

When it comes to innovation, it's personal

The secret to successful innovation isn't a great idea, it's great people



Hugh Torpey

Why does innovation fail? It's a question that has plagued the business world for decades. Various (often disputed) figures have given the failure rate of innovation projects as inordinately high but, beyond the raw numbers, what is it within an individual, team or organisation that causes innovation to succeed or fail?

This question was one of the core elements in Harvard professor and co-founder of the Desirability Lab Beth Altringer's IMI Masterclass. An expert in product design and innovation, Altringer and her team have thoroughly researched this question, defining the elements involved in an innovation process, the key ones you have to get right, and the behaviours leaders need to encourage.

One of the difficulties in getting to the heart of what's happening when innovating within a company is defining what is really happening; namely, what elements are at play when an innovation process is in train.

The innovation mix

The project idea is typically the element we go to first in our minds – is this product novel, new and desired by the market? Is it technically feasible? When the answers to these are positive, it can seem almost inevitable that the innovation will be successful, but experience shows us this isn't the case.

While a great project idea is very valuable, all the research points to the fact that the people within the team tasked with



Beth Altringer, Harvard professor and co-founder of the Desirability Lab

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bringing the product to market are the real levers on whether the innovation is a success or failure.

Individual creativity is high on the list. This is particularly true when it is matched with innate motivation (which may come from someone simply working on a project that interests them, rather than some permanent inner drive) and an expertise in the area they'd be working in.

"We know that individuals who can think 'outside the box' are very helpful for these projects," said Altringer. "But these individuals need to have subject expertise to really contribute, as well as that intrinsic motivation."

Diverse teams have been shown to be more creative and productive than non-diverse teams, and it is no different

when applied to an innovation process. While there are many types of diversity (gender, race, age, etc.), it is functional diversity that boosts the innovation process most effectively.

This functional diversity, for example, can come from technical and non-technical teams working together on a project, bringing their innate skills and different ways of thinking and applying it to a problem.

There are other things at play too. At a group level, there is a concept known as collaborative intelligence which demonstrates that people working in a team will often show intelligence greater than the average intelligence levels of the individuals.

Most innovation projects will bring all these (and more) elements together

in a single mix. It's how they are stirred through the interpersonal relationships that largely defines whether the project will succeed or not, and the team leader will have a large role to play in making sure that mix is correct.

In Altringer's research, even projects with all the right elements only succeeded just over 30 per cent of the time. When putting an innovation process together, then, what should a leader be looking out for?

Innovation is personal

The single largest factor in a successful innovation project is the interpersonal dynamics within the innovation team. For leaders, then, their most important function is to create the right environment for positive interpersonal relationships to occur.

"One of the ways of thinking about these innovation processes is as a supervisory motivation system – you're aiming to keep people motivated and engaged," said Altringer.

"This is especially important because it's hard to judge the productivity levels of individuals in a creative project. It's also important because these projects are hard: you're literally trying to break the mould. So, being motivated is key."

An example of this comes during the idea and technical stage in the innovation process, potentially using a physical prototype of a product or a service at the experimental stage. If individuals do not feel they are being supported by their leaders and see them as creatively disengaged, their motivation will decrease

significantly enough that in all likelihood the innovation process will fail.

Where individuals see their leaders as highly supportive and creatively engaged with the process, their motivation (and resilience to setbacks) soars and the project becomes much more likely to succeed.

For leaders, then, if you are not willing to support the often-frustrating innovation process or don't have the capacity to be creatively engaged in it, then the whole innovation project should be re-considered.

Research also showed that a flat hierarchy within an innovative team is the ideal structure.

This, again, can be related back to interpersonal dynamics. In a flat structure, open discussion and healthy disagreements are encouraged and information is shared more freely.

"This comes with a caveat, however," said Altringer. "It is often said that innovation comes easier in organisations with a flatter structure compared with a hierarchical structure, but the expectations of the team members themselves is important – they may want a more structured approach."

By the people, for the people

Innovation can be a chaotic and confusing process, but it is a process. It is also an activity that has humans at its core, with all their inherent biases, personalities, strengths and weaknesses.

Leaders of teams looking to innovate must put this human element at the centre of their thinking when it comes to innovation. How can I support and motivate this team? How can I keep them creatively engaged, and do the same myself?

If a leader is successful in doing these things, it will not only be much more likely that their innovation project will succeed; but they and their organisation will reap the benefits over and over again, no matter if the original idea doesn't get off the ground.

Why do innovations fail? People. Why do they succeed? Same answer.

This article was based on Beth Altringer's Innovative Decision Making Masterclass, delivered for IMI members and guests. For more on upcoming IMI events, go to imi.ie/events

How to manage the myth of multi-generational tension

Studies reveal that employees working with multiple different age groups are 10 per cent happier than those who work only with peers, writes **Hugh Torpey**

It will soon be commonplace to have up to five different generations of workers in the same organisation. With retirement ages increasing and longer life expectancy, a generation that would previously be retiring is now staying in the workplace, while millennials will soon be the largest portion of the working population.

What are the challenges associated with this? What do leaders need to understand about how each generation works to maximise their productivity as both individuals and as part of a team? Are we pandering to myths about different generations?

The generational myth

By 2025, millennials will account for 75 per cent of the global workforce, while all baby boomers will have reached retirement age by 2020. The fear is that this change-over will fundamentally change how we work, and that some businesses aren't prepared.

There is little evidence, however, that one generation acts, behaves or has fundamental needs different

to another based on what era they were born in. There is plenty of evidence though that an employee's motivations and needs change as they make their way through their career.

A person in their twenties cares less about pay than a person in their forties with kids and a mortgage, but give them 20 years and they too will care more about their salary than they once did.

The myth around generations works both ways – and companies are guilty of disregarding their older workforce based on several commonly held (and mistaken) beliefs such as declining productivity, lack of innovative thinking, inability to learn new technologies, etc.

The Journal of Managerial Psychology published a study on generational differences in personality and motivation that concluded, "The generational stereotypes that have been pervasive in management literature are not supported by the results. Even when differences have been observed, these have related more to age than generation."



Leaders need to understand each generation in order to maximise their productivity

We are all individuals

Even when we remove the stereotypes, there are significant challenges for managing a multi-generational workforce, but we should not be managing the myth: we should be managing the reality.

One standout change for this generation is the move away from seniority as a means of advancement within an organisation, towards something more approaching a meritocracy. With new skills being required in today's workforce – particularly in technology – this allows younger people to move up quicker in the value chain.

An Ernst & Young survey of 1,200 professionals found that 72 per cent of respondents said they

weren't comfortable with younger employees managing older employees. In what will become a much more common experience, are we developing this generation of managers to deal with this tension?

Other issues – such as differing incentives and rewards, preferred methods of communications, and knowledge sharing – are indeed significant, particularly in large organisations, and require a range of techniques to resolve.

We're better together

Employees working with multiple age groups report a 10 per cent increase in happiness compared to those that only work with their peers. People do indeed work

well across generations and they are happier and more engaged in mixed teams too.

Collaboration among older and younger workers in the workplace has also been found to boost the cognitive performance of older adults and help foster positive social behaviour and a lack of egocentrism in younger adults.

Another performance metric is decision making, and multi-generational teams have been shown to be significantly better decision-making entities versus homogenous teams. A single-sex team of the same age will make better decisions 58 per cent of the time (compared to an individual), whereas gender- and age-diverse teams will make better decisions

80 per cent of the time.

Innovation also happens in places people don't expect. With movies like *The Social Network* chronicling the rise of Mark Zuckerberg from the dorm room to the boardroom, the image of the young entrepreneur has become a fixture in our culture. It is also very misleading.

Research shows that people aged between 55 and 64 years are found to be the most entrepreneurial workers across all age groups. Even among the fastest-growing tech companies, MIT discovered the average founder was 45 at the time of inception. Furthermore, a 50-year-old is twice as likely to have a runaway success as a 30-year-old.

Build your company like a village

Once we remove the myths and see reality as it is, managing different generations becomes a matter of structure, and not particularly one of leadership.

Indeed, the ideal characteristics people want to see in their leader remain the same across all generations. When a younger person is in the leadership role, simple tactics such as remaining humble, valuing the other's experience, not adhering to stereotypes and recognising that others' needs are different to their own will largely remove any tensions.

At an organisational level, recognising the different needs a person has as they move through their career and structuring your rewards to reflect that is crucial for

people feeling valued as individuals. Organisations should avoid a one-size-fits-all approach when it comes to rewarding people.

Beyond one-off rewards, helping people manage the transitions (both real and psychological) in their lives is another concrete step organisations can make.

It's been shown, for example, that people reaching the age of 39 typically take stock of their life. Has your HR department taken that into account when doing that person's annual review? Do they have a vision to follow that excites them as they transition to their forties?

The next generation

Leading a diverse workforce is a challenge for senior executives but is in no way an insurmountable one. Indeed, it's bursting full of potential opportunities, and this and the next generation of leaders will need to structure their organisations to take full advantage.

Creating a truly engaged workforce across generations will help expand markets in the continuing digital economy. As our marketing arms move towards hyper-personalisation for our customers, so should our HR department move towards hyper-personalisation for employees.

After all, we are all individuals.

This article is an annotated version of IMI's The Multi-generational Workforce Insight document. For more insights into leadership today, visit imi.ie/insights

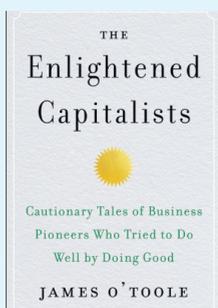
Books for Business 2019 recommendations

IMI's Knowledge Centre team pick out their top business book recommendations of 2019



Matthew Kelleher

The Enlightened Capitalists, by James O'Toole
Author James O'Toole tackles one of the most pressing leadership challenges of our time – to marry profitability



with purpose, ethics and an overall benefit to society. By examining the history of enterprises which sought this balance, the reader is brought on a 200-year journey across Britain and the US. O'Toole's evidence suggests the virtuous organisation is possible but many factors both economic and legal can stand in the way.

The Surprising Science of Meetings, by Steven G. Rogelberg
We all have attended meetings of various effectiveness and left wondering what makes some more effective than others. Author Steven

Rogelberg has conducted extensive research involving more than 5,000 employees to distil the best techniques and practices leaders can



use to enhance efficiency and engagement. The reader is equipped with skills they can apply immediately in the office.

Why Do So Many Incompetent Men Become Leaders?
By Tomas Chamorro-Premuzic
As the issue of diversity comes to the forefront of both organisations and society at large, author Tomas Chamorro-Premuzic poses a new question and approach to identify effective leaders. Our unconscious biases lead organisations not only to appoint incompetent men

to positions of leadership, but also to evaluate leadership potential according to destructive personality traits such as narcissism and arro-



gance. The author suggests a better way forward in which wisdom and humility are rewarded.

Nine Lies About Work, by Marcus Buckingham and Ashley Goodall
Building upon emergent research which proves the value of diverse perspectives in organisations, this provocative book challenges nine basic assumptions we all make in our working lives. The authors suggest "free-thinking leaders" are necessary to identify and respect each colleague's unique abilities. By not forcing talented individuals to conform to the

corporate mould, leaders can unlock a new sense of purpose and passion in organisations – to the benefit of all involved.

