



Cultivating Innovative Thinking and Behaviours

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"Innovation"

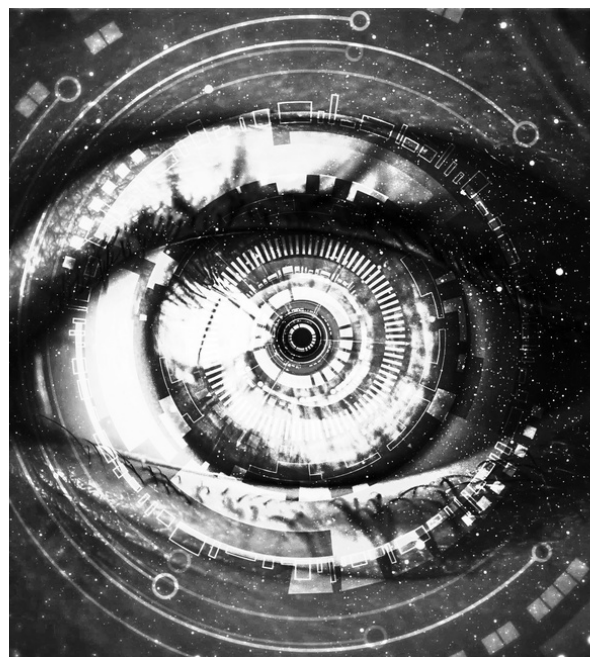
is a concept that gets thrown around a lot in the business world, and it may seem that if a manager chants that word enough, their company will be magically transformed. But innovation is more than an abstract; it can be real practice based on real actions. And it's not just for tech start-ups or market disruptors, as innovation is good for any business.

According to a report by Citrix, almost half of growth in some industries is now due to innovative new products, services, or ways of working, and for every 1% increase in innovation spend, organizations are realizing, on average, an estimated 1.95% increase in overall revenues. These are not abstractions, but real results. Two years into the COVID-19 pandemic, companies need innovation more than ever.

INNOVATION IS FOR EVERYONE

MCE recently did a global study on how organizations can maximize their innovation potential. The online survey was conducted in January and February 2022 of 6,000 full-time employees, aged 21 years or older, across a range of industries, in the United States, Canada, Mexico, Belgium, the Netherlands, Germany, Switzerland, Saudi Arabia, China, Japan, and India.

MCE defines innovation as "the creation, development, and execution of new and valuable processes, services, or products" and it "can range from modest changes that improve a single individual or team's work processes incrementally, to radical new ideas that can have an impact across an entire organization. Both incremental and radical innovation have their place in gaining and



maintaining a competitive advantage." Innovation can be leveraged by all industries, even though each has different goals. The key to innovation at any company is establishing leaders who are able to prepare employees to solve problems with creative thinking and innovative work behaviors (IWBs). So what are the strategies that leaders can use to cultivate innovation?

WHERE AND WHY DOES INNOVATION THRIVE?

MCE looked at companies that are considered to be highly innovative and found that there are several factors that innovative companies have that make them stand out from others. One factor is that at these companies, innovation is seen as everyone's job. In the MCE survey, 62% of employees at highly innovative companies stated that they feel like being innovative is part of their job, compared with just 15% of all the other respondents. And this feeling is not just among leaders, but extends even to individual

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contributors in highly innovative organizations, with 46% of respondents saying innovation is part of their job (compared with 10% of individual contributors at other organizations).

IDENTIFYING THE FACTORS OF MOTIVATION

Let's face it, as a result of the pandemic, a lot of workers have spent time thinking about what they want from work and achieving a better work-life balance. Last year came the phenomenon of the Great Resignation, in which many entrepreneurial employees left their employers to start their own businesses. The MCE survey found that 23% of respondents still intend to leave their organization within the next 12 months. These departures, whether through retirement or resignation, mean that companies lose experience, generational knowledge, and insight that could have driven innovation.

Hiring managers are now finding that the old inducements to attract and retain employees—"fun" open-plan offices, healthy snacks, foosball tables, catered lunches—are not doing the trick anymore. These are all part of what is called "extrinsic motivation," which relies on tangible rewards and has been found to be ineffective in increasing retention or innovative work behaviors. Intrinsic motivation, in which the employee finds the work fun or interesting, is also not a longtime motivator of innovation, as feelings about the work can change.

What is a long time motivator? Experts say it's identified motivation. This is 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 their 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.

GROWING SKILLS AND KNOWLEDGE

Innovation does not happen in a vacuum. It is fed by not only the desire but also the



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expertise and perspectives of employees. Every employee that leaves takes away institutional knowledge, and among those who remain, if there is no motivation or training to learn new skills, there will be no innovation. To address this, leaders can hire top performers, develop top performers, or use both approaches.

CULTIVATING INNOVATION

Gardeners know that simply throwing seeds into the ground and hoping for the best will not produce a bountiful harvest. Good gardeners will spend time generating seedlings, preparing the ground, and enriching the soil, making sure it's right before planting begins. Once those seedlings are in the ground, you want to make sure they get enough water and fertilizer, and be vigilant about weeding to prevent them from being choked out.

Just as a neglected garden will yield a pitiful harvest, many companies are not fertile ground for new ideas. Among the key findings of the MCE survey, nearly 4 in 10 employees stated that they have had an idea to improve something at work, but because of the oppressive atmosphere, did not even bother to share it. These are missed opportunities to improve an organization's performance. Leaders need to support the development, resources, and implementation of new ideas so that

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employees feel like generating them isn't an exercise in futility.

DO YOU HAVE A CLEAR VISION?

As a leader, it's up to you to communicate a clear understanding of what the organization does, how, why, and for whom. Otherwise, your employees will not be able to see how things can be improved. Don't be stingy on sharing general knowledge, or even sharing insights between departments. Inspiration can come from anywhere, and though some information will have to be on a need-to-know basis, the more that can be shared, the more likely employees will feel that they can offer insight.

DON'T DISCOURAGE PEOPLE FROM TRYING (AND EVEN FAILING)

It's true that not every idea that is tried is going to be a success. But failures can be learned from, and the lessons from them can be used for future successes. If an employee feels that their innovative ideas will lead to ridicule and career failure, however, they are going to hold them back. MCE found that 82% of employees at innovative organizations accept that risk.

An idea may never even make it out of the brainstorming session. But making your suggestion box a black hole, where ideas go and are never heard of again, is not the way to cultivate innovation. Managers who are able to take a viable idea and quickly make it a reality, if they have the autonomy to make those decisions, will encourage team members to share other ideas that could lead to even greater successes.

82% of employees at innovative organizations accept that risk and failure are part of the innovation process.



Managerial support definitely has an impact on whether people consistently engage in innovative behaviors, studies have found. MCE found that just 26% of those they survived strongly agree that their managers encourage them to come forward with new ideas. Additionally, 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. Don't be that kind of manager. If your employees feel that they can come to you with any idea, even if it's slightly impractical, more innovation will result.

ENCOURAGING PSYCHOLOGICAL SAFETY

Expanding on the concept of allowing your employees to fail, one of the biggest things a manager can do to encourage innovation and have employees come forward with new ideas is creating an atmosphere where everyone on the team feels valued, included, and respected.

A McKinsey study from December 2021 found that among the top reasons employees cited for leaving, 54% said they didn't feel valued by their organizations, and 52% didn't feel valued by their managers. But AMA's survey found that people whose managers make them feel psychologically safe and comfortable with sharing their ideas are far more likely to engage in IWBs related to idea generation and development.

Ultimately, innovation at any company is not just up to the leaders, and managers must be open to employees' ideas. Good leaders should not hold employees back and should offer the knowledge, skills, tools, and inspiration to cultivate innovative thinking and behaviors. In a world of change, leaders need to help their employees navigate—and allow them to take the lead as well.

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