

Fostering Innovation at RIT

Part 2: Building a Culture of Innovation

Donna A. Dickson, Assistant Professor

January 16, 2009

Background

President Destler has established a vision and goal for RIT to become the nation's first "Innovation University." While faculty, staff and students alike are intrigued and energized by this vision, to build and sustain a culture of innovation, we must start by developing a shared language and understanding of what is innovation and how we can build a culture that fosters innovation.

As you may recall from the first paper in this series, it is important to distinguish between innovation and creativity. Creativity involves generating new ideas. In organizations, innovation is the process of acting on ideas to discover new ways to create value (BNET, 2007). Value may not be economic; it may be pride, reputation, health, or even safety (Denning, 2004).

You may also recall from the first paper in this series that an important element in building a culture of innovation is recognizing that innovation is as much about small improvements as "big ideas." Breakthrough inventions and incremental improvements are of equal value (BlessingWhite, 2007, p.3). While very few people are likely to be inventors, anyone can be innovative (BNET, 2007, para. 1).

Need for innovation in higher education

All organizations today need to foster innovation to remain viable because trends like globalization and the "new economy" have created the need to continuously improve productivity, quality, and service. It is widely believed that our ability to innovate is a key factor in our global competitiveness (Devaney, 2008, para1).

Table 1 summarizes the changing nature of organizations in the new economy, driving the need for increased innovation.

Table 1: Changing nature of organizations (Jackson and Schmidt, 2006)

Today	Future
Competitive advantage achieved through quality, price, and service	Competitive advantage achieved through reputation, social responsibility, and relationships
Execution through coordination, process improvements, and outsourcing	Execution through collaboration with customers, competitors, vendors, and suppliers
Focused on bottom line	Focused on growing the top line
Driven by efficiency and cost	Driven by innovation

Organizations in the business of educating others have an additional imperative in supporting innovation, and that is to develop students into innovative employees. As the United States has moved from an industrial- to a knowledge-based economy, American higher education has emerged as the premier system for preparing the kinds of highly skilled workers our nation requires. In the twenty-first century, America's ability to produce and disseminate education will increasingly determine its economic competitiveness (Desrochers, 2006, para. 1).

Employers are ever more interested in hiring people who can not only execute well but can also create the next wave of innovation. A Wall Street Journal economist, June Kronholz, estimates that “trailing other developed countries on education measures may reduce U.S. economic growth by as much as a half percentage point a year” (Tapping America’s Potential, 2005, para. 6).

Alan Blinder, Professor in Economics at Princeton University and co-director of Princeton’s Center for Economic Policy Studies, suggests America’s educational system must move from focusing on traditional educational requirements to developing a creative and innovative workforce capable of creating new processes, products, and industries (Blinder, 2007, para. 9). In fact, over the next generation, the *kind of education* our young people receive may prove to be more important than *how much education* they receive (Blinder, 2007:11).

President Barack Obama, in his inaugural address to the nation on January 20, 2009, stressed the need to, “transform our schools and colleges and universities to meet the demands of a new age.” (para. 13).

Where do we get started?

Just as we, as educators, cannot teach what we do not ourselves understand, we cannot develop students into innovative employees if we do not first create a culture of innovation for ourselves. In addition, as RIT faces the same trends impacting organizations of all types—competition in a global market, unpredictability in political and social stability, technological frontiers being pushed back at a dizzying pace—the one certainty is that we need all the innovation we can produce (Bessant, 2003, para. 7). Successful organizations continually innovate to keep pace with change and stay ahead of the competition. RIT may lose ground if the pace of change outside the university is greater than the pace of change within (BNET, 2007).

Culture

Defining a vision and realizing that vision are two distinct things. To become the first “Innovation University,” we must begin to shape a culture that understands, values, and actually promotes innovation. Only then will we be prepared to teach our students to themselves develop the skills they will need to produce innovation in the organizations they join.

Organizational culture is defined in a number of different ways. According to Lundy and Cowling’s research (1996), one of the simplest definitions is, “the way we do things around here” (as cited in Martins & Terblanche, 2003, p.65).

Organizational culture includes shared values and beliefs and influences how its members behave. An organizational culture that supports innovation is one that encourages creative problem solving, supports risk taking, and favors innovators as role models to be emulated, say researchers Lock and Kirkpatrick (as cited in Martins & Terblanche, 2003, p. 68).

Culture, because of its powerful influence on behavior, can be innovation’s worst enemy. Even the most skilled leaders and the most engaged, talented employees are stymied by organizational cultures that reward short-term results, punish failure, impede collaboration, and reject change (BlessingWhite, 2007). It is important, therefore, to evaluate how our organizational culture may be supporting or impeding innovation.

Creating a culture of innovation—one in which everyone feels a sense of involvement and shared purpose, and uses their individual and collective creative abilities to push forward the innovation frontier—is not simple (Bessant, 2003, p. 10). It can only be accomplished if each of its members accepts the changes required to embrace and foster innovation.

Hallmarks of a culture of innovation

Two kinds of practice contribute to a culture of innovation. One is rooted in **leadership**. It includes organizational practices such as processes; management values such as encouragement of risk-taking; rewards; prohibitions; and the like. The other is rooted in the **employees**. It includes their personal practices such as continually looking for ways to improve things and building coalitions of support for ideas. Without a foundation of appropriate personal practices, it’s very hard to get the organizational practices to work. Since changes to personal practices are often accompanied by discomfort, it is usually more challenging to affect this aspect of culture than to affect organizational practice (Denning, 2004).

It is important to note that as uncomfortable as change may be, it can be driven by reflection and choice, or by crisis (Bessant, 2003, p. 75). Accepting the need to adopt new personal practices—allowing RIT to stay ahead of the curve of global trends and therefore remain an economically healthy and vibrant workplace—*now* may mean we avoid reacting to even more difficult challenges later.

Table 2 examines the leadership and employee practices that contribute to a culture of innovation.

Table 2: Factors driving a culture of innovation (Bessant, 2003, p.35-36)

Mainly within employee control	Mainly within leadership control
Motivation: intrinsic desire to accomplish things one can take pride in	Availability of slack resources: time and space to explore and create
Mentorship: role models who can provide inspiration, guidance, and practical methods	Other resources: Skill development, tools and techniques, and materials for experimentation
Knowledge exchange: networking, casual conversation, idea sharing, collaborative problem solving	Direction: vision and goal setting, key measures, reward and recognition
Advocacy: Promoting one's ideas and providing supporting data	Recognition: Acknowledging and reward efforts as well as accomplishments

It's hard to talk about a culture of innovation without referring to Google. Google is touted as having “set the bar” for cultures of innovation. How did they do it? They provide employees with plenty of time for intellectual stimulation and place a high value on employee opinions, to name just two cornerstones of their organizational practices. But employees who do not take advantage of opportunities, like “Tech Talks” given by distinguished researchers or developing projects of their own choosing, are sure to rate poorly on performance metrics and are not likely to be retained (Iyler & Davenport, 2008). Google has struck an effective balance between leadership and employee practices.

Personal practices

Some of the common individual barriers to creating a culture of innovation include (Bessant, 2003, p.40):

- Lack of skills and knowledge
- Lack of motivation/commitment
- Misalignment between individual goals and innovation-related goals
- Fear of failure
- Focusing on large accomplishments versus small steps
- Blaming or criticizing others
- Disinterest in the ideas and opinions of others

To reduce these barriers, consideration should be given to adopting the following personal practices:

1. *Exchange knowledge*

Networks of information exchange help promote an environment in which knowledge can be created and shared and, most importantly, used to improve effectiveness, efficiency, and innovation (Lesser & Everest, 2001, p. 41).

Make time to converse with your colleagues. Find ways to cross departmental and university boundaries. Share information with others freely. Invite differing perspectives. Read. By focusing on being inquisitive, talking to others, and keeping your knowledge up-to-date, you may discover new ways to add value to your work.

2. *Pitch your ideas*

Aspiring innovators need to become adept at pitching their ideas. Learn to build a coalition of support around your ideas to improve their chances of being adopted (Coffman, 2006, p. 10). While not everyone is comfortable with the process of convincing others to implement their ideas, honing this skill is vital to a culture of innovation (Coffman, 2006, p. 12).

At the same time, the people to whom new ideas are being pitched will need to become *receptive* to the possibility that something new is worthy of consideration. Organizations of all types are at risk from the same phenomenon—promising new ideas are routinely squelched by naysayers out of fear or ignorance (Ditkoff, 2007).

3. *Accept honorable failure*

The Google culture has “cultivated a taste for failure” (Iyler and Davenport, 2008:66). With a focus on generating ideas and trying new things, more efforts are likely to fail than to succeed. Accepting failure as a part of the learning process, and celebrating *efforts* as well as *outcomes* is common in cultures of innovation. In fact, not making mistakes could be seen as not making an effort to innovate (BlessingWhite, 2007, p.12).

It is important to distinguish between the two kinds of failure (Sloane, 2006):

- Honorable failure: an honest attempt at something new or different that has been unsuccessful
- Incompetent failure: an attempt at something new or different that has been unsuccessful due to a lack of effort or competence

Learn to differentiate between the two types of failure and avoid reacting negatively to your own and others’ honorable failures. Instead, turn them into learning experiences.

Summary

Innovation cannot thrive unless organizations work hard to instill a culture that promotes candor, encourages cross-functional collaboration, and rewards experimentation. Above all, true cultures of innovation challenge and redefine traditional beliefs and assumptions (Jackson & Schmidt, 2006).

Sustainable innovation cannot be achieved by simply identifying best practices and imitating them. The real catalyzing agent for innovation is the ground from which these best practices spring; the convergence of vision, employees, and leadership (Ditkoff, 2007, para. 1)

Help RIT create a culture of innovation by examining, and if necessary, changing your own practices. As a way to guide your reflection, here are some questions to consider (Jackson & Schmidt, 2006):

- Why focus on innovation and why now?
- What happens if RIT doesn't become more innovative?
- What does innovation look like at RIT?
- What's in it for me to help create a culture of innovation at RIT?
- What is expected of me as we strive to become the first "Innovation University"?

Only after we have identified the leadership and personal practices necessary to shape a culture of innovation will we be equipped to drive student innovation in order to prepare the next generation of employees for the challenges they will face.

Part 1 of the series examined types of innovation styles and how to manage the polarity of these styles.

In Part 3 of the series, I will explore strategies to drive student innovation.

About the author:

Donna A. Dickson is an Assistant Professor in the Human Resource Development Program at RIT and is the President of WorkSmart Learning Systems, a full-service consulting company, supporting performance improvement initiatives in global companies of all types and sizes. WorkSmart is headquartered in the U.S. with partners in South Africa and Australia.

Works Cited

- Bessant, J. (2003). *High-involvement innovation: Building and sustaining competitive advantage through continuous change*. Chichester, West Sussex, England: John Wiley & Sons Ltd.
- BlessingWhite. (2007, September). *Innovate on the Run: The Competing Demands of Modern Leadership*. BlessingWhite Intelligence: Leadership Insights Series.
- Blinder, A. (2007). Preparing America's workforce: Are we looking in the rearview mirror? In *Forum futures 2007*. Cambridge: Educause at MIT. Retrieved January 11, 2009 from <http://net.educause.edu/forum/ff07.asp>
- BNET Editorial, (2007, November 15). *Creating a culture of innovation*. Retrieved January 11, 2009, from BNET Business Network Editorial: http://www.bnet.com/2410-13501_23-168336.html
- Coffman, B. (2006). *Building the innovation culture: Some notes on adaptation and change in network-centric organizations* [White paper]. Retrieved November 10, 2008, from InnovationLabs: http://www.innovationtools.com/pdf/Building_the_Innovation_Culture.pdf
- Denning, P. (2004, April 21-27). Building a culture of innovation. *Ubiquity*, 5 (8). Retrieved January 6, 2009, from http://www.acm.org/ubiquity/interviews/v5i8_denning.html
- Desrochers, D. (2006). *Higher education's contribution to the knowledge economy*. Retrieved September 22, 2008 from SOLUTIONSFOROURFUTURE.org at <http://tsp.convio.net/site/DocServer/08.Knowledge-Economy.pdf?docID=103>
- Devaney, L. (2008, January 22). Survey: Schools fail to teach innovation. *eschoolnews*. Retrieved September 17, 2008 from <http://www.eschoolnews.com/news/top-news/news-by-subject/international/?i=51750>
- Ditkoff, M. (2007, September 04). Re: On Creating a Culture of Innovation. Posted to: <http://www.ideachampions.com/weblogs/archives/2007/09/post.shtml>
- Ilyer, B. and Davenport, T. (2008, April) Reverse engineering Google's innovation machine. *Harvard Business Review*. Retrieved January 14, 2009 from http://harvardbusinessonline.hbsp.harvard.edu/hbsp/hbr/articles/article.jsp?ml_action=get-article&articleID=R0804C
- Jackson, L. and Schmidt, G. (2006-2008). *Is your culture ready for innovation? Part two*. Retrieved December 5, 2008 from http://www.linkageinc.com/thinking/linkageleader/Documents/Gerry_Schmidt_Lisa_Jackson_Is_Your_Culture_Innovation_Ready_0906.pdf (different url – I could not get original url to open?)
- Lesser E. & Everest, K. (2001, March, April). Using communities of practice to manage intellectual capital. *Ivey Business Journal*, 37-41.

- Martins, E. C. and Terblanche, F.(2003). Building organizational culture that stimulates creativity and innovation. *European Journal of Innovation Management*, 6, (1), 64-74. Retrieved January 10, 2009 from Emerald Full Text.
- Obama, B.H. (2009, January 20). *President Barack Obama's inaugural address*. Retrieved January 26, 2009 from, The White House, Briefing Room website: <http://www.whitehouse.gov/blog/inaugural-address/>.
- Sloane, P. (2006-2009). *Create a culture of experimentation: Successfully fail*. Retrieved January 11, 2009 from ReallInnovation.com, CTQ Media,: <http://www.realinnovation.com/content/c070910a.asp>
- Tapping America's Potential (2005, July). *The Education for innovation initiative*. Retrieved January 11, 2009 from Tapping America's Potential: <http://tap2015.org/about/index.html>.