

THE HEART OF INNOVATION

Introduction

The capability to bring innovation successfully to market project is a crucial competitive advantage in any sector or field. Peter Drucker wrote the first book to present innovation as a purposeful and systematic discipline in the mid-1980s (Innovation and Entrepreneurship Principles and Practices, 1985) and it's fair to say that many text books, research papers and management books have been written about the importance of managing innovation since. In more recent times innovation has moved to centre-stage in strategic plans, organisations values and even economic policy making. CEO's, leaders, politicians and project managers are drawing upon all of the great ideas and thinking that has been written about the structure, processes and the skills needed for innovation.

The characteristics and behaviours of innovative people

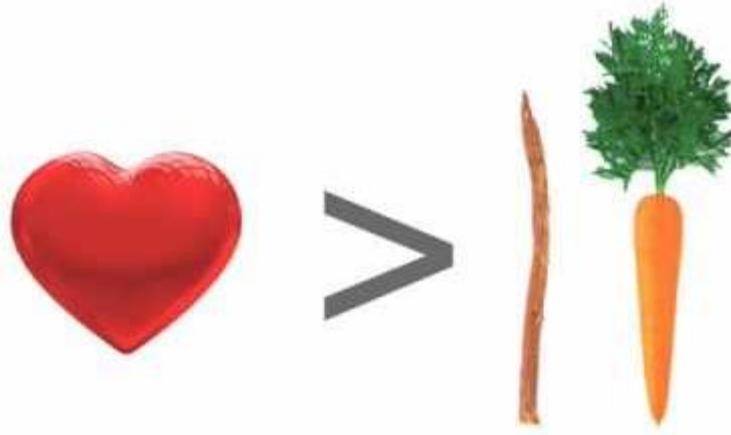
Even with all of this great writing and management systems, why do project teams still struggle with innovation? Innovation requires talented team members with the right processes and structure to support them, but there is far more to it than the systematic management of innovation. At the heart of innovation you will find a focused, purposeful team. If motivation, openness and a proactive nature are lacking in your team, the rest will not produce the results you need. It's the 'how' you want your staff to behave that is the end goal, it gives the purpose for process, structure and organisational development activities. Without a good understanding of what types of characteristics and behaviours lead to innovation, project organisations are managing their teams in the dark.



A research paper was produced for NESTA (an independent charity that works to increase the innovation capacity of the UK) by the City of University London and the Work Psychology Group. Its key aim was to understand the characteristics and behaviours of innovative people in organisations. Below is an attempt to summarise the three key categories of innovative employees; motivation, personality and behaviour.

Motivation

Innovators display high levels of motivation and absorption in their work. A study by Sauermann and Cohen (2008) found that extrinsic reward, such as pay, were not as important as certain aspects of intrinsic motivation such as curiosity, feelings of mastery, and enjoying self-expression. The question for project organisations is this - how can they encourage the feelings that motivate their team members without the use of extrinsic reward?



Here are two examples of how project organisations can encourage the single most important ingredient of individual innovation - intrinsic motivation.

Transformational Leadership

A study by Shin and Zhou (2003), reported that the 'Transformational Leadership' style promoted intrinsic motivation in employees. A laboratory based study, Sosik et al (1999), linked this leadership style with 'flow' (the perfect balance between concentration and enjoyment). Essential if leaders can motivate and inspire their teams, in the right way, it has a direct influence on the creative performance of their project staff.

This is good news for project organisations as transformational leadership is a well-documented concept that can be taught. According to Bass and Avolio, transformational leadership is characterised by the following (4 I's).

- Idealised Influence: leaders become role models, they put team's needs above their own and their behaviour is consistent with the values of the project.
- Inspirational motivation: motivate by providing meaning and challenge and help employees develop a vision for the future.
- Intellectual Stimulation: Leaders do not criticize mistakes but encourage team members to question assumptions, reframe situations and approach old problems from new perspectives (This stimulates idea generation – an essential facet of innovation).
- Individualised considerations: Leaders foster personal development and provide learning opportunities and a supportive environment for each individual.

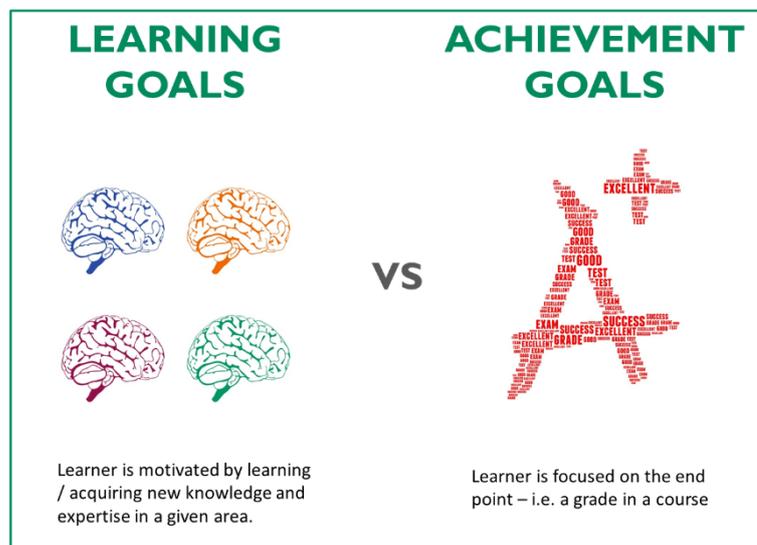
In summary transformational leaders are described as holding positive expectations for team members, believing that they can do their best, they care about their team and focus on their personal needs and development.

Goal Orientation & Problem Solving

When a project organisation engages its team members in problem solving as part of their daily work, it generates motivation. Team members come to see their job in a different light. They are no longer required to do as they are told, their role is to improve the way they work and own the processes they use every day.

Goal orientation is important in problem solving because it guides team members intrinsic motivation. Goal orientation refers to an individual's desire or purpose when solving problems. According to goal orientation theory, there are two contrasting goal orientations: a learning goal and a performance goal. A learning goal focuses on learning and understanding, whereas a performance goal orientation focuses on an individual's efforts to demonstrate his/her ability or competence, often in relation to others (Linnenbrink & Pintrich, 2002).

Studies have found that when a learning goal was highlighted, individuals opted for challenging tasks and tried to learn new skills, even when they made mistakes. On the other hand, when the value of performance goals was highlighted, individuals gave up attempts to find more effective solutions and attributed the mistakes to their lack of ability. Strategies to increase the amount of problem solving done by team members, especially with a learning goal orientation, therefore encourage individual's intrinsic motivation, one of the key aspects to innovative behaviour.



The below table shows how the two goal orientations differ.

Areas	Focus	Learning Goals	Performance Goals
Task Design	Task Characteristics	Variety and diversity in tasks	Simple and plain tasks
	Task Provision Methods	Emphasise the intrinsic value of learning	Stress the importance of performance
Distribution of Authority	Provision of Control and Choice	Opportunities for decision making in terms of <ul style="list-style-type: none"> • establishing rules • setting priorities for when work will be done • setting the pace of work • determining how the task will be accomplished 	Task structured by leader/ manager to achieve the desired outcome efficiently
Evaluation Practice	Evaluation Criteria	Provide information on individual improvement, progress and mastery based on self-reference evaluation	Provide information about social comparison
	Evaluation Report Procedure	Provide evaluation privately	Display evaluation publicly
	Evaluation Methods	Use various methods (e.g. portfolios)	Single test or metric

So what? – Inspire and collaborate with your team

Both of these two important elements point towards project managers as having the largest scope for affecting motivation. They need to be able to inspire individuals, foster curiosity, self-expression and a feeling of mastery and pride in their work. At the same time these project managers need to manage and effectively set tasks, focusing goals on learning or performance dependent on the situation. This directly impacts on two critical aspects of an organisation.

Firstly the learning & development strategy needs to help all managers high or low in the project organisation become transformational leaders. For some project organisations this can be a huge change in the way they approach training. In our experience any training in transformational leadership is usually reserved for upper management with watered down versions slowly rolled out to the middle layers of the organisation. If you want to release the intrinsic motivation of all your team you need to inspire at all levels.

Secondly the performance management strategy needs to be built to create less pressure and more freedom to motivate people. Teams can bring many unexpected and less tangible benefits to the project organisation, how do you recognise and reward teams for the things they have tried to do or learn rather than just what they have achieved?

Personality

In 1961 Ernest Tupes and Raymond Christal put forward an idea that there are five personality traits or dimensions that could be used to describe human personality. Since then researchers have worked independently for decades on this problem and have identified generally the same five factors. The five factors are openness, conscientiousness, extraversion, agreeableness, and neuroticism. Out of the five factors, the report for NESTA found that extraversion and neuroticism cannot be directly linked to innovation activity and are likely to be context dependent. This leaves openness (positive effect), conscientiousness (negative effect) and agreeableness. Agreeableness has been found to have a negative effect just on the implementation stage of innovation.



Openness to experience

Openness is the most important of the five factors in predicting innovative behaviour. Research suggests that openness enhances an individual's intrinsic motivation towards novelty (King et al 1996).

Conscientiousness

Individuals showing high levels of conscientiousness are more resistant to change at work, and are more likely to comply with current organisational norms. Studies have shown that the elements of conscientiousness that are associated with a lack of innovation are being methodical, ordered and dutiful (Robertson et al, 2000)

Agreeableness

Agreeableness is negatively associated with creative achievement but not with creative thinking. This is because the implementation stage is likely to be a group effort which involves social pressures and discarding the

norm.

So what? – Don't fit a square peg in a round hole

Every project organisation will have many different personalities and just recruiting for one 'type' of personality maybe unwise. The opposite of consciousness for example is negligence or nonchalance, maybe a risky talent management strategy. How do project managers reconcile the need for innovative individuals who display traits that are traditionally viewed as difficult to manage and the need to select agreeable individuals who are likely to fit within the team?

With that said, are there any negative aspects to hiring only people that are open to new experiences? Team members with low scores on openness tend to have more conventional, traditional interests. They prefer the plain, straightforward, and obvious over the complex, ambiguous, and subtle. Closed people prefer familiarity over novelty; they are conservative and can be resistant to change. In some more high risk environments we may prefer the known over the unknown, but of course this will not bring you innovation.

We think the take away message for this is one of valuing diversity and recognising what others have to bring to the workplace. Project managers need to be aware that they may need to engage people that do not fit the typical mould for their team. They need to understand how to recognise strengths and not fit a square peg in a round hole.

Behaviours

So let's say that your project organisation has highly motivated team members who are open to new experiences, creative and willing to do things differently to their peers. How do project leaders want this motivated personality to behave within the project? Firstly you want your team to work together but more importantly still you want to make sure you don't get in their way. Discretionary team behaviour is the most powerful innovation tool an organisation can have.

Pro-activeness

The main concept in contemporary research on proactivity is called personal initiative or PI, it is defined by three main facets that have been positively linked to innovation, self-starting, proactivity and persistence. These three facets reinforce each other and tend to co-occur in an individual. This concept of personal initiative has been used at an organisational level with findings suggesting that organisations with pro-initiative climates are more innovative and profitable.

Collaboration

In order to innovate team members often need to relate and interact with other individuals both inside and outside the project. It's vital that individuals are able to communicate and make connections with others, articulate their ideas and have the skills to network effectively.



So What? – Enable don't manage

For a long time organisations have understood how important collaboration is but how much time has been spent empowering your proactive employees? If you have motivated people with the right tools and skills to work together, it is the organisations job to not hinder their creativity or energy. Not all your employees will be proactive but the ones that are might be the key to an important change, innovation and in some cases the key to your future survival.

With that said how do you ensure that an organisations projects are pulling in the same direction? How do you provide consistency to goals and objectives? The answer is a strong organisational narrative; not the type of narrative that is inward facing, common to many companies. A narrative needs to be about the people an organisation is trying to reach and move. A powerful narrative can focus a much broader community on an exciting opportunity that can spur innovation in unexpected directions. Narratives encourage people to take initiative - properly framed, they can unleash a wave of experimentation, and exploration that can lead to accelerated learning and insights from unexpected quarters, while all the time bring some consistency and sense of direction to the organisation as a whole.

Impact on Organisational Design and Development

There are many important aspects of innovation that both project managers and organisations are aware of. The creative skills needed for idea generation; knowledge management systems and enabling technologies that allow ideas to be spread; the project manager skills needed to give their team the rattle room they need; the overall culture of an organisational; the systems of governance and process that can be used to deliver innovation. The problem is if an individual is not motivated to innovate or has no desire to do so, all of the above could be a huge waste of time and money.

When it comes to innovation we are looking for unknown outcomes and deliverables, because of this you cannot rely on structured process or a clever organisational design. By looking at the types of behaviours and character traits that lead to innovation, organisations can start to design their organisational development and design with the end in mind. As with all research papers new information and research can come to light that makes us reinterpret data differently. But what makes the research paper for NESTA interesting is the focus on the individual rather than the systems and management of innovation. If a project organisation can understand the type of people it needs and what to do to enable them, it gets to the very core of what innovation is all about, having original ideas and extracting value out of them.

