saudi Arabia, China, Japan, and India.

A Persistent Shortage of Innovation Skills

Not long before the Covid-19 pandemic began, a global PwC survey identified innovation as a top priority among CEOs. At that time, 77% of them said that they struggled to find employees with creativity and innovation skills.³ Since then, sourcing new creativity and innovation skills in the human capital marketplace has become even more challenging. Organizations looking to young workers for fresh ideas are hindered by the rapid aging of the workforce in many countries around the world. The ongoing shift to gig and contract employment could also have implications since job insecurity may negatively impact creativity.⁴

In the US, a central feature of The Great Resignation or Reshuffle was entrepreneurial employees leaving their employers to start their own new businesses.⁵ And, despite record numbers of employees who have already quit, 23% of respondents in the AMA survey still intend to leave their current organization within the next 12 months. Whether due to retirement or resignation, those departures often mean losing valuable experience and insight that could have helped drive innovation. In fact, nearly one-quarter of all respondents said their teams have lost valuable knowledge, skills, and abilities compared with a year ago. So, while efforts to attract, hire, and retain people with specialized skills and backgrounds in innovation remain essential, especially in certain industries, many leaders are looking for additional strategies.

Employees who intend to leave their current employer within the next 12 months



³PwC. (2017). *20th CEO Survey - The talent challenge: Harnessing the power of human skills in the machine age*. <https://www.pwc.com/gx/en/ceo-survey/2017/deep-dives/ceo-survey-global-talent.pdf>

⁴Probst, T.M., Stewart, S.M., Gruys, M.L. and Tierny, B.W. (2007), "Productivity, counterproductivity and creativity: the ups and downs of job insecurity", *Journal of Occupational and Organizational Psychology*, Vol. 80 No. 3, pp. 479-497.

⁵Binns, A. (2022, January 31). *Entrepreneur or corporate explorer? A new choice for innovators*. *Fortune*. Retrieved March 3, 2022, from <https://fortune.com/2022/01/31/entrepreneur-or-corporate-explorer-a-new-choice-for-innovators-careers-venture-capital-great-resignation-andy-binns/>

Missed Opportunities

When it comes to innovation, an organization's own employees are its #1 resource. Yet, data suggests that resource may be underutilized, with many organizations missing opportunities to identify and act on innovative ideas. Among the key findings of the AMA survey, nearly 4 in 10 employees report they have had an idea to improve something at work in their current role that they did not even bother to share. Every idea that isn't shared is potentially a missed opportunity to improve an organization's performance.

Coming up with new ideas for improvements is an example of what are called *innovative work behaviors* (IWBs), which can be defined as any intentional action directed toward the generation, development, promotion, or realization of new ideas that are beneficial to the organization.⁶ Research on the topic of driving IWBs is growing, and mounting evidence indicates that increased IWBs result in improved organizational performance.⁷ In the next sections of this paper, we will examine that research, along with results from the AMA study that suggest ways organizations can maximize their existing innovative potential.

Nearly 4 in 10 employees report having an idea to improve something at work in their current role that they did not even bother to share.



⁶Kleysen, R. F., & Street, C. T. (2001). Toward a multi-dimensional measure of individual innovative behavior. *Journal of Intellectual Capital*, 2(3), 284-296. <https://doi.org/10.1108/eum0000000005660>

⁷Shanker, R., Bhanugopan, R., van der Heijden, B. I., & Farrell, M. (2017). Organizational climate for innovation and organizational performance: The mediating effect of innovative work behavior. *Journal of Vocational Behavior*, 100, 67-77. <https://doi.org/10.1016/j.jvb.2017.02.004>

What It Takes to Maximize People's Innovative Potential

From idea generation to development, to gaining needed resources and approval and finally implementation, successful innovation can be encouraged or stalled at any number of points along the way. To put it simply, people need to be motivated to engage with the innovation process and have the level of talent required to successfully generate viable new ideas. Finally, the environment into which those ideas are born must be nurturing, so that they can result in actual innovation.

Leveraging identified motivation

Unlike extrinsic motivation, which relies on tangible rewards and has generally been shown to be ineffective at increasing innovative work behaviors, and intrinsic motivation, which is determined solely by whether an employee finds the work inherently fun or interesting, identified motivation can be leveraged to stimulate innovative work behaviors.⁸

Identified motivation describes the drive a person feels from identifying and internalizing the value and importance of a behavior and its alignment to their own personal goals, values, and identities. Unlike intrinsic motivation, organizations and its leaders can help employees feed their own identified motivation by emphasizing each individual's role in helping the organization fulfill its purpose more effectively through innovation.

Supporting the continuous growth of skills and knowledge

Creative production depends on the raw material that comes from fresh perspectives, new information, and deep expertise. The overall quality of an organization's employees makes a difference. It has been argued that a certain minimum level of talent density enables organizations to innovate more effectively, because being surrounded by high-performing colleagues drives higher performance in individuals.⁹ To reach and sustain this level of talent density, leaders can either hire top performers or develop their own people into top performers—or employ both approaches.

Creating a favorable climate for innovation

New ideas that go nowhere aren't innovation. Unless ideas get the support they need to be developed, resourced, and implemented, generating ideas is a futile exercise. Employees recognize that and respond by reducing their IWBs. However, when teams and organizations embrace new ideas and move quickly to implement those that are viable, participation in the innovation process is self-reinforcing.

⁸ Saether, E. A. (2019). Motivational antecedents to high-tech R&D employees' innovative work behavior: Self-determined motivation, person-organization fit, organization support of creativity, and pay justice. *The Journal of High Technology Management Research*, 30(2), 100350. <https://doi.org/10.1016/j.hitech.2019.100350>

⁹ Hastings, R., & Meyer, E. (2020). *No Rules Rules: Netflix and the Culture of Reinvention* (Illustrated ed.). Penguin Press.

Highly Innovative Organizations Are Different

In the AMA study, we analyzed a group of respondents who work for companies that are considered innovative within their industries *and* which continually invent ways to improve how they operate. Several key findings emerged in comparisons between this highly innovative group and others that point to important factors which help maximize innovative potential by leveraging identified motivation, supporting the continuous growth of skills and knowledge, and creating a favorable climate for innovation.

Highly innovative organizations:

1 ENSURE THAT INNOVATION IS CONSISTENTLY VIEWED AS PART OF EVERYONE'S JOB.

This attitude is crucial and is evident at McDonald's, which sponsors an annual "Global Hackathon" to generate innovative ideas. A company statement promoting the event reads, "You may think the Global Hackathon is only for McDonald's employees in technical fields, but that couldn't be further from the truth. The Global Hackathon is an opportunity for McDonald's employees in any department to show off their disruptive thinking, entrepreneurial spirit and unbeatable energy. In fact, we believe the best Hackathon teams are made up of hackers from different locations, departments, and skillsets; everyone has a unique perspective to bring to the project and everyone has a role to play."¹⁰

That thinking was reflected in responses to the AMA survey as well, where 62% strongly agree that they see being innovative as part of their job within the highly innovative group, compared with just 15% of all other respondents. It might be expected that high-level leaders would take responsibility for being innovative, but this difference extends all the way down through the organizational chart. Even among individual contributors, in highly innovative organizations, nearly half (46%) strongly agreed that being innovative was part of their job, compared with just 10% of individual contributors in the other organizations.

While event-based innovation, such as hack-a-thons, often yield impressive results, new ideas for improvement can occur to anyone in an organization, at any time. Many organizations don't include or communicate ongoing innovation as part of their strategic plans, which is a missed opportunity to signal senior leaders' support for everyone to get involved. There is a benefit to explicitly making it clear that innovation is not owned by any individual or department, and that it be understood as a legitimate part of every employee's regular work.

Percent of Organizations Identified as Highly-Innovative

18% 20%



OVERALL

NORTH AMERICA

17% 14%



ASIA

EMEA

Respondents from the highly innovative group were nearly 4x more likely to strongly agree that they see being innovative as part of their job.

¹⁰ McDonald's Global Hackathons Turn Out World-Class Talent. (2021, August 3). McDonald's. Retrieved March 3, 2022, from <https://corporate.mcdonalds.com/corpmcd/en-us/our-stories/article/Innovation.mcdonalds-hackathons.html>

GET THE INNOVATION FUNDAMENTALS RIGHT.

Research has shown that there are other fundamentals at the organizational level that are essential for innovation to flourish.¹¹

Communicate a clear vision and purpose.

Ella J. Baker, the American civil and human rights activist, said, “Give light and people will find the way.” Similarly, organizations that have and clearly communicate a shared vision, purpose, and strategy provide important guidance for their employees’ creativity, focusing ideas and steering efforts toward accomplishing its purpose in new and better ways.^{12,13} An inspiring purpose drives identified motivation, and this focus also helps teams and leaders filter and prioritize initiatives for resource allocation.

Support knowledge sharing and ongoing learning.

A clear understanding of what the organization does, how, why, and for whom, combined with information and expertise, is a good recipe for sparking innovative thinking. While some organizations tend to supply information on a need-to-know basis, sharing information freely is crucial for generating new ideas. Giving employees access to insights that come from an organization’s data collection, customer feedback, or cross-department work assignments has been shown to encourage creative idea generation, as has exposure to how others outside the organization do similar types of work.¹⁴ Continuously seeking to bring in new knowledge and perspectives—whether through hiring or providing existing employees with ongoing learning experiences that expand their sources of information and broaden the pool of perspectives to which they have access (from formal and informal learning and development, to contact with customers, vendors, and colleagues from other areas of the organization)—expands the possibilities for making new connections that could result in innovation.^{15,16}

Hire and retain skilled and diverse talent.

Clearly, organizations must also compete for talented, competent staff with the right skills and experience. In the AMA survey, respondents from highly innovative organizations were significantly more likely to say their employers hire and retain people with the right knowledge, skills, and abilities to be innovative. But, while this is an innovation fundamental, it isn’t enough on its own. Successful, ongoing innovation requires more than hiring talented people and hoping for the best. Research has shown that including people with diverse perspectives and experiences is highly beneficial to generating truly creative ideas.¹⁷ This was another characteristic confirmed as significantly more prevalent within the highly innovative group of the survey. See chart titled: “*Highly Innovative Organizations Consistently Get the Innovation Fundamentals Right*” pg. 9

As mentioned in the opening of this paper, nearly 4 in 10 employees report they have had an idea to improve something at work that they did not even bother to share. That number rises to more than half (53%) of those who consider themselves to be in a minority group at work. Organizations must not only hire and retain diverse talent, but also create an authentically inclusive environment to fully benefit from innovative potential of their entire workforce. This effort begins with senior leaders. The role of managers will be explored in the next section and is equally important.

Demonstrate a reasonable tolerance for risk.

Finally, organizations that want innovation to flourish must adopt a reasonable attitude toward risk and an openness to change.¹⁸ Senior leaders who are willing to acknowledge mistakes and talk about them in terms of the lessons that can be learned set a positive tone that others will follow. If, instead, the risks to reputation and career that come with failure are perceived as too high, people are likely to hold back their innovative ideas.

¹¹ Alfay, Shahira El and Naithani, Pranav, (2021), Antecedents of innovative work behaviour: a systematic review of the literature and future research agenda, *World Review of Entrepreneurship, Management and Sustainable Development*, 17, issue 1, p. 1-19, <https://EconPapers.repec.org/RePEc:ids:wremsd:v:17:y:2021:i:1:p:1-19>.

¹² Gebert, D., Boerner, S., & Lanwehr, R. (2003). The Risks of Autonomy: Empirical Evidence for the Necessity of a Balance Management in Promoting Organizational Innovativeness. *Creativity and Innovation Management*, 12(1), 41–49. <https://doi.org/10.1111/1467-8691.00267>

¹³ EY Americas. (2019, April 29). How a higher purpose drives better innovation. EY - US. Retrieved October 3, 2022, from https://www.ey.com/en_us/purpose/how-can-you-innovate-today-to-shape-tomorrow

¹⁴ Taylor, B. (2022, February 7). *To Find Creative Solutions, Look Outside Your Industry*. Harvard Business Review. Retrieved March 3, 2022, from <https://hbr.org/2022/02/to-find-creative-solutions-look-outside-your-industry>

¹⁵ Bos-Nehles, A., Renkema, M., & Janssen, M. (2017). HRM and innovative work behaviour: a systematic literature review. *Personnel Review*, 46(7), 1228–1253. <https://doi.org/10.1108/pr-09-2016-0257>

¹⁶ Lin, H. C., & Lee, Y. D. (2017). A Study of The Influence of Organizational Learning on Employees’ Innovative Behavior and Work Engagement by A Cross-Level Examination. *EURASIA Journal of Mathematics, Science and Technology Education*, 13(7). <https://doi.org/10.12973/eurasia.2017.00738a>

¹⁷ Barsoux, J. (2022, February 8). *Why Outside Perspectives Are Critical for Innovation Breakthroughs*. MIT Sloan Management Review. Retrieved March 3, 2022, from https://sloanreview.mit.edu/article/why-outside-perspectives-are-critical-for-innovation-breakthroughs/?cx_testId=3&cx_testVariant=cx_1&cx_artPos=1&cx_experienceId=EXCTJV2LS000#cxrecs_s

¹⁸ Kriegesmann, B., Kley, T., & Schwering, M. G. (2007). Making organizational learning happen: the value of “creative failures.” *Business Strategy Series*, 8(4), 270–276. <https://doi.org/10.1108/17515630710684312>

Highly Innovative Organizations Consistently Get the Innovation Fundamentals Right

	Highly Innovative Organizations	All Others
Ensure complete agreement on purpose and vision across the organization	89%	55%
View continuous learning as key to competitive advantage	93%	62%
Hire and retain people with the right talent to be innovative	93%	54%
Hire and retain people with diverse backgrounds and experiences	91%	60%
Accept that risk and failure are part of the innovation process	82%	51%

These innovative fundamentals can be challenging to embrace, and as the data demonstrate, even highly innovative organizations are not perfect. In established organizations that have developed bureaucratic tendencies and risk-averse corporate cultures, it can be especially difficult. To maximize the innovative potential of their workforce, senior leaders must address each of these fundamentals, as they directly impact employees' willingness to engage in innovative work behaviors.

They also have an indirect effect resulting from their influence on managerial behaviors that support or hinder innovation, since managers are in the position of translating, modeling, and reinforcing the attitudes and norms an organization hopes to incorporate into its culture. When managers effectively communicate the organization's purpose and its connection to the team's work, it can strengthen employees' motivation. When team members all feel a strong sense of belonging, they perceive the entire organization as more inclusive. A manager's tendency to encourage or discourage direct reports' access to available training resources or educational experiences is perceived as indicative of the broader organization's support for employee development. Similarly, from an employee's perspective, their direct manager's reaction to risk and failure will be viewed as representing the organization's reaction. For this reason alone, the manager's role in maximizing an organization's innovative potential should

be considered vital, but evidence suggests their behaviors affect employees' willingness to engage in IWBs in other ways as well. This leads us to the third area of focus we will explore: the impact of managers on innovative work behaviors.

Managers have a special role to play in connecting people to each other and to the people and resources needed to turn their creative ideas into innovation.

3 STRENGTHEN ACTIVE MANAGERIAL SUPPORT OF INNOVATION.

Studies have found that managerial support has a direct and significant effect on whether people consistently engage in the innovative behaviors that lead to innovations and is an important differentiator between organizations that routinely and successfully innovate and those that are less effective.¹⁹ That suggests managers have a special role to play in connecting people to each other and to the people and resources needed to realize their creative ideas.

Despite an organization having the fundamentals right, if managers don't view fostering innovation as a priority, many opportunities will continue to be missed. They must see cultivating innovation as part of their jobs and be skilled in actively creating a supportive climate. In the AMA survey, respondents were far more likely to engage in innovative work behaviors—from idea generation to development, promotion, and implementation—when they reported that their managers consistently exhibited specific, supportive behaviors. When those behaviors are less consistent, the likelihood of respondents engaging in IWBs drops dramatically. *See chart titled: "When Managers Demonstrate Behaviors That..." pg 10*

Academic research has identified a number of manager behaviors that show varying degrees of apparent impact on IWBs. In this paper, the focus is on those behaviors with the strongest impact based on secondary research and the analysis of the AMA survey data. This is not meant to suggest that other behaviors are unimportant; any behavior that drives identified motivation, supports the continuous growth of skills and knowledge, or creates a more favorable climate for innovation would be expected to have a positive effect as well. The goal is to provide data that can guide organizations in focusing their efforts to become more innovative.

¹⁹ Lukes, M., & Stephan, U. (2017). Measuring employee innovation. *International Journal of Entrepreneurial Behavior & Research*, 23(1), 136-158. <https://doi.org/10.1108/ijebr-11-2015-0262>

When Managers Demonstrate Behaviors That...			
	Excellent	Good	Weak
Encourage new ideas	62%	34%	13%
Ensure diverse ideas and ways of thinking are valued	72%	37%	14%
Actively work to gain support for new ideas	65%	40%	11%
Support the prompt implementation of viable ideas	66%	36%	7%

Percent shown demonstrates the extent to which employees consistently engage in related IWBs

Encourage innovative ideas.

Just as few employees overall see innovation as part of their job, only 30% of non-CEO leaders in the survey strongly agree it is part of theirs. That has implications for whether they see innovative ideas as a potential benefit or a bother. The employee perspective confirms it: Just 25% strongly agree that their managers encourage them to come forward with new ideas. Worse, a significant number of those who admitted to withholding their ideas say they did so because their managers discourage them from trying to change things in their organization. Leaders can encourage ideas in many ways, from simply asking for them to creating specific idea-generating events to address a particular business challenge. Merely recognizing those that are brought forward—regardless of their outcome—has a positive impact on employees’ willingness to engage in IWBs related to the early stages of innovation, such as actively looking for new ideas from colleagues, business partners, or customers, and trying new ways of doing things.

25%



Strongly agree that their managers encourage them to come forward with new ideas.

Create psychological safety.

One of the most important roles of the modern manager is to establish a team environment where everyone feels valued, included, and respected. This supports innovation in multiple ways. First, it drives talent retention. A recent McKinsey study reported that the top factors employees cited as reasons for quitting were that they didn’t feel valued by their organizations (54%) or their managers (52%).²⁰ Secondly, when every team member feels valued and sees that others on the team are too, it contributes to a psychologically safe environment where people feel comfortable sharing ideas and engaging in constructive dialogue on how to develop and improve them. Survey respondents who reported that their managers consistently ensure that diverse ideas and ways of thinking are valued were far more likely to engage in early-stage IWBs related to idea generation and development.

Actively facilitate the advancement of viable ideas.

Whether novel ideas flourish or die depends heavily on whether managers are willing to partner with their direct reports in owning the idea and using their professional network to gain the approval and resources needed to advance it. Actions speak louder than words, and when managers demonstrate a willingness and the ability to win support for new ideas outside the department, it has a strong impact on respondents’ willingness to engage in IWBs. Understandably, when a manager is willing to draw on their own social capital and share the risk to champion a new and innovative idea, it sends a powerful signal to their people that it is worthwhile work to develop ideas with innovative potential.

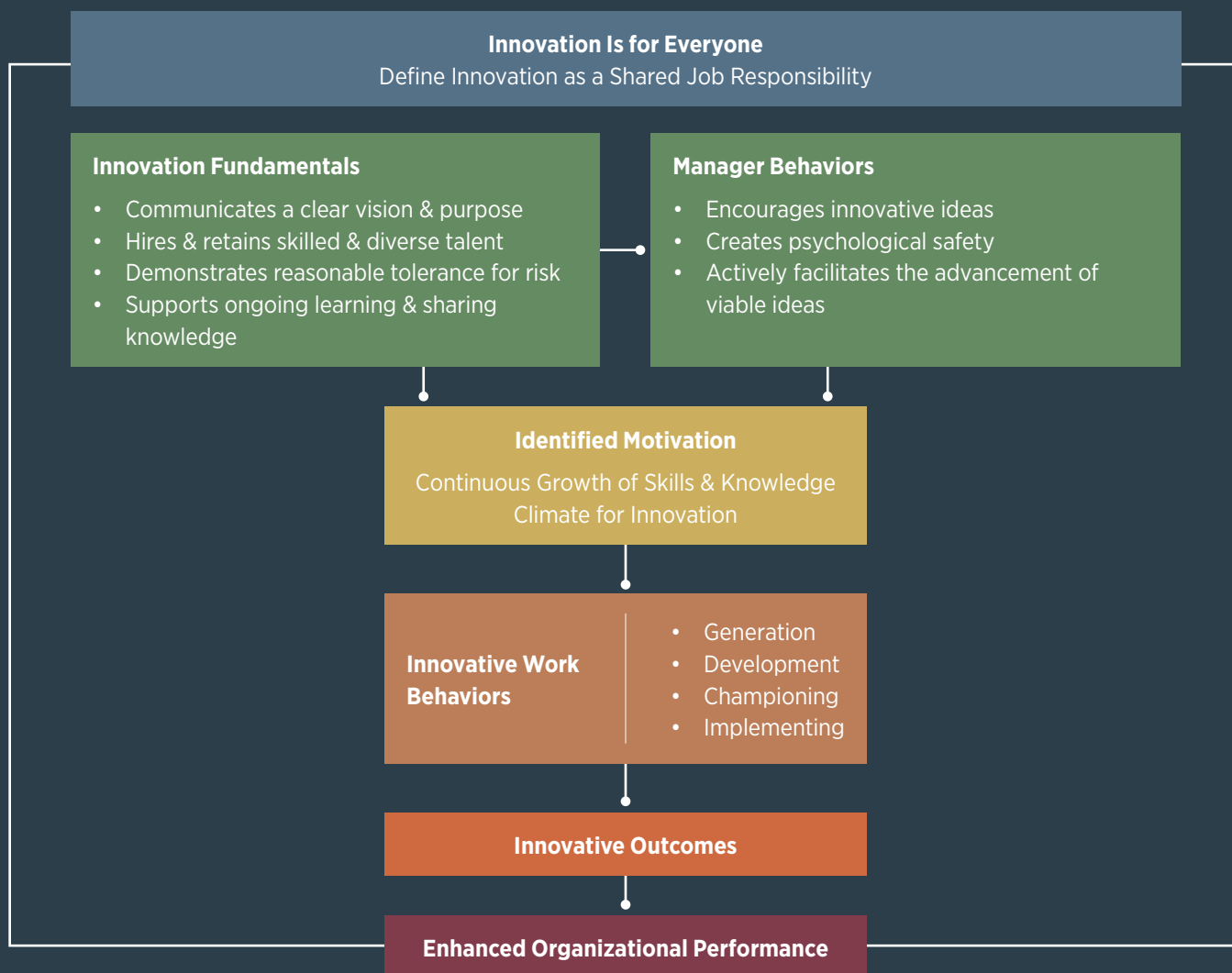
It is similarly important managers show urgency for applying viable ideas with speed in situations where they have the autonomy to make the decision to implement it. Even innovative projects that are small in scope and owned completely within a team can add value to the organization, its partners, or customers. When these types of benefits are clear, teams are demotivated when managers are slow to take action. Similar to the frustration experienced by family members who must look on helplessly as a loved one refuses to take steps that could improve their own health, employees quickly become demoralized by the futility of suggesting ideas that are never implemented. Conversely, swift action creates a sense of empowerment and sends a clear message on the value of bringing forward new ideas to improve work, even when the positive impact is modest. Employees are significantly more likely to engage in IWBs that are part of the later stages of innovation: idea championing and implementation.

²⁰ de Smet, A., Dowling, B., Mugayar-Baldocchi, M., & Schaninger, B. (2021, December 17). 'Great Attrition' or 'Great Attraction'? The choice is yours. McKinsey & Company. Retrieved July 3, 2022, from <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/great-attrition-or-great-attraction-the-choice-is-yours>

Maximizing People's Innovative Potential

The following model summarizes the relationships just explored. Together, the understanding that everyone has an important part to play in making innovation possible, the innovation fundamentals at the organizational level, and manager behaviors, work together to establish a fertile ground for new ideas by increasing employees' identified

motivation, supporting continuous growth of skills and knowledge, and creating a favorable climate for innovation to flourish. This has a positive impact on people's willingness to engage in innovative work behaviors, which result directly in increased innovative outcomes and enhanced organizational performance.



Developing Managers with an **Eye Toward** Innovation

Given the critical role that managers have in mediating the impact of an organization's innovation fundamentals, as well as the direct impact of their own behaviors, it only makes sense to focus on their development as innovation leaders. Organizations that are ready to embrace innovation as core work can take steps to ensure that fewer potentially viable ideas are missed and increase the likelihood that employees will engage with the process. It begins with supporting and preparing management and leadership teams to take a more active role:

1

Innovation is a shared responsibility

Communicate that innovation is a shared responsibility, everyone can contribute, and that senior leaders welcome innovative efforts. To ensure clarity, leaders can align incentives by integrating responsibility for actively supporting innovation into managers' performance metrics.

2

Provide resources and support

Provide resources and support for employee development. This can include traditional training, but leaders should be open to a variety of learning experiences. In countries where talent is mobile, support for skill development has been proven to help with retention. In countries where employees tend to stay with one organization, continuous development of that talent might be even more essential to staying competitive in the integrated world economy.

3

Managers need a solid foundation in business acumen

Give managers a solid foundation in business acumen and access to the insights that come from the organization's data, employee, and customer feedback. Encourage them to share it with their teams. Prepare them to help evaluate ideas' potential and develop them into realistic projects with a view to enhance team and organizational performance. Managers who can effectively evaluate potential and viability will more effectively be able to make a case for resources and meet with success, leading to a virtuous, self-reinforcing cycle.



4

Build Interpersonal and Emotional Intelligence skills

Model and coach the interpersonal skills and emotional intelligence that help strengthen relationships, networks, and inclusion. Demonstrating that people and ideas are valued despite—and even because of—their differences can help organizations attract and retain a workforce with both technical skills and diversity of thinking, knowledge, and experiences that can help ensure the variety of perspectives that tend to lead to novel ideas.

5

Create psychological safety

Accept that innovation inevitably involves risks and failures along the way. Not every idea will result in successful innovation, but certainly every idea withheld has no chance. Managers can signal a tolerant attitude toward reasonable risk by creating psychological safety, treating mistakes as learning opportunities, and recognizing efforts to be innovative, regardless of the eventual outcome.

6

Become Masters of Change Management

Develop managers into masters of change management. In essence, the implementation phase of innovation is about leading change. Putting ideas into practice requires leaders who are skilled in getting people on board to work in new ways.

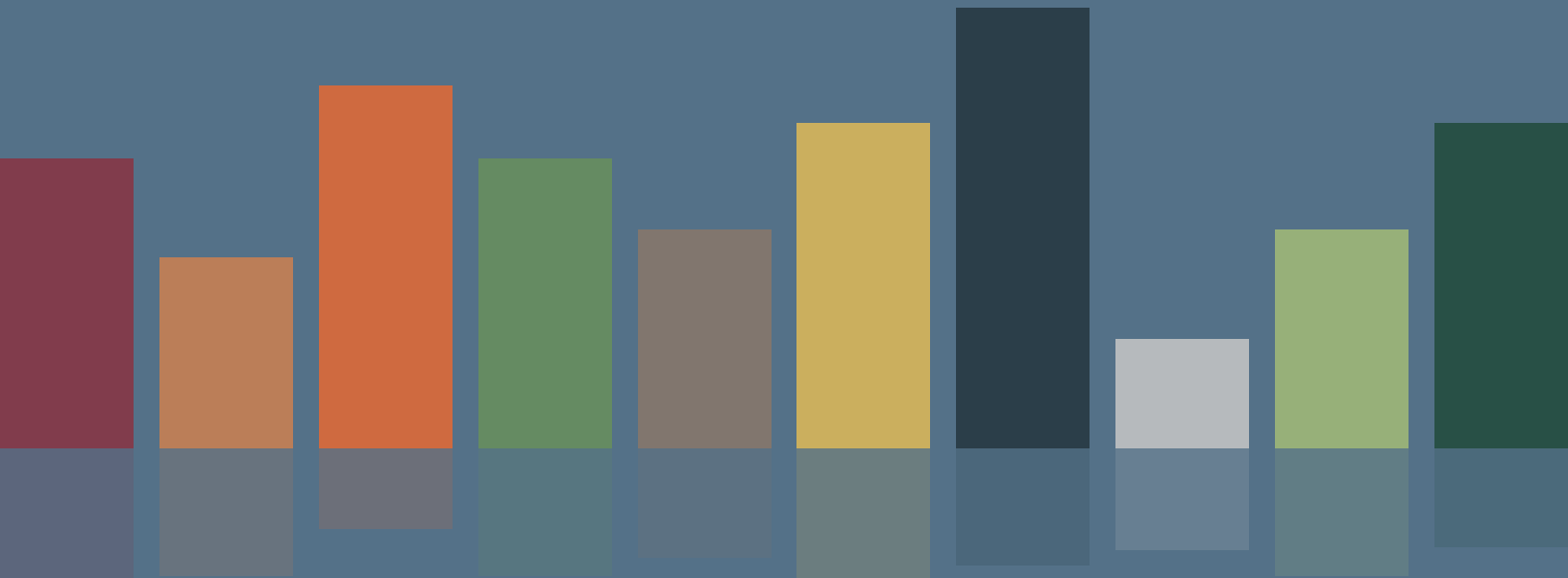
The Path Forward

As many have recognized, innovation happens when people do the work to make it happen. Organizations enjoy long, healthy lives when their employees help them adapt to changing competitive environments with creative ideas. Today's intense competition for innovative thinkers makes developing managers' capacity to encourage the innovative potential of their current teams imperative.

Clearly, however, many organizations are missing out on the innovative potential of a significant percentage of their workforce. In sharp contrast, others manage not only to create an environment that welcomes new ideas from everyone, but also actively support their advancement and implementation. Their success isn't magic. Research is making the drivers that support innovation clearer, and leaders can decide to make it a priority to ensure that those drivers are functioning in their own organization.

While today's leaders cannot possibly foresee and prepare for every potential challenge ahead, they can enhance their organization's readiness to react with novel, creative solutions and a willingness and determination to realize them. The era of hyper-innovation has arrived, and it's time for everyone to get involved.

What is your organization doing to create an environment where people feel they belong and empowered to offer new ideas and solutions?



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