

# LEADERSHIP



## How Leaders Can Build Innovative Organizations

By Jeff Gaspersz

In all the years I have been discussing innovation and creativity with managers and entrepreneurs in master classes, seminars and roundtable sessions, one observation keeps returning: almost all leaders agreed that they underutilized the creativity of their employees.

They admitted that they could capture so many more fertile ideas in their company. The major reasons they gave for failing to do so were a lack of time and the absence of an effective process to manage all those ideas.

Furthermore, they feared demotivating their employees when ideas were rejected and, in addition to that, a core question arose: Is encouraging ideas really a core management task? Current existing business challenges demand enough attention as it is.

So there is creative gold in companies, but these leaders don't dig enough for it, despite the often deeply-felt need to innovate or to find creative solutions for urgent problems.

## **Stimulating creativity as a core task in leadership**

It is my contention that stimulating and nurturing organizational creativity will increasingly become a key task in leadership. With fast changing market challenges, demanding customers and smarter competitors, we need more than ever, all of our imagination to find new ways to innovate and rise to new challenges. Being more creative is our only way to become resilient in times of change and crisis and will secure our sustainable success, therefore stimulating and harvesting creativity will become a strategic priority.

This is confirmed by the IBM Global CEO Study among 1500 CEOs in 60 countries in which creativity was selected by the CEOs as the most crucial factor for the success of their companies. As a leadership quality, creativity scored even higher than integrity and global thinking. But not only the leaders had to be creative: the interviewed CEOs felt that they faced the challenge of spreading a creative spirit throughout their entire organizations.

Here, we are touching on the essence of leadership needed for building a creative organization. Its aim is to persuade each employee to engage in the quest for new solutions and improvements. It is about communication that energizes people, giving them ownership over any given problem and inviting them to search for new ideas and bring them forward.

## **Employees as co-creators in innovation**

The ultimate goal of innovation leadership is not to create followers waiting for instructions, but to awaken self-leadership in people and allow them freedom to work on their ideas, share their thoughts and take initiative to meet their targets; thus bringing improvement and innovation within the reach of each individual employee.

It is therefore especially important to avoid excluding a single employee from the process of creative thinking about solutions. Everyone should be invited to be a co-creator in innovating because one can never predict which employee will coin a brilliant idea. The more people we exclude from the search for new opportunities, the weaker our corporate innovative power will be. There is a growing awareness of this in leadership philosophy, now that innovation has become a necessity. In a survey among innovation leaders in 54 South-African companies it was found that one of the greatest enablers of innovation was considered to be the empowerment of staff to support innovation by recognizing opportunities.

For this purpose, small initiatives can have a positive knock-on effect in shaping the culture where new opportunities are discovered on a permanent basis. In a government organization I worked with, employees were very enthusiastic about a simple program for knowledge sharing, launched by top management: the week of the exchange. For one week in the year employees arrange an

internship in the team of another department. The results were a better understanding of each other's work, a cross-fertilization of insights and a stream of new ideas.

Another small initiative with a profound effect on the opportunity mindset is setting up a periodical in-company event where employees are invited to listen to a variety of speakers, such as innovators, entrepreneurs, authors and artists. In participating in such events, I have seen the same effect occur as when we watch the famous TED Talks ([www.ted.com](http://www.ted.com)) where speakers, covering



a wide range of topics, are given 18 minutes to present their ideas. When we listen to the diversity of their ideas, opinions and research findings our minds open up, we become inspired and we find connections between what is shared and our own challenges. More than 500 million people have already viewed the TED Talks, so it fulfills a deep need. How easy it is to organize TED-like events in your own company by inviting inspiring people from within your own network? It will not only bring new views, but will also show your employees, and invited customers, how important it is for your company to shape a culture of inspiration and innovation.

## **Broadening the search for ideas**

When searching for creative intelligence and new ideas, why should we limit ourselves to our own company? We might not be aware of our own habitual thinking that may be blocking the discovery of new possibilities. The great economist John Maynard Keynes remarked: "The real difficulty in changing the course of any enterprise lies not in developing new ideas, but in escaping from the old ones." We can indeed be blinded by our old ideas, and may need others to help us recognize the boundaries

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of our thinking, or the rigid lenses with which we view our world. Customers or even the broader public can help us to bring in fresh thinking and new perspectives: In a master class a manager told us about the resistance from her team, against a business-to-business innovation initiative they were going to work on. She then invited the customer to talk to her team about their need for such an innovation – after that meeting her team was convinced.

In the search for new ideas we can consult a large group of people willing to help us. Ideaken is a company in India, founded in 2009, that encourages collaborative innovation by matching companies seeking solutions and individuals who wish to create them. These could

That demands leadership that connects people working in different, sometimes siloed, departments and invites them to share their knowledge, successes and failures. I have often observed how something as simple as organizing an idea contest brought people from various jobs together in idea teams, unleashing and focusing their creativity. The friendly competition leads to a double harvest: Firstly, brilliant, implementable ideas were generated that could be rewarded publicly. The more we recognize and reward these creative gifts, the more enthusiastic people will become and they will be encouraged to keep on giving. The second effect of the idea contest was even more profound: it strengthened a culture of creative collaboration and commitment to innovation and improvement.

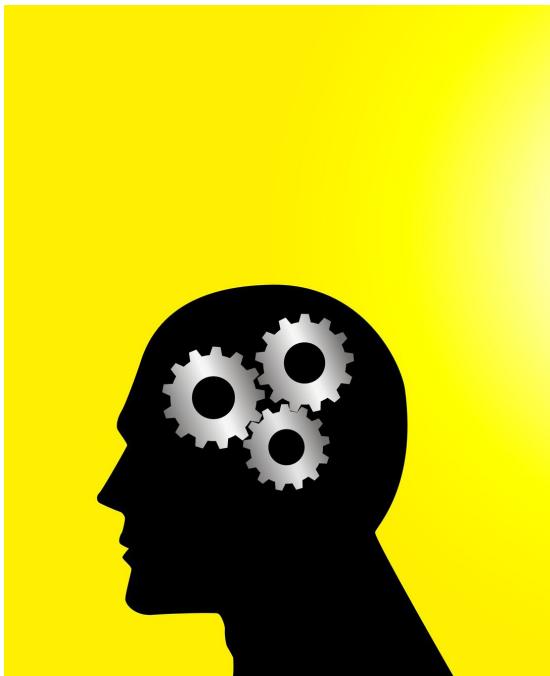
Outside of the company, we see this brand of innovation-oriented collaboration in many places around the world, occurring in creative meeting spaces where ideas can flow freely and form new combinations. In Africa a famous, and often copied initiative is the iHub in Nairobi, a co-working space and business incubator for young entrepreneurs. The Nigerian co-creation hub in Lagos aims at co-creating new solutions to social problems by bringing together a diversity of inventive minds. And it works. New solutions are found and executed in an open innovation setting. A new innovation ecosystem is formed. Ideas are now being launched to create an online communication portal to connect the hubs across Africa.

Innovation opportunities arise when creative minds connect. It is the core task of leadership – centered on innovation and creativity – to connect these minds and focus them on the urgent and important challenges. Such leadership is a creative act in its own right. Leadership author Warren Bennis formulated this as follows: “There are two ways of being creative. One can sing and dance. Or one can create an environment in which singers and dancers can flourish.”

### **Building innovation leadership**

Current reports like PwC’s 2012 Global Survey point to the observation that African CEOs place innovation capacity high on their agenda. They expect that new products or services will deliver them the desired strategic growth opportunities. However these expectations can only be fulfilled when there is enough creativity in their firms. It is only with novel or even breakthrough thinking that we are able to disrupt the status quo, redefine and renew our products and services and shape new business models.

Of course innovation asks for more than just creativity. When we have a valuable idea about a new product, service or process, we need solid project management to realize it. But it all starts with new ideas. Creating a corporate culture where such ideas can arise and acting collaboratively on them must be a strategic priority of

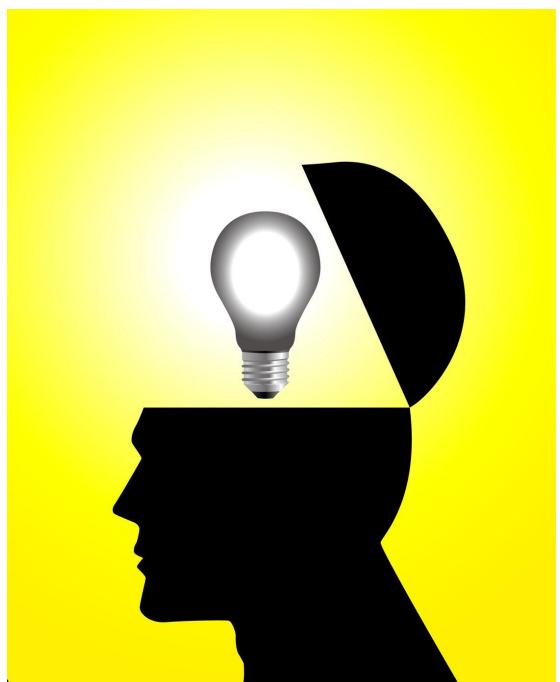


be customers, other business partners or a global pool of talent. A comparable seeker-solver initiative is Innocentive.com, which generated a solver community of over 270,000 individuals from more than 170 countries. It is evident that the ingenuity of such a force stretches far beyond the creative possibilities of one firm. Another extreme case of consulting a global creative pool comes from IBM. In one of their online brainstorms, called Innovation Jams, they succeeded in involving more than 150,000 people from 104 countries and 67 companies in searching for new opportunities. This resulted in the creation of many new businesses.

### **Connecting Creativity**

We might not be able to bring together as many people as IBM, but the key question remains: how can we connect the knowledge and creativity of committed peoples in such a way that new windows of opportunity open up?

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any CEO. The key to such a culture is leadership, not only from the CEO but from each manager within the company.

We need leaders who will challenge our old ideas and stimulate our curiosity in discovering new and unconventional viewpoints. If we are striving for breakthrough innovation, then we need breakthrough leadership that can spark our imagination and entrepreneurial efforts. Louis Pasteur said: "Chance favors the prepared mind." We need to search for ways to prepare our minds to seek out new opportunities that help our company, our teams and ourselves. Leaders can facilitate that process.

I am working in a business school where we, along with other business schools, strive to build leaders of the future that are equipped for the new innovation challenges inherent to the workplace. It is my contention that the aims of our teaching must be to strengthen their integrative thinking so that they can find new combinations, patterns and perspectives that are necessary for innovation breakthroughs. We must also show them ways to catalyze creativity in their corporate communities.

We can show our future leaders numerous best practices, but they will only discover their passion for it when they have discovered their own creative abilities – therefore we must also familiarize them with effective creative thinking techniques that will help them to approach problems from different angles, not just to offer them a new tool, but to awaken a spirit in them that they can use to spark creative powers in others.

But creativity is not enough; we also need courage. Patrick Awuah, co-founder of the Ashesi University in Ghana, an institution educating African leaders, gave an inspirational talk at the Open Innovation Africa

Summit 2012 on how to educate innovation leaders. In his view, we often think of creativity as imagination. But imagination requires courage. With our imagination we can think up a new idea, but courage is required to act on an idea. When we present a new idea, we can count on people who will brand it as outrageous, discouraging us in the process. It then requires the courage to persist. In innovation leadership development we therefore not only have to stimulate creativity but also to encourage our leaders to act on, and persist with, new ideas.

I fully agree with Patrick Awuah. So much innovation is the result of courageous people. I once met Art Fry, the inventor of the Post-it note. He shared his story about all the resistance he faced within 3M when he presented the initial idea of a slip of paper with a re-adherable strip of adhesive on the back. But he had the courage to persist and he shared the lesson that he learned from his experience: It is easier to beg for forgiveness than to ask for permission. That wisdom gives us the attitude to take initiatives with our ideas. What we need are innovation leaders who encourage their employees to be courageous and give them the space to act and even break out of the formation. But we also need to find the resolve within ourselves to ensure that our ideas are not taken for granted, and that our unique creativity is nurtured instead of stamped out by bureaucratic forces or uncooperative managers.

We need strong innovation leaders who can inspire us to experience innovation as an all-inclusive process, not just something unique, reserved only for the innovation department. For me, an innovation leader is someone who stimulates me to think along new paths, question my own familiar practices and challenge my existing assumptions. It is a person who gives me a longing to experiment with my ideas and to search for colleagues to collaborate with in order to realize them. An innovation leader will help me discover unconventional ways to think, act and deliver new value to my customers – then I will discover the innovation leader within myself!

#### **About the author**

Prof. dr. Jeff Gaspersz is Professor of Innovation at Nyenrode Business Universiteit and an advisor and speaker in the field of innovation management and business creativity. He previously worked for KPMG as the manager of the HR Trendwatch Center and as Director of the KPMG Center for Innovation in the Netherlands. His research fields are innovation leadership and the thinking behind innovation. His books, articles and blogs focus on shaping organizations where our individual and collective creation power is stimulated and used. For more information please visit: [www.jeffgaspersz.com](http://www.jeffgaspersz.com)