

Cultures of Innovation

You can't force people to innovate, but you can create a working environment that encourages new ideas. Leadership coach Marie Peeler says **manufacturing leaders must work hard to create open, collaborative learning cultures in their organizations**—and change some of their own behaviors—if they want to build a truly innovative enterprise.

By Marie Peeler



HOW DO YOU DRIVE INNOVATION? CAN LEADERS SIMPLY mandate their people to innovate? Some manufacturers have tried, but many have ended up frustrated when their carefully prepared, inspirational corporate slogans, initiatives, directives, and even color schemes fail to stimulate the game-changing innovations they envision. The problem is that people don't know how to innovate—it's an abstract concept for most employees. We may all think we know what it means, but few can describe how we produce it. There's simply no procedure guide or best practices manual for “doing” innovation.

People have experienced innovation, and have often been the beneficiaries of it—after all, we regularly use smartphones, digital music players, tablets, satellite navigation systems, even self-sticking notes—but the concept of how to be innovative remains elusive.

Yet innovation is critical to the future of manufacturing. In a market that demands higher quality, slicker designs, and greener products, often while also expecting lower cost, manufacturers are under great pressure to create new processes, equipment, and materials that allow them to generate output more efficiently, with greater agility, and at better financial margins. The range of potential opportunities for manufacturers to innovate is extensive—from raw material and component sourcing, to equipment maintenance, assembly, process control, energy use, inventory control, and IT systems.

Innovation is not restricted to groundbreaking discoveries or monumental forward leaps. Innovations can also make a large collective impact when they happen in small ways, every day, and infiltrate what

appear to be the smallest functions. Innovation must be pervasive and happen at all levels; it cannot be the purview of one department, such as R&D. Nor can it be the responsibility of one person, such as the chief manufacturing executive. Innovation is a grass-roots affair, one that must involve every assembler, machinist, inspector, mechanic, electrician, and material handler—everyone on the team.

Which brings us back to the big question: How do you drive innovation? As leaders, how do you ensure that everyone knows that innovation is their job? More importantly, how do you teach them to innovate?

The answer is simple—you don't.

You can teach people how to do things, but innovation is not about doing. Rather, it is about being. Innovation comes out of a culture, a mindset, a way of viewing the world.

Creativity is the close cousin of innovation. Creative cultures are made up of creative people. While some exceptional people are born with a creative bent—like the untrained artist who paints a stunning image or the young music prodigy who delivers a riveting performance—most regular people can be encouraged to be creative by a culture that is conducive to innovation.



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Creating the Culture

Company culture can be a tricky thing. Like innovation, it's hard to define because you can't hold it in your hand. But it is very much present in every organization, and it is the secret driver behind every organizational accomplishment—or lack thereof.

Culture can be thought of as the “personality” of a manufacturing organization. It accounts for the attitudes employees hold, whether they are truly engaged, how they treat their internal and external customers, and, yes, whether they tend to be innovative. It is the sum of individual and collective values, attitudes, beliefs, assumptions, habits, and behaviors that governs how the organization operates. It becomes the way that the organization is seen, both by the people within the organization and those external to it.

What's the profile of the culture in which innovation happens? It turns out that such environments have a few things in common. Innovation thrives in cultures where learning is encouraged, expected, and supported. Innovation and learning are inextricably tied together. In those cultures:

› Generally, employees like their work and are proud to be associated with their organization. They feel valued.

- › There are high levels of optimism. Problems are challenges to be solved and there's a belief that there is always a better way of doing things.
- › There are high levels of accountability. The emphasis is on team accountability as much as or more than individual accountability.
- › People are not overly afraid of making mistakes or of encountering failures.
- › There are formal or informal communication structures that promote information sharing.
- › Internal competition is discouraged. Collaboration is encouraged.
- › People have a general working knowledge of life outside their silos. They know where their role fits into the bigger picture, and they work well across departmental boundaries.
- › Employees have little fear of saying what is on their minds, and leadership usually knows what they are thinking. There are a few topics that cannot be discussed.
- › Little attention is paid to established class distinctions. Employees and leaders at all levels use the same facilities, vie for the same parking spots, and enjoy the same perks.

The Leadership Role

Organizational culture can change over time, either on its own or through a directed effort. It is widely thought that as companies grow, their cultures change (usually not for the better) simply as a byproduct of that growth. Leaders can also embark on an effort to change the organizational culture if they realize that

the current culture is not conducive to the long-term success of the organization.

Executives can be both the greatest impediments to and greatest enablers of innovation in manufacturing organizations. The responsibility of leaders is to create the conditions that favor the right mind-set or culture for innovation. And yet, doing this sometimes requires behaviors that are counterintuitive.

The following guidelines can help executives establish a culture of innovation in their organizations:

Leaders must be willing to acknowledge that they are not always the smartest ones in the room. Then they must let others know.

I once took over a plant where a product enhancement required the purchase of a piece of equipment to automate a certain process. The addition seemed relatively minor, but the operations manager, being new to both the product and the equipment, poorly sequenced the new operation into the existing flow. He did not know that the new process altered the material in such a way as to make the next step extremely difficult. The result was a 50% drop in throughput, which initially confounded us all.

When someone convened a group of the best and brightest machine operators, we learned the source of the problem, which allowed us to resolve the issue by re-sequencing the equipment and processes. While I was glad that we had the answer to our problem, I was astounded that no one had stepped forward sooner to tell us what was going on. I was new to the region and did not yet understand that the culture of that workforce was to avoid questioning authority, and to do whatever was asked regardless of the circumstances. Unfortunately, prior leadership had not sought to break down this paradigm. As long as it stood, innova-

tion of product lines and processes would be missing much-needed input.

Make your manufacturing operation a safe place to think.

Often, a leader unknowingly thwarts others' thinking by shooting down ideas that don't fit the leader's mental models or preconceived notions. Other leaders appear to listen, but do not allow the employees any real input. Ultimately, this leaves employees thinking, *Why bother?*

Promoting innovation means promoting ideas. This seems like a risky proposition for a leader, since not all ideas are good, and some ideas seem good but ultimately fail. It can also be a risky proposition for the employee if the organization is intolerant of failure.

To stimulate creative thinking and the free offering of ideas, leaders must accept the risk and promote a culture where failures become learning opportunities. This is the only way to create a safe place for manufacturing employees to think.

Share the vision.

As a leader, help team members understand the bigger picture. Share your vision so that others can innovate strategically and not just for the sake of it. Employees need to know what is important to the operation in order to guide their thinking in that direction.

Too many organizations indulge in secret planning, never sharing the company's real goals (or those of its clients) with the employees. Employees who know what is important have a framework for creativity.

Promote collaboration and create structures for communication and sharing.

Remember the old adage that two heads are better than one? It's true, especially when innovation is the desired outcome. An IBM study recently reported that 75% of surveyed

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CEOs considered partnering and collaboration important to their innovation efforts.

Even organizations with geographically disparate operations are finding that collaboration is important enough to make it a priority, despite the distance. Baxter International, for example, which manufactures medical devices, pharmaceuticals, and biotechnology products all over the world, has installed tele-meeting rooms in key locations to replicate the experience of face-to-face meetings among employees in remote locations.

Manufacturing executives looking to stimulate innovation are not only promoting collaboration among employees, but also with clients and other external partners. A well-known example of such collaboration was IBM's and 3M's announcement last year that they would combine IBM's semiconductor experience with 3M's expertise in manufacturing adhesives to collaborate on a new ultrafast, three-dimensional stacked chip.

Make learning a priority.

People who are actively engaged in learning, regardless of whether that learning directly supports their job function, tend to gain resourcefulness, confidence, and excitement. New learning stimulates them to think and reflect on new ideas. It also contributes to an employee's sense of being an important part of the team and worthy of investment.

The Ricoh Group, for example, has put training at the heart of manufacturing innovation by establishing a program to train key personnel to act as pivotal agents of operational improvement at production sites. The Ricoh training "dojo" contains five schools focused on various aspects of

manufacturing improvement: problem-solving, economic performance, part and tool improvement, group improvements, and product quality control.

Promote learning in your manufacturing organization, first by setting the example and being a learner yourself. Then promote learning and growth in those around you. Remember that there are many forms of formal and informal learning that have the power to stimulate one's mind and creativity. Whether it's formal in-house training programs, support for degree-seekers, or internal mentoring or external coaching programs, investing in the training of your workers and management can provide substantial return on investment.

Get (or let) people out of their silos.

It is imperative that workers and managers throughout the organization understand that they are a part of something bigger. In order to think innovatively, they must have a systems-level perspective that helps them understand how their function impacts the rest of the business. To promote creative thinking, help people develop this big-picture perspective. Send them to other departments to learn where orders and materials originate, and what happens when their part of the process is complete. When practical, let them meet customers and sales representatives. Such knowledge will open their eyes to the broader spectrum of possibilities. Once they know how another department, or even the end user, interacts with their output, they are better armed to suggest new ways of presenting and even creating that output.

Having all employees observe and experience other departments and functions has the added benefit of breaking down barriers and facilitating communication and cooperation. In one company, new sales people were

required to work for one week on the production floor as part of their training. (They were informed of this policy during the interview process; if they balked it was taken as a sign of a poor fit.) Much more collaboration took place with sales people who were hired after the policy went into effect.

Leaders should ask learning questions and teach others to do the same.

Albert Einstein purportedly said, "Curiosity is more important than knowledge." Manufacturing leaders need to stay curious and exercise their curiosity through learning questions—questions that leaders ask because they genuinely don't know the answer, or because they believe they know the answer but are willing to suspend that belief in order to learn what others think.

By their nature, learning questions are open-ended:

- › What do you think we do really well?
 - › Does anything in our processes make you shake your head?
 - › Why do you think a customer should use the widget we make instead of one made by our competitors?
 - › What is the single biggest obstacle to your doing your best work?
- Such questions avoid many leaders' bad habit of disguising statements as questions:*
- › You don't really think you should do that, do you?
 - › Don't you think you should...?

The pleasure of asking learning questions—and occasionally the dismay—is that the answers are frequently surprising, and educational. Also, the very process of being asked learning questions stimulates people's thinking and makes them reflect on ideas that have not yet crystallized.

Eliminate disincentives to innovate.

Lots of factors dissuade people from innovating. Being rewarded for keeping quiet is one of them. Being punished for going out on a limb and failing is another. Another dissuading factor is knowing that when you solve a problem your job function may no longer be needed. Other disincentives include bonus systems that reward individual performance, instead of collaboration.

Manufacturing leaders should work to eliminate each of these factors. If you are not sure which are part of your culture, remember the learning questions, and ask!

Once manufacturing leaders stop simply demanding innovation and take the time to understand the intangible aspects of a successful innovation process, they can create a workplace that cultivates these intangibles, and they should quickly improve levels of efficiency, collaboration, and morale. Such an enlightened culture can earn an organization renown for its innovation, and help position it at the forefront of today's manufacturing resurgence. **M**

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