Courage Makes Innovation Possible

By [Stuart R. Levine](#) *slevine@stuartlevine.com or (516) 465-0800* August 22, 2014.

Having the courage to do what is right is more critical today than ever. In today's business climate, every organization must be entrepreneurial, nimble and take smart risks just to survive.

However, the hyper-fast world is getting more complex and uncertain, creating greater fear in the workplace.

Having courage means managers can ask: "How can we do the right thing for our customers, employees and society?" Out of fear, managers might ask: "How can we maintain our personal standing, our jobs and the status quo?" Fear blocks an organization's ability to move forward. Fear keeps millions of individuals from reaching their potential.

Courage makes change and innovation possible. Courage is vital to challenge conventional thinking and envision new possibilities. CEOs know that talented people must take risks to solve big problems and innovate. Most importantly, individuals need courage to live by their values, even when job security is put at risk.

Even though job security is an outdated expectation, leaders must create a courageous culture by fostering an environment where people can bring forward new ideas, challenge the status quo and share bad news, especially when it affects the customer. It takes courage for employees to communicate messages that are not well received but often represent the canary in the coal mine.

Fearful cultures tend to exhibit a lack of alignment around values. Values may be on the organization's website but don't guide daily behavior and decision-making. These companies are most often managed in a hierarchical fashion, with orders emanating from the top instead of communication flowing in all directions throughout the organization. Managers are told what they want to hear instead of what is most important for the business.

In a culture of fear-based silence, people know something is wrong, but don't speak up. This type of culture was inbred at General Motors, leading to major car fatalities in the current case of ignition-switch problems. These problems were known for years, but not reported and only recently addressed. Their emphasis was on keeping things moving and not bringing anything to the table that would get in the way or bring bad news.

In courageous cultures, leaders share defined values and behaviors repeatedly which filter down and are known and understood throughout the organization. Leaders insist on accountability and taking personal responsibility, while creating a safe space for mistakes.

They do not assign blame for failures, but seek to minimize the cost of failure, allowing for failure that instructs the employee and guides the organization, all while containing costs. Silicon Valley's mantra is emulated: "Fail fast, fail cheap, learn and move on."

Courageous leaders are wary of all-good news, making certain that issues are brought to light in a timely and proactive manner. They know that glossing over a problem is invariably worse than addressing it early and actively. They consciously and conscientiously listen, as listening engenders learning. When employees are afraid to appear disagreeable and shy away from vigorous discourse, leaders encourage robust healthy debate and demonstrate how respectful open discourse leads to optimal decision-making.

To quote Eleanor Roosevelt: "Courage is more exhilarating than fear and in the long run, it is easier." In male-dominated Wall Street, Sallie Krawcheck believed in herself and was not afraid to speak her mind when she held a high-powered job at Citibank during the mortgage crisis. She suggested giving clients their money back and was not afraid to write negative things as a research analyst when no one was doing this.

Very often, the right decisions are the hardest ones to make. Using your values to make strategic decisions, both personally and professionally, although harder short-term, will in the long run provide huge payoffs.

Reading Materials (Innovation & Change Management)

Organization Change Pain

By Ron Crabtree (September 22, 2014)

Over the last 10 years in this department I have written about aspects of barriers to success and making change happen in improvement efforts like Lean Six Sigma (LSS). Furthermore, many long-time readers may remember my past assertions that 80% or more of success in any major change initiative ultimately comes down to the people factors: Our ability to engage people meaningfully in adopting and putting into practice the concepts of Lean or other improvement efforts.

As part of my own continued personal development I continually watch for and read new books and papers that continue to shape my world view on this topic and others. A business associate called my attention recently to a great paper published in *strategy+business* 2006: *The Neuroscience of Leadership - Breakthroughs in brain research explain how to make organizational transformation succeed* by David Rock and Jeffrey Schwartz. I wish I had found it sooner. This very well researched work debunks some popular thinking on how to induce change in organizations and offers some useful insights on what can work better.

Here's an interesting statistic they cite: 8 of 9 people who get heart surgery don't change their health-related habits after the surgery. I can't think of many things more serious to a person than a real event or threat of a heart attack or heart failure. One would like to think that would be sufficient inducement to make an individual fundamentally change some things. Alas, not true. With that in mind, what are our chances of making real change with hundreds or thousands of people in a major change effort like adopting Lean Six Sigma and challenging the status quo?

Change is Painful
Neuroscience as explained in the paper cited is a coupling of observation and physiology with technology to monitor what goes on in the brain during various events to gain insights never possible before about what is going on. One thing that I never really appreciated fully until now is that our brains truly do get 'hardwired' to certain lines of thinking, as proven by science. It's apparently a physiologic fact and not just a generalization. Neuroscience suggests that once someone has repeated certain lines of thinking and behavior it moves from the small, high-energy front part of our brain to the larger, auto-pilot part brain that takes less energy to operate. That is the part of the brain that allows someone to drive 20 miles down the freeway with no recollection of it later. We do it un-consciously and the connections in the brain are 'hard-wired' to do it well.

Introduced to a major kind of change – like implementing LSS in a big way, most people's brain in an organization reacts in a manner just like real pain is happening. At least our brains are telling us that, even if there is no physical pain. You may agree that when presenting with a large learning opportunity (a lot of change at one time), it is exhausting. Thousands of people I have taken through intensive day-long training and development programs all agree its way more tiring than a regular day at work.

Since there is nothing we can do to stop this natural human cycle, we are left with questions about how to go about coping with this more effectively. Better, as important leaders if not influencers in our organizations, **it is up to us to own our responsibility** to identify strategies to help others make their way through the maze of change in the least painful way possible.

What does not work in wide-spread change efforts?
After having spent much of the last 30 years, and almost all of the last 15 years focused on what it takes to make large-scale change happen in organizations large and small, I have carefully evaluated and tried many techniques. In the 1970's and 80's I learned and applied Behaviorism and in the 90's and 2000's Humanism as best I could. After working personally with thousands of people in large and small groups in more organizations that I can

remember, I have to agree with the assertion that Behaviorism does not work and Humanism is overrated. To quote the authors of the paper, "Human behavior in the work place does not work the way many executives think it does"

What does work?
Expectations shape realities – mental maps drive perception. This is a very powerful and important aspect of human behavior we as leaders ignore to our own peril. A great example of this was given in the paper I referenced around what is called the Placebo effect. A cited study showed that expectations for decreased pain due to taking the faux medicines produced a perceived reduction in pain of 28.4%. What's surprising is that this level of pain reduction rivals that of the effects of an actual analgesic dose of morphine. The paper goes on to outline the *Quantum Zeno Effect*, or that focus makes it so (perceived reduction in pain) without a chemical reason for it to be true physiologically.

The power of perception must not be under-emphasized. The paper gives a great example about two different call center techs with different mental maps. One sees customers as troubled children with complaints and the other as busy, intelligent professionals with good suggestions for improvement. I ask you, which person do you want handling your call? Later I'll share strategies to overcome this problem.

How to facilitate change more effectively?
I agree with the authors of the paper cited that we must change the mental maps (and the perceptions and assumptions in people's minds) by "cultivating moments of insight." In my experience a number of LSS tools learned and applied in a meaningful 'discovery' fashion do just that. Examples include critical examination of waste versus value add in tasks, creating value stream maps to visualize and analyze processes, using Pareto diagrams to uncover 'the vital few' issues, using 5-why techniques to get at true root causes and utilizing fishbone/ Ishakawa diagrams to open minds to the sources of effect on a stated problem or condition.

I agree that large scale changing of mental maps requires an 'event' or 'personal experience' that allows people to 'provoke themselves' with a little jolt of adrenaline-like endorphins when gaining new insights. I call this the 'lighting-up of eyes' when I see my team members having 'ah-ha' moments. This permits changing expectations more quickly and dramatically than otherwise possible and thus builds support for change.

Physiology studies cited in the paper suggest that at a moment of insight, new connections are made in the brain. I agree with the assertion that employees must own any kind of change initiative for it to be successful. Creating opportunities for insights is powerful. Consider that John Kotter, a leading expert in organizational change, states that for large scale change to occur, we must "Convince at least 75% of your managers that the status quo is more dangerous than the unknown." It is not enough to just tell them this is true, we must find ways for them to gain insights to this reality at a **personal level**.

Cited studies suggest that a moment of insight creates new connections in the brain that enable new lines of thinking to be easily repeated. I've experienced that phenomena with some of my past students who told me that they were unhappy with me about what I taught them. I taught them new insights in how to 'see' wastes in processes that previously they were blind to recognizing. Now they complain they can't watch any process without wanting to pick it apart and identify opportunities for improvement.

How to 'hardwire' new thinking to support organizational change
To hardwire new thinking and behaviors it is necessary to put in place a deliberate and on-going effort to pay repeated attention to the issues so that we promote permanent connections in parts of the brain embrace new thinking. As leaders we must learn to recognize and encourage situations and settings that deepen insights internally for our team members.

Reading Materials (Innovation & Change Management)

Without knowing it, through the years I have modified the process I use with client improvement teams to accomplish just that by insisting that goals and objectives are clear at the beginning when a project is chartered and continually revisiting these throughout the implementation horizon.

Another strategy I have seen work very well that supports this line of 'paying attention to insights' is the use of avatars and personas in organizations to represent a type of customer that we are all focused on satisfying. By continually focusing on that fictitious person as an organization and continually dialoging about their needs, frustrations and delight factors, we support large groups of employees in new insights, That thinking more often than not leads to surprising breakthroughs in getting consensus and change to occur that has the desired positive effect on the customer experience.

For those insights to be effective we must ensure they are internally experienced by the individuals at a personal level. Slogans, lectures and communications meetings are NOT enough, albeit these are important as 'reminders' of the insights people are experiencing. To emphasize this further, we need to understand that the little adrenaline 'rush' that accompanies an insight and creates those new connections in the brain only happens *experientially* – when people get that 'ah-ha' moment themselves.

Another technique I use with teams of people is to pause at those critical 'insight moments' and have everyone discuss with the larger group why those points were important and what they plan to do with that information. This can lead to some break-through moments for others who hear it in a new way and at the same time this technique keeps us repeatedly focused on the point of change desired.

On study cited in the paper was a 1997 study of 31 managers getting training to improve productivity realized a 28% boost in results with training alone. What that is impressive, adding coaching increased the results to 88%; a 3-times better result. This supports my own experiences in working with teams driving change. Teams where I remain engaged for 6 to 10 weeks after the initial change planning and learning event out-perform the teams left on their own by at least 3 times. While I'd like to think some that is my skills in facilitation, coaching and project management, the truth is that by being repeatedly focused on the new way of doing things is probably just as important.

While it is true focus is power, I must also **warn you** about not falling victim to what I call the *Hawthorn Effect*. This relates to studies in the early 19 century on the effects of lighting on workforce productivity in an electrical products factory. As the story goes, each time they increased the lights and re-did the time studies productivity improved. After the lights were maxed-out in intensity with yet another gain, then turned the lights back to the original low light setting and did a final study. And productivity went up again. What was learned was that by just paying attention to the workforce (time studies) it improved productivity. Warning! This is not sticky and I always warn my clients that just because we start measuring and reporting things, results may improve – at least for a while. The key to lasting, sticky results is achieving an actual difference in how work is done through improved processes and employee engagement; the gaining of insights for how to work smarter, not harder.

Determining how much focus and attention is needed in a given situation is decidedly more an art than a hard science, but I do challenge you to think carefully about how you go about facilitating it in the future. My litmus test is that when eyes light up with the insights we are ready to begin the repeated focus process. I stick with that long enough so that folks begin doing the activities on 'auto-pilot' without much coaching and mentoring needed in the new ways. This gives me proof they are now 'hard wired for success.' Remember these key points from the paper I cited, focus is power, expectation shapes reality and paying attention reinforces the insights needed for change to occur.

CHANGE: FROM RESISTANCE TO RESONANCE

The Four Stages of Change

By Ann and John Epps, LENS International
Kuala Lumpur, Malaysia | Denver, Colorado
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"Nobody likes change but a wet baby!" Resistance to change, whether it be active or passive, marks virtually every significant change in the process of doing business - no matter whether that change is positive or negative. Either way, people resist. In a time when change has become the norm - far more commonplace than stability - this resistance factor is too important to ignore.

In fact, resistance is a positive step in the change process. It indicates the seriousness with which the resisters are coming to terms with an uncertain future. Several possible factors contribute to the resistance: people may be uncertain whether their services will be needed in the new operation; unsure that they can perform complicated new tasks, or fearful of losing performance increments while on a new learning curve. These are real, well-founded concerns and people would have to be apathetic to ignore them.

When changes occur, people go through four stages: denial, resistance, experimentation and adaptation. Different individuals will go through the stages at different times: some will get stuck in one phase or another. These stages may be rapid or prolonged, depending on how they are handled, but they inevitably accompany the change process. The role of the manager is not to avoid them or bulldoze through but to recognize the stages as they occur and manage or coach his/her people from one stage to the next.

Stage 1: Denial
When people are in denial, communicate, communicate, communicate. Even when there is little new clarity, continue to announce the coming changes and their positive potential. Never mind that clarity cannot be attained: state what the conditions are and where the process is at the moment. This will provide people a sense of being "in on" the real situation and being a full member of the team.

Stage 2: Resistance
When people reach the stage of resistance, then listen, listen, listen. There will be complaints, fears, criticisms, and challenges, but little capacity to take directions - yet. People have to "get it off their chest" before being able to move on. No need to be defensive: it's the situation, not you, that is under attack. Listening with empathy will set the tone for the new era - and it may reveal some dangers and opportunities you had not foreseen.

Stage 3: Experimentation
When people are ready for experimentation, encourage, encourage, encourage. It's no problem that some things don't work yet: it's a time for novelty and innovation. Provide occasions to reflect and learn from new efforts: this is a time for re-writing the procedures and finding ways for the future.

Stage 4: Adaptation
When they're ready for adaptation, focus on the future vision. Pictures of a desired and possible future will provide the cohesion necessary to hold the new form together. In so far as possible, involve people in developing the vision so that they can "own" it. No doubt, some sense of vision guided the change process: but after it's underway, new factors will arise which may modify the original projections. Get as many people as possible to shape a shared vision.

Where do you see these stages happening in your change initiatives?

Reading Materials (Innovation & Change Management)

How to Inspire Others through Change

By *Alicia Hare, PhD.* Jan 5, 2015

Note: This is part 6 of 7 of the "Becoming a 'Leader of Strategy'" series.

LEADING STRATEGY IS ALL ABOUT LEADING CHANGE

In the first chapter of my career, I ambitiously set out to improve the quality of our public school system. To prepare me for the complexity of that system, I put myself through all kinds of professional experiences. These experiences allowed me to reach a point where I felt confident diagnosing problems and proposing strategies to drive improvements. The only problem was: rarely could I get people to make those improvements come to life.

Frustrated, I found myself blaming others for being "resistant" to change. But as it turns out, I was the issue, not them. Why? Because at the heart of it, all strategy is change—whether we want to enter a new market, evolve a culture, or introduce a new program. And *to realize any strategy requires an ability to successfully lead others through change.*

TO LEAD OTHERS THROUGH CHANGE WE MUST INSPIRE THEM

Shortly after that ah-ha, I decided to "master" the art of leading change. Through that work, I learned some powerful truths and tools to help me help others move "from here to there." But over time, as I applied these learnings and taught them to others, I noticed that people could apply the same knowledge and techniques but get wildly different results. I got curious.

After further exploration, I realized this performance gap boils down to our underlying stance on leading change. More specifically, when I am leading a change, do I believe I will be more successful if I can get people to comply? Or if I can inspire them through it?

My experience, as well as the research shared by thought leaders like Daniel Pink or Simon Sinek, shows that the vast majority of the time, the inspiration stance wins. The reality is that in today's increasingly complex world *to successfully lead others through change, we must be able to inspire them through it.*

3 WAYS TO INSPIRE OTHERS THROUGH CHANGE

Initially, to many of us, the idea of getting people to want to change (vs. making them do it) feels daunting. However, it starts to feel more manageable when we understand that as leaders our behaviors—or specific ways we think, act, and influence—significantly contribute to inspiration happening at a broader scale.

Here are the 3 leader behaviors I have found to make the biggest difference in inspiring others through change.

#1:Think- Help Others Confront Reality

The first leadership behavior crucial to inspire others through change is to help them confront reality—whether positive or negative.

Helping others confront reality is critical to inspiring them because it is the fear of reality—and the associated avoidance tactics used —that keep them stuck in the first place. Often, once we truly accept reality, we become open to doing something about it.

Reading Materials (Innovation & Change Management)

As leaders, we can help others confront reality by consistently demonstrating the following behaviors:

Think: Help Others Confront Reality

- **TALK STRAIGHT**: Be known for talking straight and expecting straight talk from others

- **EXPECT A 360° VIEW**: Share and ask for a balanced, holistic, objective view of any situation

- **SHARE A PATH FORWARD**: Ensure others know specifically what the path is for moving forward

- **KEEP COMMUNICATION OPEN**: Give others space and a safe place to process and accept the reality

- **CULTIVATE COURAGE**: Put in place the right disciplines to help you and others identify and work through the reality

#2: Act- Model the Way

The second leadership behavior essential to inspiring others through change is to model the way for how to go through it.

Studies show that one of the biggest differentiators between teams that perform well in change versus those that don't is how well the leader does going through the change. If as leaders, we show up cynical, secretive, or blameful when responding to a change, so will our teams. Alternatively, if we are optimistic, transparent, and resilient, our team will be too.

This does not mean we can't have off days. But it does mean, as leaders, we need to:

Act: Model the Way

- **BE MINDFUL**: Stay aware of what our emotional state around a change is and how it impacts others

- **CREATE SAFETY**: Always be inclusive and transparent and ensure people know they have a safe place to be their whole selves

- **FOSTER A LEARNING CULTURE**: Nurture an environment where team members can disagree, ask for help, and make mistakes

- **CELEBRATE PROGRESS**: Acknowledge small steps towards an important goal as a way to build team confidence

- **WORK TOGETHER**: Collaborate to establish an attitude and work style of "we are all in it together"

#3: Influence- Connect to Others' Hearts

The final leadership behavior is perhaps the most important—that is to inspire others through change we must connect to their hearts.

Doing this is essential because we are wired in ways in which logic alone won't help us overcome the momentum of the status quo. Rather, it is only when we feel a connection to our hearts-- our values, dreams, reasons for being—that we engage in new things.

To capture both hearts and minds requires us as leaders to:

Influence: Connect to Other's Hearts

- **BE AUTHENTIC:** Share our hopes and fears about the change

- **CREATE A RELEVANT VISION:** Connect that picture with others' desires to be part of something bigger than themselves

- **TELL STORIES:** Be relentless in telling stories to communicate that vision and reinforce progress being made against it

- **EMPOWER INITIATIVE**: Leverage others' abilities and ideas to show they matter to the effort's success

- **CARE ABOUT OTHERS:** Genuinely care about others as real people, not just as doers of a job you need done

INSPIRING OTHERS REQUIRES US TO BE INSPIRED FIRST

Choosing a leadership stance of inspiring (rather than manipulating) others through change is the first step. Demonstrating the specific leadership behaviors related to how we think, act, and influence is another critical component. But to make it all work, we need one more thing.

That is, *to inspire others, we must first be inspired.* We must be in touch with what makes us want to lead others through the change we are faced with, versus unconsciously just going through the motions.

The reason for that is people have an innate ability to sniff out "B.S." If we say we want to inspire others, but our motivation is "What can I gain here?" or "What's in it for me?", others feel incongruence and distrust us as a leader. If, on the other hand, we inspire from a place of "What can I do to advance the greater cause?" and "What difference can I make for others?," then they trust our authenticity and more enthusiastically follow us.

CHOOSE TO INSPIRE OTHERS THROUGH CHANGE

Reading Materials (Innovation & Change Management)

Developing the stances and behaviors needed to inspire others through change is a worthwhile exercise for any of us wanting to be true "Leaders of Strategy"- *people with the courage and competence to inspire and mobilize others to fully realize a strategy that takes us to a better place.*

To help you move forward on that journey, I invite you to spend a minute completing the diagnostic below to identify 1-2 places that could take your ability to inspire others to the next level.

But the place to start is to choose to inspire-- to make the choice that says you will resist the temptation to act from a place of power, authority, manipulation or compliance, instead focusing on unleashing the power of the human spirit. As you make that choice and hone your skills, we will all be ready and willing to follow you to that better place.

Leader of Strategy
n. Someone with the courage and competence to inspire and mobilize us to fully realize a strategy that takes us to a better place.

Inspiring Others Through Change- Diagnostic

1	Key Leadership Behaviors		How Well I Do
Think: Help Others Confront Reality	• Talk Straight • Expect 360^0 View • Share a Path Forward • Keep Communication Open • Cultivate Courage		1 2 3 4 5
Act: Model the Way	• Be Mindful • Create Safety • Foster a Learning Culture • Celebrate Progress • Work Together		1 2 3 4 5
Influence: Connect to Others' Hearts	• Be Authentic • Create a Relevant Vision • Tell Stories • Empower Initiative • Care About Others		1 2 3 4 5

2	My Top 1-2 Strengths	My Top 1-2 Opportunities To Improve

Harvard Business Review

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To Guide Difficult Conversations, Try Using Compassion

By Allison Rimm | 1:00 PM June 19, 2013

"Oh no, here comes another one of those conversations," you say to yourself.

You know what I'm talking about — we all have to face them from time to time, and they can be the bane of a leader's existence. Imagine that you're leading a project and one member of your group has been aggressive and counterproductive in team meetings recently. The first time you saw this behavior, you were stunned. It seemed so out of character that you let it pass. After all, even good people indulge in bad behavior now and then.

But the next week, the same thing happened. Now you've just experienced the third outburst, and you can see the rest of the team losing patience. If this behavior continues, you risk losing the esprit de corps that you've worked so hard to create. The very idea of confronting this aggressive person fills you with anxiety and dread, but the longer this goes on, the greater the damage. So how can you go about addressing this situation?

Several years ago, I faced a similar scenario that was especially tricky because the person who was disrupting my project was senior to me in the organization. I couldn't let him continue to undermine my group's work, but this was a powerful person, and inflaming him further would be dangerous. So I dug deep into my experience and thought of something unexpected that just might work: compassion.
As a student of meditation, I've researched many traditions and have always been intrigued by the Tibetan Buddhist practice of compassion, which is based on the recognition that everyone suffers and has a desire to relieve that suffering.

Regarding my colleague, I thought: He wouldn't be acting like this if he weren't suffering in some way. He must be threatened, worried, or offended. If I can confront his behavior with compassion rather than confronting him, we just might be able to have a productive conversation.

So off I went to his office. "This project seems to have struck a nerve with you, and you've made your discomfort very clear," I said. "Your support has always meant so much to me personally and professionally. I'm sorry if I've done something to upset you. Can we talk about what is bothering you and try to find a solution?"

To my surprise, he began a 20-minute rant about how angry he was with one of his superiors, who had undermined his ability to get traction on a project that he was leading. As we discussed his situation, it became clear to both of us that his acting out in my meetings was really due to his anger with this other individual. As I started to take some deep breaths to relieve the tension from this intense conversation, my senior colleague thanked me for listening and helping him to see that he needed to confront his senior colleague's behavior. At the very next meeting of my project team, he was back to his collaborative, witty self, and he has contributed productively ever since.

Will practicing compassion guarantee this result? Likely not. But cultivating an intention to reduce a colleague's suffering and to address the offending behavior as the symptom of a larger problem can create a graceful, non-confrontational way to begin a dialogue that may well result in a workable solution. By contrast, when you accuse your colleague (or friend or family member) of some nefarious intent, you put that person on the defensive, which will likely perpetuate the negative behaviors.

Here's an action plan:

- When someone in the workplace (or anyone in your life, for that matter) is acting in a counterproductive manner, take a step back and ask yourself what might be motivating that behavior.
- Recognize that if the person is acting that way, he or she may be suffering somehow.
- Take the time to think about what might be causing this negativity.
- Approach the other person with a genuine desire to help reduce the suffering and to find common, constructive ground to move forward.

The word compassion has the word compass embedded in it. Even though, etymologically speaking, there is no linguistic significance to the similarity, I still think it's wise to use compassion as your guide when dealing with others. What better compass is there to help you navigate your team through the storm of bad behavior and stay on course to reach your destination?

Compassion is also a great equalizer. When you approach others with genuine concern for their well-being, your standing in the organizational hierarchy is less of a barrier to a productive conversation.

Kindness, in other words, is rarely inappropriate.

More blog posts by Allison Rimm

Allison Rimm is an educator, consultant, and executive coach. She is the former senior vice president for Strategic Planning and Information Management at Massachusetts General Hospital and is the author of the forthcoming book The Joy of Strategy: A Business Plan for Life from Bibliomotion. She is on Twitter at @allisonrimm.

Constructive Crucial Conversations

When someone is acting in a counterproductive or undesirable manner, take a step back to think about what might be motivating his/her behavior. How is she/he seeing the situation? Then, if you approach the person with a genuine desire to help them, you will have a better chance of finding common ground to move forward. The framework below provides a helpful structure for constructive conversations.

How to Engage in Constructive Conversations

Confronting undesirable behavior starts with planning and practicing your message. While we may fear that the other person will get angry and confront us back or that we lose a good employee or friend, the model below provides a framework to manage these fears and achieve desired behavior changes.

1. Describe the behavior - be specific, use facts and examples.
   Tips:
   - Use your direct experience. If you do not have direct experience observing the behavior, you may want to reconsider engaging in the conversation.
   - If using statements from other people, ask for permission to share their observations.
   - Never divulge a source that has requested anonymity.
2. Quickly and clearly explain your concerns - define how their behavior impacts you, customers, and possibly others - use "I" statements.
3. Ask the person to share their perspective - "What is going on for you?" "How are you seeing the situation?" "Help me understand your perspective?" "What are your concerns?"
4. State the results you need/desire/expect – Be specific. What behaviors need to change?
5. Agree on action items –What specific actions will you take to achieve desired results?
6. Define consequences if undesired behaviors continue or if the person does not follow through on action items.
7. Check for understanding - ask the person to restate the agreement and consequences if the undesired behavior continues.

Reading Materials (Innovation & Change Management)

What Really Drives Innovation: The Top 10 List

Maple Syrup season at our Adirondack office inspires us to boil things down to their essence. What follows is our distillation of what really works to create a sustainable innovation culture.

In our roles as attendees, presenters, leaders and emcees at various innovation and creativity conferences over the past 20 years, we've seen a lot of presentations that offer up suggestions for "how to drive innovation" through systems, processes, procedures, tools, business models, alliances, arrangements and so forth. We've enjoyed and learned from all of them, and reveled in the debates that ensued. (Two favorites: "Stage–gate doesn't work,"; (George Land) vs. "Stage–gate is the only way!" (Deloitte & Touche) and "Brainstorming doesn't work" (Larry Keeley, Doblin) vs. "We use structured brainstorming all the time for our outstanding results" (Tom Kelley, IDEO).

We *believe* the presenters' assertions that their suggestions really do work — especially in *their* organizations, with *their* challenges, in *their* context. However, we believe the moment someone takes one of these polarized positions, and claims it as The Truth, they fall into the boiling vat of narrow–mindedness; missing the point of what drives innovation. All of these approaches are designed to work around defects, yet fail to emphasize the fact that the main obstacle to innovation is the human being.

Yes, it all boils down to people. People, and their resistance and the obstacles they have that block them from seeing things in new ways and doing things differently. *All* of the innovation methods are, at their essence, ways to get people to work productively and collaboratively.

Yes, the biggest resister of innovation is people. And yet the most significant driver of innovation is...people, which brings us to our list. One based on research, curious listening, and the collective experience in driving innovation in hundreds of organizations. Our list emphasizes (guess what?) *people*. The list...

10 Things That Really Drive Innovation:

1) The individual: You can ask "an organization" all day long to do something, but the basic building block of getting things done is an individual. Organizations, departments, divisions, groups, teams, etc. are all things that anthropologists describe. And they're all units built from individual people. So focus on strengthening the primary building block to start moving the needle on innovation. Read The weakness of "we" and the power of "I" in innovation.

2) The team: Individuals make things happen, but in most cases, they can't do it all by themselves. Innovation requires multiple skill sets, whether it's invention, development, funding, marketing, patenting, operations, etc., those skill sets almost never exist in one person, so it requires multiple people to move it forward. Focus on improving effective and collaborative team dynamics to keep the innovation engine running smoothly. Most often, skill sets require training in a process that everyone in the team can work with. Involving the team in the creative and innovation process increases the probability that the innovation will see the light of day. Read How to sustain teambuilding efforts.

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3) The enterprise: A sad truth is that individuals, in teams, when successful, become resistant to change. The successful innovation team of yesterday becomes the "this is the way we've always done it" team of tomorrow. Thought needs to be given to creating and sustaining enterprise–wide procedures, policies, metrics, recognition and executive–level accountability in order to keep the whole innovation vehicle running on the rough competitive road of the business cycle. Read How to build innovation in your organization

The three levels above are important to think about across the following additional drivers:

4) Processes: Think about improving the processes that drive innovation, but do so across all three levels described above. The individual level (e.g. processes to enhancing self-awareness, emotional intelligence and cognitive ability), the group level (e.g. using a *structured* "brainstorming" or "ideation" or "creative process" to support teams in creating innovative solutions), and the enterprise level (e.g. the organizational system for idea management).

5) Offerings: There are many ways to look at what is "an innovation," or the artifact of the innovation process. To only see innovation as "a product" is to overlook services, business models, alliances, processes, channels, and more. Expanding your scope to see that the BIG innovations were more than just a simple "product," can change the way you see the world. The iPod would be nothing but a cool–looking gizmo if we couldn't easily purchase and load music into it. Listerine Pocket Packs would never have made it to market if the team working on it had not innovated their way through organizational resistance to its market introduction.
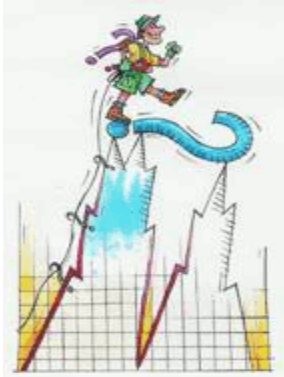
6) Psychological climate: What are the stories that the individual is telling him/herself about what's working? What's not working? What's acceptable? What's our industry? What's its scope? Does this make a difference to innovation? Absolutely, because how one defines the world will shape the newness that they create and enable. The right amount of personal freedom in the system, and the mental energy to explore new areas are the primary impactors on the psychological climate. Steady attention to the support of an effective psychological climate is a requirement for sustained innovative output.

7) Physical environment: Are people able to easily get together to communicate and work together? Are they able to escape and think in peace and quiet? Can they find a space to spread out and dig into prototypes/results/data? Think about improving the physical space in which people work such that it enables innovation (Hint: everyone has a different concept of the ideal environment).

8) Organizational culture: What are the stories that people tell in the organization about success? What are the ways that people discover and share about how things really get done? Any process and procedure that is set up usually has a workaround. What organizational leaders say is often drowned out by what people know is *really* going on. It's not enough to just say Innovation is important! The organizational policies, management behaviors, things that are measured and executive messaging must all align to create the stories of work that create the culture. If you want innovation over the long haul, look at culture.

9) Economic climate/market conditions: the spot where innovation culture is easiest to maintain is when market conditions are such that there is not too much fear, or too much confidence. These are rare moments in the business cycle. Want to see innovation dry up and fade away? Announce a layoff/cutback/restructuring. Want to see people start to play it safe and stop putting things at risk? Let people know that sales are down, or that the economy is in the tank. Similarly, announce market dominance, the best year ever, or give a big bonus. People can get complacent. The smart innovation leader sets money aside to support experimentation when the market is down, and requires (creating real accountability as well) ever increasing innovative output when things are running really well. Paradoxically, research shows most organizations only get radically innovative when they are in "distress situations." When there's no other choice, that's when people start really changing things up.

10) Geopolitical culture: Where you were born, where you live, the language you speak, where you work, how you were educated and the culture of those elements all make a difference. We all know that different cultures communicate differently, see the world differently, perceive different threats, and find value in different things. Every culture, every education system, has strength and weakness. Be arrogant about your culture at your own innovation peril. Curiously ask: "What cultural strengths can I leverage, and what cultural impediments must I work to overcome?" and you're clearly on the path to innovation mastery.

Boil all 10 of these drivers down, and it all amounts to people or the output of people. So whether you're making widgets, gizmos or boiling maple syrup, pay attention to the needs of the people so no one gets burned, and so that innovation can flourish.

New & Improved, LLC
info@newandimproved.com
9306 State Route 30
Paul Smiths, NY, 12970
Ph: 518-327-3554

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The Need for Innovation and Lean: Managing the Paradox Between Newness and Quality

A white paper from New & Improved®, LLC

On the importance of Lean and Innovation: "The Japanese lean producers exercise extreme care not to isolate their advanced technologies from the day–to–day workings of the company and the incessant demands of the market. Based on their observations of US and European mass–producers, they long ago concluded that, to be effective, engineering, even of the most advanced sort, must be tied into the key market–driven activities of the company." (Womack, Jones & Roos, The Machine that Changed the World, p. 130)

In 1994, a client asked us to observe their Quality training program after watching our Creative Process/Innovation training. The question the client wanted answered was, "is the Creative Process a tool for Quality/TQM, or is Quality/TQM a tool for Creative Process?"

Innovation leads to big new opportunities. Lean leads to optimized existing offerings. You need both for profitable organizations.

After we each watched the other's program, we were convinced that Quality was a tool for Creative Process, but the client answered just the opposite! Over time we realized that both answers are correct, depending upon where you start and what you need. If your focus is on Quality, you'll need creative thinking along the way to help when you get stuck. And if your focus is on innovation, then you'll need to apply quality techniques to make the breakthrough practical, productive, and/or profitable. In short, breakthrough solutions require quality, and a quality mindset requires innovation. So which is the most necessary? Both!

In the past 15+ years of practice, the answer hasn't changed, but what has evolved in industry is the alternating cycle between Quality methodologies (TQM, Six Sigma, Lean, etc.) and innovation methodologies (Creative Process, TRIZ, Design Thinking, etc.). Observers have seen several cycles of switching from one approach back to the other. Not because of an epic battle between good and evil or because one is right and one is wrong, but because organizational success and growth depend upon them both. The innovation/quality argument is not an either–or. It is a tension between opposites that we need to manage. When we manage this polarity well, when we get the benefits of both and reduce the detriments of both as much as possible, then we get significantly better return on effort than if we pick one over the other.

Out of balance

Too much of a focus on innovation yields breakthrough offerings that suffer from a lack of excellence. And too much of a focus on quality yields offerings that sacrifice newness/uniqueness for perfection. Inability to manage to the sweet spot in between these polarities can lead to disaster. Until recently, Toyota, the originator of Lean production, had a reputation for manufacturing "perfect cars" and was recognizing that they were manufacturing cars that lack excitement, consumer passion, and newness in a business that requires it. The breakthrough Prius is now 12 years old, and while the technology is slowly being shared by other vehicles in the Toyota lineup and the Prius is steadily improving, it offers very little news to the segment or category (at the time of this writing, they are slowly and cautiously exploring a plug–in hybrid version of the Prius that their aficionados have been crying out for even as the plug–in Chevy Volt takes the spotlight as the more fuel efficient alternative).

Given the black eye that Toyota has recently received because of extensive product recalls due to quality issues, we believe what happened was a lack of focus on a *culture* of innovation to balance the quality focus. One take is that they started believing their own press and became arrogant about the quality of their vehicles. Another more

likely take is that contrary to the "challenge the status quo" mentality that exists in innovation cultures, Toyota is now suffering from the downside of a long term sole focus on quality. How could that be bad?

Over time, in long–term quality cultures, it becomes politically more risky to point out quality problems, because that can lead to someone getting into trouble for not having a good quality culture *already*. If there had been more of a culture of innovation, it would have been safer for employees to recognize and point out that things were not all so perfect. Strong innovation cultures seem to do a better job of finding the "unspeakable truth" — and saying it — than quality cultures, which are better at finding the ways to get yet one more increment of improvement from the innovations of the past. The right balance is needed. Our experience is that quality circles are far more honest when they live inside of a culture that supports innovation.

The rationale behind this can be found in an examination of the Transformation Curve (the so–called "S–curve" that explains the growth and development of all organisms, offerings, organizations, or systems), articulated by George Land. Stated simply, there are three phases of transformation: 1) Invent: exploring and inventing the success pattern, 2) Improve: extending and improving the success pattern, and 3) Re–invent: integrating new and different elements. Here's a graphical depiction:
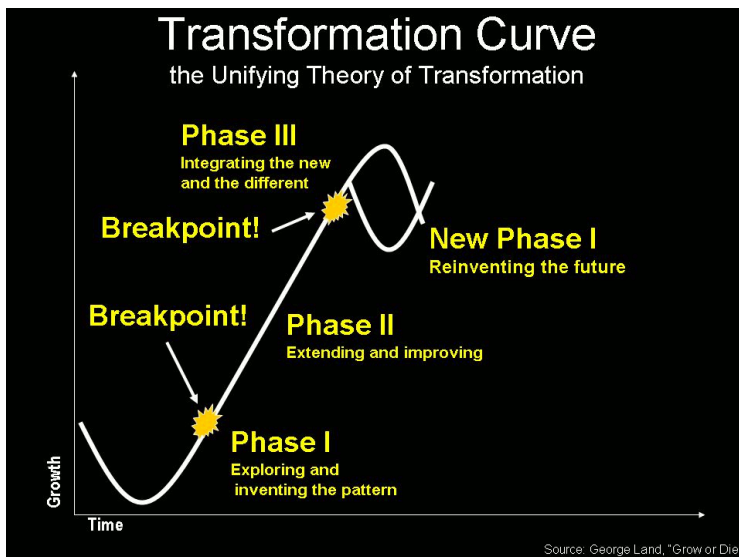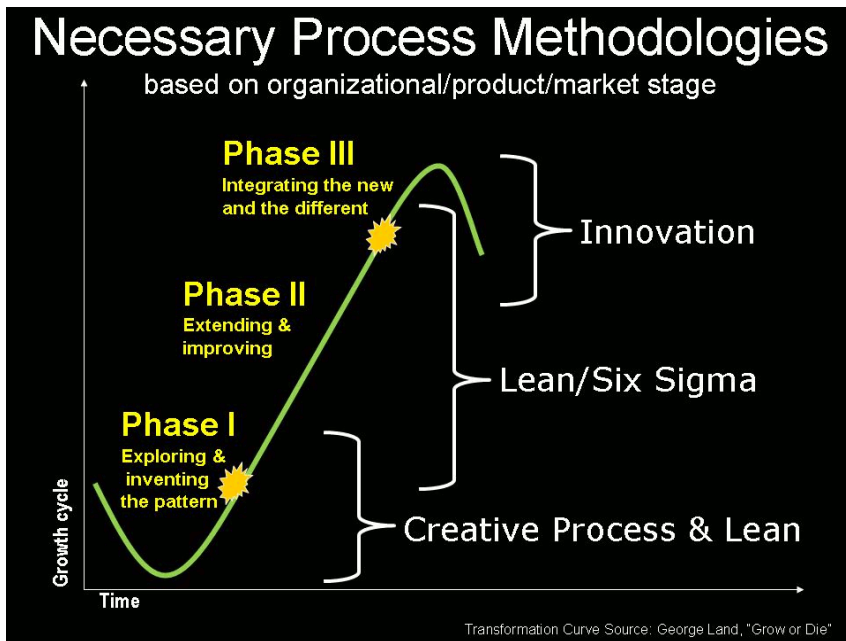

A simple and common example: You purchase a new computer to help you be more productive. Phase one is represented by the first few days and weeks spent loading software, setting up files, getting peripherals to work properly. Your productivity decreases during the first phase of ownership of your new computer. In phase two, things are working correctly, you now know how the programs work, you have the files you need on it, and your productivity now benefits from the increased speed, memory and capabilities of the device. Over time however, as you enter phase 3 as your computer ages, it gets glitchy, too many files start to clog up the CPU, new programs begin to conflict, and as you replace peripherals, you discover incompatibilities among new devices. At some point in there, you use a new computer and discover how much faster it is. So, you purchase a new computer to help you be more productive, and the cycle begins anew, but at a higher level of productivity. Each time we replaced a new computer over the last several years, we've gone through the same S–curve, but even when we were struggling in the Phase I of the latest computer, we were more productive than we were towards the top of Phase III with the first computer.

Whether it's a new computer or a new company, it is a given that all individuals, teams, organizations and offerings go through these three phases. So it makes sense that there is a real need for both quality/Lean and innovation/Creative Process during various phases of team, organizational, product, market, and/or personal development. Another way to say it is that breakthrough innovation is just as necessary as incremental improvement. Without one, the other spirals out of control. And given where you are in the curve, there is a necessary focus on one approach leading the other (but there is always a need for both)

To oversimplify, here's how we see it:

Necessary Process Methodologies
based on organizational/product/market stage

Phase III
Integrating the new
and the different

Phase II
Extending &
improving

Phase I
Exploring &
inventing
the pattern

Growth cycle

Time

Innovation

Lean/Six Sigma

Creative Process & Lean

Transformation Curve Source: George Land, "Grow or Die"

Traditional Approaches and Case Studies

As Creative Process practitioners, and Organizational Development (OD) consultants with a sole focus on the people skills to create an innovation culture, we are often asked to support and strengthen the practices of "Lean Six Sigma." Using the language of the Six Sigma field, we are essentially "Lean/Innovation Sensei" within the specific area of creating *new* value for customers. Primarily and historically, Lean Six Sigma work has focused on process and product that already exists within the value stream of an organization. Traditionally, Lean concepts have found an easy home in the manufacturing–based activities of organizations and have rapidly spread in that type of work flow (and of note, they are now in the product development arena). Many billions of savings have been garnered in this way. These methods are great at gleaning value from existing systems. Where they often fall short is in the case where industries need to innovatively adapt to changes in market dynamics, and where organizations need to create a sustained engine of innovation, an engine of *new* customer value creation. In other words, when there's a breakthrough required.

> Example: Kodak began to experiment with Lean manufacturing in the late 90's. We were asked to provide Creative Process training to the team responsible for the rolled coating machine. While much incremental efficiency had been gained using the Lean tools, it was not until the team applied their new creative thinking skills that they found true breakthrough opportunities. In a half–day's work, the team produced an annualized savings of US$3,000,000 by coming up with creative ways to reduce unscheduled shutdowns and increase throughput on the machine. Of note, unfortunately for Kodak, Creative Process and innovation culture skills were not widely adopted, while the focus only on incremental improvements to existing process was widely adopted. They needed *new thinking and innovation* as much as they needed to continue to wring savings out of the film based value stream. And hindsight tells us that Kodak is now out of the film–based business, having jumped into (what was once a new innovation) digital imaging late in the game.

The addition of Six Sigma thinking to the Lean Manufacturing work has allowed for an expansion of focus to *all* business processes, including for instance, customer service processes. There is an interesting paradox (yet another polarity) that shows up in the focus on customer service that frustrates us (the customer) from its lack of good creative process. As a way of understanding the dangers of *failing* to leverage the interrelationship between good innovation practice and Lean Six Sigma, we can explore one such service example.

> Example: Hertz, in an attempt to reduce *muri* ("overburden"), and *mura* ("unevenness"), in its reservation system (when focused on the idea that human capital is a cost and — in part — a waste) implemented an automated web–based reservation system that allows for a reservation to be made by a customer with radically reduced human capital costs to Hertz's bottom line. Essentially and unfortunately, they have shifted overburden and unevenness to the customer. The typical reservation time for a Hertz #1 Gold club member previous to this process change was less than 1 minute once connected to a human agent via the phone. While waiting, the typical customer eliminated their own *muda* (the "non–value–adding work" of waiting on the

phone) by, for example, engaging in responding to e–mail. Now, the process of automated reservations takes approximately 5 minutes of direct singularly focused involvement for a #1 Gold Club member. Should that customer elect to speak to a human agent, they must engage in at least one minute of interaction with the automated system before being "transferred" to a new telephone answering system (accompanied by phone rings and a repeated automated welcome message, telling you over and over again how "your call is very important") before being placed into the queue to speak to a live agent.

While Lean Six Sigma methods devoid of good creative process skills clearly can and do produce *incremental* value, when combined with effective Creative Process and Innovative Thinking skills, LSS is far more likely to deliver its full promise. Creative Process, and the constellation of cognitive methods around it, are essentially the methods that make the Lean process fully effective, by not just diagnosing waste and self–evident solutions, but in unique and different solutions. Through the Creative Process methods, we can make Lean more effective – more lean – by eliminating the waste that exists in an organization's innovation pipeline and problem solving processes. Creating a culture of innovation helps:

- Organizations mature to the point that they understand that some apparent "waste" in the innovation process is sometimes not actually waste, but is in fact essential to the process.
- Create the "prepared mind" that sees the new business opportunity in failure and waste.
- Clients begin to establish metrics which keep them as close as possible to the "sweet spot" between eliminating waste and deriving value from waste.

As "Lean Innovation Sensei" in *new* value creation, our task is to coach and train our clients to take the overburden, unevenness, non–value–adding work and institutional misbehavior out of their process for creating new customer value. Additionally, as LSS method is applied to current work flow to create value for customers through products and services, Lean opportunities/challenges arise that can be solved with elegant design or inelegant design (see Hertz above). Our Creative Process uncovers a broader range of information, a more complete understanding of the challenge(s) and a more elegant/robust set of solutions to solve the challenges that must be solved in order to "Lean up" a given process.

Barry Johnson's work in Polarity Management is instructive relative to the paradox (polarity) that is apparent between a basic understanding of LSS and an incomplete understanding of the innovation process.
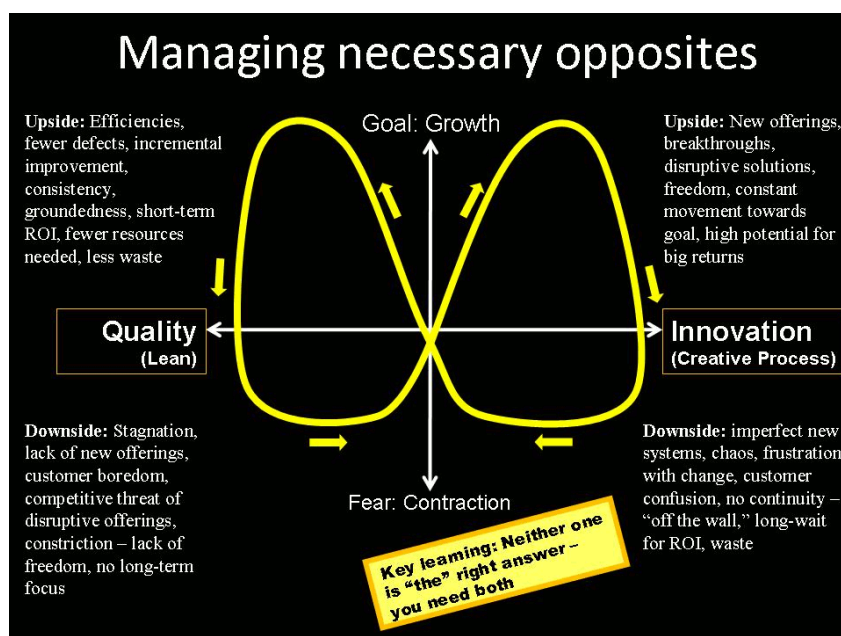
In the case of Quality/Lean, a key goal is to create growth through the *removal* of waste and variance. In the case of the Innovation process, the goal is also to create growth by creating new offerings (and one way to do that is to derive benefit through the *exploration and leveraging* of waste and variance (See Günter Pauli's Zero Emissions Research and Initiatives to find someone who is creating new businesses and offerings from the waste of various firms and processes).

Johnson guides our thinking here in this way: There are benefits and costs to both ends of the polarity (quality vs. innovation) which are described

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graphically in "Managing necessary opposites."

In a myopic organizational culture, there is a thought process that leads to "we must do one or the other." The organizational "bet" gets placed on one polarity, and in typical human rationalization fashion, the negative side of the favored polarity is underemphasized while the negative side of the non–favored polarity is overemphasized.

In a highly functional innovation culture, the question becomes "How might we get the benefits of both sides while at the same time reducing or eliminating the downsides of each?" This creative question inspires the game changing moves that drive organizations to significantly outperform their competitive set.

If *muri* is the elimination of overburden, or the elimination of all of the unreasonable work that management (or management practices) imposes on workers and work process, then the imperative that companies produce innovation then requires us to ask these questions:

- "What is being imposed by management practice that is getting in the way of innovation?"
- "What self-imposed practices – imposed by any player in the system – are getting in the way of our innovation engines' efficiency? "

As Lean Sensei with an innovation process expertise, this is where we add value to organizations.

By applying the discipline of Creative Process and creative thinking to Lean thinking, the organization can enjoy the best of both worlds: quality and innovation, efficiencies and breakthroughs, stability and change. Or as we like to see it, newness and improvements. By managing the inherent paradoxes of both aspects, growth is possible, and indeed, inevitable.

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New & Improved, LLC
info@newandimproved.com
9306 State Route 30
Paul Smiths, NY, 12970
Ph: 518-327-3554