A culture of innovation and why it matters

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A culture of innovation fosters creative thinking and advances efforts to derive economic and social benefit from the experience, resulting in the creation of new or enhanced goods, services, or processes. A healthy innovation culture is described by a common set of principles and mutually supportive beliefs about the importance of innovation, as well as an integrated pattern of behaviour that encourages research and development. A flourishing innovation community will take advantage of a research and innovation ecosystem's current strengths. Even though innovation is a well-studied subject, the majority of the study has been conceptual, which means that researchers have looked at it and attempted to identify, clarify, and find ways to excel in it.

Innovation does not happen on its own. If you truly want to innovate throughout your company, you must create a culture that encourages cooperation, rewards creativity, and fosters a positive working style that creates more opportunities for every individual. It is an incredibly exciting time to be a part of the innovation process. Industry transformation and technological transition seem to be picking up. Individuals, organisations, and nations are now more connected than ever before thanks to digital information networks. According to an HBR article, a culture of innovation is the consistent, observable patterns of behaviour in an organization. Organisational culture is a sum of all the practices, processes, habits, values, structures, incentives, and naturally, people that the organization has.

How do you create a culture of innovation?

Not only does a company's bottom line benefit from a culture that encourages creativity. It is something that both leaders and workers appreciate in their workplace. We believe that creativity thrives in large open spaces, brightly coloured rooms, and cluttered studios. It occurs at 3 a.m. or midnight, not in the middle of the workday, as a result of chaos and experimentation. That is possible. However, it is also true that creativity and innovation occur between the hours of 9 a.m. and 5 p.m. in a conference room with people dressed in suits. Teresa Amabile's seven strategies for creativity can be used as a checklist by leaders who want to foster an environment where ideas flow freely. The following are the seven steps to create a culture of innovation in an organisation:

1.   Clear goal setting

Amabile discovered a paradoxical truth: goals must be both clear enough to align team members and loose enough to allow team members autonomy in achieving those goals. It is this autonomy, as well as the ability to combine ideas and bring in new perspectives, that allows true creativity to flourish. How do leaders establish clear objectives? The outcomes must be observable. Motorola, for example, set a goal of cutting the time it took to close its year-end books from six weeks to four days. That is a stretch goal, but it is also a clear and measurable one that can be measured. Incremental improvements will not get

you there: you'll need creativity and innovation.

2.   Work assignments that match the individual's interests and provide a positive challenge

People will be motivated to do meaningful work if they find it meaningful. Team members who are motivated are more persistent and provide more feedback to the system, which contributes to innovation. So, what makes work worthwhile? One method is to ensure that it is a good match for the individual. The most important task for a leader is to match the work that needs to be done with people who have both the skill and the desire to do it. We have a better chance of seeing innovation happen when we make that magical match because the work is more meaningful to the individual.

3.   Open communication systems

The development of open communication networks that promote idea sharing, teamwork, and collaboration is the third activity for enabling innovation. This is particularly true for business leaders who were educated in a "business-as-science" paradigm (Barry & Meisiek, 2014), which emphasizes systematic process and analysis over hands-on problem-solving. Many business schools and companies have developed design laboratories, drawing inspiration from organizations such as IDEO, where leaders can experience creativity and problem solving through the mediums of theatre, visual arts, music and dance, and even gastronomic arts. These tactile environments foster teamwork while also allowing for new forms of communication and imagination.

We do not all have access to design studios, but we do need to make it easier for people to share ideas, plan projects, and collaborate. How can we go about doing that? Developing good co-worker relationships is one essential way. High-quality partnerships, as well as the psychological protection they provide, enable companies to learn more and contribute to innovation (Carmelli, Brueller, & Dutton, 2008).

4.   The feedback that is frequent, constructive, and supportive

Eureka! moments are unusual in the world of innovation. Instead, it comes from a series of small observations, concept recombinations, and mini experiments that provide us with quick feedback and enable us to adapt. Design, Construct, Run, and Analyze are the four phases in the feedback and adaptation process (Thomke, 2003). Then start all over again. The cycle will repeat thousands of times in large projects.

5.   Equitable and generous rewards and recognition

Your systems must support your goals, as we've discussed several times in this column. This means that if you want to foster a creative community, you must reward and accept risk-taking actions, even if the results aren't instantly positive. Giving staff free time to pursue passion projects, awarding raises and promotions to those who contribute new ideas, or publicly recognizing innovation initiatives at a team

meeting are all examples of this. Tucker and Edmonson (2003) discovered, for example, that nurses wasted an average of 33 minutes per shift due to preventable errors. The problems could have been solved with a few minor changes, but the nurses were so pressed for time that they had little time for creativity.

6.   Absence of unnecessary bureaucracy

In two cases, bureaucracy stifles creativity. It causes long lead times and systemic turnover, slowing progress to the point of irrelevance, and demotivating innovators by erecting roadblocks. Great innovators must remove bureaucracy and promote continuous and rapid creativity. A colleague of ours recently shared dissatisfaction with his organization's processes for approving work travel. He listed avoiding potentially lucrative trips because of the hours of paperwork needed. By bureaucracy, his company was punishing creativity and ambition in this small way.

7.   Supportive collaboration

Supportive teamwork across departments, units, and divisions is the final element in promoting creativity. Our favourite example comes from a study of ten well-known tech firms that collaborated with other businesses to develop new products (Davis & Eisenhardt, 2011). Researchers discovered that greater collaboration between two firms in a partnership resulted in further creativity, as calculated by the number of patents and participant scores. The most collaborative partnership resulted in 18 new patents and a 9 on a 10-point scale from participants, while the least collaborative partnership resulted in no new patents and a 2 on a 10-point scale.

What does a culture of innovation look like?

When CEOs speak about instituting innovation, businesses like Google, Amazon, Apple, Nike, Pixar, Tesla, SpaceX, Intuit, and others provide ample proof of thriving innovation cultures. However, these and other creative companies remain outliers in the true sense of the word; CEOs of non-innovative companies revert to old habits. Although innovative organizations vary greatly, there are two key ingredients that everyone must have to accelerate innovation in any setting, and which can be easily borrowed and extended to any organization:

1. Engagement
2. Diversity

Leaders who want to create an organisation that constantly innovates must give their workers two things:

1. Independence
2. Encouragement

They should set big goals, get out of their employee's way, and give the employees credit for trying.

Why is a culture of innovation important?

Organizations that lack an aggressive innovation culture stagnate and lose ground to more ambitious rivals. If you work for a company that aspires to compete with companies like Tesla, Airbnb, or Uber. Startups like these exist in every industry, and they're thriving. They provide services and goods that are similar to those you provide, so why do they outperform established corporations? Fostering innovation is a noble and worthwhile aim for any business, especially those that have already achieved success. The following are reasons why an organisation should make build a culture of innovation:

- **It fuels company growth**: The reality that creativity is a significant investment is undoubtedly the greatest roadblock for most CEOs. In certain situations, it entails devising and implementing strategies that have little bearing on today's customers. And you'd rather have all of your attention focused on making money right now. However, this is both naive and seldom accurate. "Even though the creative process isn't always simple," Forbes writes, "an organization with an innovative culture can develop easily." "Tried-and-true approaches can be effective, but experimenting with new ideas is worthwhile." You naturally restrict your growth if your business model, goods, and target markets are too rigid. There is a limit on how far the business will go. Only by stepping outside of these paradigms would you be able to innovate value, and the company will be able to expand at a much faster rate. To put it another way, if the playing field is changed, the team will truly perform.

- **It stimulates change**: This section does not extend to flawless businesses. And for the rest of us, there is still space to improve and adjust. And this transformation should always start from the inside, with your employees. Just 6% of workers believe that good feedback and legitimate grievances often result in improvement. They don't always feel noticed. It's important to have a company-wide innovation culture, where employees' ideas are heard and implemented. When members of the team feel respected and trusted, they begin to search for opportunities to make meaningful improvements on their own. Then, as a normal part of doing business, change will happen organically.

- **It ensures continuous improvement**: When you think of creativity, you're probably thinking of historical game-changers. Boats, iPhones, and Google Maps are all things that come to mind when I think of travel. These can fully transform a business model and drive generational growth for large corporations. While many innovation tactics are geared toward blockbusters, incremental innovations can still have a significant effect. "Improve just 1% a day and expand on that every single day," says Tony Hsieh, CEO of Zappos. This has a drastic impact, and by the end of the year, we will be 37x better, not 365% better." This is the optimistic outcome of the insight-driven transition. If each team member is motivated to make subtle changes to their work habits, the company will achieve a significant amount of productivity.

- **It increases the idea pool**: The creativity team is where many companies' creative culture begins and finishes. They're the ones that are recruited to be forward-thinking, while the rest of the company is preoccupied with other things. However, this restricts the breadth and variety of possible ideas. No matter how committed the "ideas squad" is, there are just so many hours in the day. The more you can include other team members in the process, the more fresh ideas you will generate. In reality, one of the most critical aspects of an effective ideation project is scale. The more people who participate, the stronger. The problem, of course, is ensuring that these ideas

are both fruitful and useful. However, a lack of input is unlikely to be a problem.

- **It increases diversity in the workplace**: Diversity is the gospel in the business world. When an organization has a diverse range of experiences and perspectives, it avoids certain prejudices that can stifle development. Your clients are diverse, and so should your business teams. Diversity is the gospel in the business world. When an organization has a diverse range of experiences and perspectives, it avoids certain prejudices that can stifle development. Your clients are diverse, and so should your business teams. You will also promote diversity of opinion among your current employees. When everyone understands that their thoughts are valuable and wanted, they are free to express themselves and achieve their full potential. Finally, the projects and goods would most likely be more diverse. It's easy for established companies to fall into the pit of doing things the same way every time. We deal with issues like this. More customers are needed. This is how we always locate them. While this will give your business teams more predictability, it almost certainly limits growth. You can't expect better results if you stick to the same plan all the time. You can't afford to keep repeating the same output patterns and problem-solving techniques. You will avoid this if the company has a vibrant innovation community.

- **It identifies new areas for innovation**: Limiting creativity to a single team often limits the types of projects it will operate on. We always associate innovation with new products, but changes and enhancements can be made anywhere in the company. This might lead to incremental progress that keeps the business moving forward. It may be the HR department adopting a new payroll method, or the sales department experimenting with a new stand-up meeting style. You're probably stuck with the status quo if business units are taught "the best way" to do things and aren't encouraged to innovate. Unexpected opportunities arise when the whole organization is empowered to innovate.

- **It helps your business stand out**: Every business wants to set itself apart from the competition. One of the key reasons for creativity is this. To demonstrate that you're different from everyone else, you have to do something differently. It has been shown that innovation gives businesses a competitive advantage. Information management, intellectual capital, organizational capacities, and organizational culture all have an important direct and indirect impact on innovation, according to studies. " In other words, if you have a working innovation community, you can begin to innovate. And as a result, your company would stand out.

- **It helps you think beyond your market**: Your new rivals aren't the only ones that have a competitive advantage. "The light bulb was not invented by candlemakers, and e-mail was not invented by the postal service," to put it another way. Your greatest obstacle in five years may not exist right now. This is why Uber is putting money into self-driving vehicles, and Amazon is experimenting with drone delivery. Keeping creativity at the core of your company allows you to anticipate problems before they arise. Again, the more people involved in this operation, the better chance you have of spotting what's around the corner.

- **It brings unexpected discoveries**: Take, for example, this article from Harvard Business Review. A better way to inspect the inside of aeroplane parts was needed by one manufacturer. To solve tough problems like these, the business depends on creative concepts. One challenge respondent – an administrative assistant, not an engineer – proposed the odd idea of sending robot spiders inside the parts to inspect them. Even though most people thought the idea was ridiculous, the CTO wanted to put it to the test. The inspection, which normally takes eight hours, took just 15 minutes. This tale exemplifies one aspect of innovation: it's impossible to

predict when and where the next big idea will emerge. As a result, creating an innovative community should be high on your priority list.

- **It makes the company more adaptable**: You may believe that technology has advanced significantly in recent years. It has, in reality. Social networking, which is now considered important for both companies and individuals, has only been around since the early 2000s. Simultaneously, cellphones evolved into camera phones, which evolved into smartphones. There's a fair chance you won't make it because you're constantly adjusting and designing new goods and services. Blockbuster is a well-known example of a business that has been left behind by technological advancements. Another one is Kodak. A good innovation culture ensures that you're open to new ideas and ready to respond to them.

- **It ensures you meet customer needs**: In the next five years, what matters to consumers will undoubtedly change. They will not only have modern technologies (as stated above), but their principles and ambitions will have changed as well. Climate change, for example, would affect primary industries around the world, as well as tourism, manufacturing, and even banking. New legislation and increasing production prices will have an impact on some of these effects, but consumers will have a large impact on others. Customers would continue to reduce their carbon footprint on a broad scale, and companies will need to keep up. An innovation culture ensures that the business recognizes these shifting ideals as soon as possible. Then it gives you the best chance of coming up with practical solutions to the problems that arise.

- **It's more efficient**: As we've shown, innovation (which includes quality improvement) means that important improvements are made. These, in turn, often contribute to improved productivity. It's always a win if you can find easier, quicker, or more efficient ways to complete tasks. These changes are the product of an innovative society. However, creativity can also help an organization make more drastic changes. In the blink of an eye, whole business models can change. For example, having a retail company without offering online shopping is now practically unimaginable. For one thing, customers expect it. However, it is normally more effective for the company, since a central depot may accommodate more customers. If an organization does not remain open to these types of improvements, it will miss out on major opportunities to increase performance. It's also on the verge of extinction.

- **It attracts better talent**: Most businesses are searching for people who can bring new ideas to the table. These individuals take initiative, put things to the test, and are constantly on the lookout for a problem to solve. These are the skills and attitudes that your company needs to succeed, for all of the reasons we've already mentioned. People who are creative want to work in a creative atmosphere. Is it possible that the next Thomas Edison or Isaac Newton would work for a public library? They'd be looking for work that allows them to experiment, express themselves, and make significant changes. In a rigid organisation, this is just not going to happen. They are well aware of this. This means that if you want to hire the best people, you must make creativity a company priority. In other words, you won't be able to recruit innovators unless you can demonstrate an innovative culture.

- **It helps you retain talent**: It's difficult to keep healthy workers around. Just 15% of workers are engaged at work, according to Gallup, and 51% of them are actively searching for new employment. Personal development is an important part of this. Just 42% of workers believe they are constantly learning at work. It's normal for team member to feel disconnected if they don't have the opportunity to develop skills and explore new talents. As a result, how much the team

gets to exercise their creativity muscles will determine how long they stay with you. The more opportunities they have to try out new ideas and learn on the job, the more satisfied and involved they will be in their jobs. In turn, the more committed your team is, the more effective the innovation process becomes. To come up with the best new products and methods, you'll need everyone to pitch in and evaluate new ideas.

- **It improves your employer brand**: This is especially true among teenagers. In addition to versatility and the opportunity to do meaningful work, millennials and Gen Z applicants value a creative community. This is one of the reasons why the tech industry is regarded as a desirable place to work. By their very existence, technology firms are thought to be groundbreaking. And today's workers want to be at the forefront of new technologies. But of course, every company has room to innovate, regardless of its industry. What matters to people is that they feel like their work makes a difference, not just keeps the factory line moving. This gives them ownership. Because "employees need to feel like they have a tangible stake in their company." (Forbes) And word of mouth spreads. When the workers are happy, the whole organization becomes a desirable place to work.

- **It's the way that modern business is done**: You do not run the company the same way anyone else does. We've already given you 17 reasons why you should branch out. Simultaneously, deliberate creativity is becoming the norm. At least, that's how most companies hope it will be.

- **Without innovation culture, there's no innovation**: You can't afford to neglect strategies like the Blue Ocean Shift now that they're so popular. And you must implement these concepts if you want to run a first-rate, world-class company. As we've seen, fostering an innovative culture will help your company expand, attract top talent, and prepare for the future. You don't stand a chance if you're the only one who isn't thinking outside the box. We've already spoken about how important and desired change is in today's companies. Companies aspire to be trailblazers, to be leaders in their fields, and to inspire their customers. Innovation, on the other hand, isn't a toggle switch. You can't just decide to create innovative, game-changing goods on the spur of the moment. Instead, the teams need "roots and wings," according to Corning's Dr Waguih Ishak. They need to realize that there are realistic expectations of them, that their work must produce something useful (and hopefully revolutionary). Then they require autonomy and discretion. This rule applies to innovation teams, but the concepts should be applied to the whole organization. Budgets and deadlines are important, but putting too much pressure on them would "kill ideas before they take off."

What are the characteristics of an innovative culture?

Innovation is so critical for every organisation and the following are the characteristics of an innovative culture:

- **Active opportunity management**: Regularly, new prospects are actively found, prioritized/deprioritized, and properly resourced. What is being pursued and why is always obvious. Opportunity management occurs regularly as part of leadership meetings and discussions, as well as during business/strategic planning.
- **Adequate funding of ideas:** It costs money to bring new ideas to life. As a result, funds are set aside in advance to enable new concepts to be piloted and scaled up if they prove popular. Ideas

will die in PowerPoint if this does not happen. This funding must be sufficient, secure, and distributed at the start of the year – which means you will sometimes have no idea what it will be used for and will have to take a risk.

- **Leadership role modelling:** Leaders do more than just nod in agreement when it comes to creativity. They arrive on time for meetings and remain until the end. They are engaged and contribute their thoughts and viewpoints. They often pay attention to how they act around new ideas, avoiding judgment and decision-making as default behaviours. They evoke possibilities and radiate vitality.
- **Stretch goals and a higher purpose:** Individuals and teams have expectations that can't be met without going beyond what's been done before, so they're required to think creatively and evolve by definition. These stretch goals should be attainable, but only if current thinking is challenged. And if they can be linked to a higher emotional intent or cause, that adds even more motivation and satisfaction when they are completed.
- **External stimulus:** On the inside, you can find the outside. Via a rich and complex network of collaborations, external provocation, wisdom, and foresight are routinely brought in. This experience is continuously captured, communicated, and used to encourage and fuel new ideas.
- **Controlled madness:** Combining unbridled expansive thought, where the universe is your oyster and everything is possible, with smart research and rigour. Sniper-like ingenuity. People should understand when and how to push the boundaries and be a little renegade in their thought and attitude, as well as when not to.
- **Up-Down-Left-Right collaboration:** Working in small groups of a variety of individuals is the practice and how tasks are accomplished. Levels and silos are abandoned in favour of collective control of a common problem and solution. Everyone involved benefits from this form of partnership because it allows them to think more clearly and with more enthusiasm and imagination. Rather than being a checkbox object, diversity becomes a real benefit.
- **Stories everywhere:** When you ask someone what they've done recently that they think is creative, they'll give you example after example. It's not difficult to find evidence, and it goes beyond the product. People aspire to do something worthy of being part of the story, and anecdotes are told and retold until they become legends. Stories take on a life of their own.
- **Humility:** People can see flaws and recognize what needs to be improved. It's considered acceptable to flaunt one's failure. Wins are shared rather than grabbed, and victories are evenly distributed. Collaboration and unity are difficult to achieve without modesty. Humility fosters a sense of community, which makes creating and stretching much easier.
- **Room for crazies:** It's fine to stand out in a crowd. It's fine to be open about your weekend activities. It's fine to discuss frightening concepts. It's perfectly acceptable to wear your heart on your sleeve. It's not appropriate to pass judgment. If you want to push the envelope with your thoughts, you must also push the envelope with your talent. In this climate, tolerance and empathy become crucial skills.

You must reinvent everywhere if you want to expand in unexpected ways, attract better talent (and retain them), and genuinely delight your customers. There are no sacred cows, and anything can be bettered. Everyone. The more deeply you embed this innovation culture as a core business ideology, the more likely you are to genuinely innovate.

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