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Why Leadership Style Matters for Innovation Outcomes

By Ralph Kerle ©
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In the past decade, I have listened to many leaders across all sorts of industries and organisations dialogue about innovation but very rarely have I seen organisations actually embody and live the outcomes of these dialogues. Facilitated dialogues and workshops with the endorsement and often participation of company leaders introducing the strategy and tactics of innovation invariably leave participants highly enthused. Yet very often after a relative short period of time, organisations absorb this optimism and little changes.

Leaders attest to the many difficulties associated with organisational innovation, not least of which are the political ramifications. Innovation is like a political movement, often polarising entrenched hierarchies, organisational elites and factions. Innovation favours ideators and implementers, those wanting to overthrow the status quo and get on with change, challenging anybody who stands in their way.

How a leader handles this ebb and flow of unresolved organisational tension is crucial to the implementation of innovation.

Over the last couple of months I have observed a trend within some larger organisations in which senior leaders are starting to engage internal staff in something more than just dialogue about innovation. I can't put my finger on what it is directly but for want of a better description I will call it - innovation action.

Innovation action is beyond mere dialogue and seems to follow a rough pattern. A new department is formed, often within the HR, People and Learning or Organistional Development areas with direct access to the very top of the organisation. Members of this new department come from all sorts of backgrounds – communications, marketing, recruitment, traditional technical training and they all seem to have common attributes – a passion for creativity, innovation and risk. Regularly the level of those involved is middle management and below; their age often below 40. We are on a mission, charged to innovate in this organisation regardless, is their mantra.

Two recent examples of innovation action I have observed highlight the importance of different leadership styles.

In the first organisation, innovation responsibility was handed to the human resources department. Much time was spent researching, consulting and drawing up a comprehensive strategic innovation plan including actions, timelines and outcomes. The entire HR Department from HR Director down to

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1

Executive Assistant was drafted into a day's workshop on design thinking and innovation during which they were exposed to various tools and techniques to develop that capability. A creative conversation using a World Café process produced a strategic and tactical agenda with the focus on the HR Department designing, creating and implementing innovative practices themselves before rolling out the corporate strategy for innovation across the entire organisation.

The HR leader responsible for innovation in this organisation is a rational logical thinker driven by the need for control, process and outcome and as a result, is risk adverse. He leads through examination of the minutiae, using the scientific method of asking his team to construct a hypothesis in the first instance in which he can find flaws. As a result of this leadership style, innovation doesn't operate emergently; rather it has to be constructed first with an articulated vision everyone is instructed to work towards fulfilling.

His first action subsequent to the workshop was to appoint somebody as the innovation co-ordinator charged with bringing together a team to facilitate further idea sessions – to create new hypotheses that the leader himself could select and nominate as being innovative. Three months later, there is no enthusiasm for innovation action, the staff most likely to commit to innovation action have various and differing views on whether this is the right way to proceed they are unable to express openly and are disengaged and the leader is frustrated because he has had no feedback from the group.

The problem here is the leader's view that innovation can be achieved through simple idea generation rather than a systemic organisational movement involving every aspect of the culture, its people and its operation.

Innovation as a political movement for real change under his leadership will only ever be tactical and incremental. Incremental innovation is not a bad thing of itself. It minimises disruption and ensures the organisation moves forward within its traditional constraints.

Goethe, 19th Century German dramatist, captures the metaphor for this type of innovation action - "Daring ideas are like chessmen moved forward; they may be beaten, but they may start a winning game".

The second case study is a contrast in leadership styles and as a result, a contrast in outcomes. Head of Training and Development of one of Australia's largest industry employers wanted an existing 18 month long graduate leadership programme re-designed to reflect the new number one core value of the organisation – to be creative and innovative.

The Creative Leadership Forum's new design introduced graduates to the concepts of strategic and tactical methods of organisational innovation using a real world business challenge of raising funds for charity as a way of experiencing business innovation from idea to implementation.

The initial reaction to the redesigned programe was one of resistance, confusion, deliberate obfuscation from within the HR department as well as the Learning and OD Department. Some managers of these young graduates, already threatened in some instances by the Gen Y attitude of

their new charges, initially refused to allow their graduates time to participate properly and complained bitterly to senior leaders.

To complicate matters, the innovation thinking preference profiling the Creative Leadership Forum did on the participants revealed the organisation's preference for hiring young science graduates who were predominantly developers of ideas rather than ideators and implementers in their own right.

Against this background, the leader had a vision for the new programme, delegated to those she engaged to be creative in design and delivery and empowered them to make their own decisions in the process. When staff could not agree or find a way forward, she appeared to intuit this circumstance, would call a meeting and made sure every party involved attended. If one shareholder failed to attend, the meeting was truncated until everyone was available. Everyone was asked their opinion and everyone left the meeting knowing what action was required to proceed whether they agreed with the final decision or not. Her leadership style exemplified and embodied the characteristics of a creative leader – enlightenment, empowerment and engagement – the style needed to achieve strategic as opposed to incremental innovation.

The net result over 4 months has seen the emergence of a group of new young future leaders aligned to the new values of the organisations who have experienced real world entrepreneurial business skills and associated creative problem solving – something they wouldn't get in their day to day tasks for some years; the re-structuring of roles within the HR Department promoting employees who have shown they are comfortable with innovation action into more senior roles and those who wanted to retain the status quo moved to more process driven roles.

Far from incremental, this innovation action has the potential to transform the current AND future leadership of the entire organisation.

These two cases studies demonstrate how the importance of recognising differences in leadership styles - the risk adverse leader will offer incremental innovation, the truly creative leader, the chance of organisational transformation.

A senior leader needs to heed these differences to tailor his/her innovation expectations accordingly.

And as Goethe wrote "Thinking is easy, acting is difficult, and to put one's thoughts into action is the most difficult thing in the world."

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