

What is?

an INNOVATION CULTURE?

Innovation concerns both the creation of ideas that are novel and useful as well as their implementation. Innovations at work can be of two main types: new products or services and new processes or ways of working. Research at the Institute of Work Psychology (IWP) and elsewhere has pointed to the value of taking a holistic approach to innovation in organisations, the effect of such an approach ideally being the development of an innovation culture.

An innovative organisational culture is one in which continuous improvement through the generation and implementations of ideas in all parts of the organisation is the norm. In other words, innovation is not defined as something that a small minority are charged with doing (e.g. those in R&D) with the results appearing at fixed times. Having an innovative culture should result in all employees being motivated and confident enough to continually try new things out. A prerequisite is that employees should be equipped with the right types of knowledge, skills and motivation to both effectively generate and implement new ideas. However, innovation will only flourish if the work environment is supportive of these efforts. This means employees must be given opportunities to explore, investigate and experiment, and management should provide support through active encouragement of these types of behaviours. The growth of an innovative culture can be fostered by a variety of activities, which are outlined below.

Integrating Research and Development

IWP studies have confirmed that investment in R&D can promote innovation but the development of an innovation culture depends on ensuring that any designated R&D department is fully integrated with other functions such as production and marketing. As well as focusing on fundamental discoveries, product changes, technological processes, research and

development should be defined so it encompasses improvements in organisational processes.

Benchmarking

Research also has shown that organisations that benchmark their operations internally and/or externally, tend to be more innovative. Organisations should benchmark themselves explicitly in terms of their innovation processes and outcomes (IWP has developed an instrument for doing this). It is helpful to use a wide range of benchmarking methods, e.g. observational visits, surveys, literature reviews, analysing performance or operational data, and attending conferences and workshops.

Direct involvement of customers

Feedback from customers represents a major source of ideas for improving existing products or services, or developing new products and services. IWP findings show that seeking the views of customers, or providing an opportunity for them to comment, can supply an organisation with invaluable information on, for instance, the quality, usefulness, or price of products or services.

Selecting innovative employees

Selecting people who are likely to be innovative can also foster an innovative culture. Research has uncovered four key traits that make for innovative people: openness to frequent change; active championing of change; unstructured approaches to work; and a preference to try doing things differently.

Acceptability of risk-taking

Studies have shown that a large number of ideas must be generated in order to produce one successful one, and that the implementation of ideas is often not right first time. An innovation culture should reflect this by showing a tolerance for errors and risk-taking, and rewarding effort as well as outcomes. There also needs to be an element of learning from any mistakes that are

made by instigating regular reviews.

Reward systems for innovation

Providing employees with rewards for their innovation activities is an important issue. Financial rewards can be useful, but research suggests that recognition from peers and superiors is especially important and that employees will perform even more creatively if motivated by the work itself, rather than by rewards or punishments. An organisation can develop this type of intrinsic motivation by encouraging employees to explore ideas that they find personally exciting, reinforcing feelings of personal competence and creating an environment where people can freely exchange ideas and explore areas of mutual interest.

Training for creativity and innovation

On the assumption that creativity is a skill that can be learned, creativity courses that cover opportunity finding, problem definition, idea generation, idea evaluation and idea implementation can, so IWP research confirms, be effective. They signal that innovation is important and provides useful tools and ideas for employees. Yet, as with other types of training, there will be little long-term impact if the work environment to which employees return does not give them the support and freedom to express, develop and apply their ideas.

Developing a learning culture

A key element of an innovative culture is then the active encouragement of continuous learning and development in employees. By providing a wide variety of opportunities for learning, organisations expose their employees to a greater variety of stimuli, enhance their motivation to learn new things, and create the knowledge and skills for them to develop and work with new innovations.

Involving and empowering employees

Encouraging employee participation in decision-making is likely to lead to more successful innovations. This is especially the case where changes in ways of working are concerned. If strong representative structures exist, then involving representatives such as trade union officials in the innovation process is recommended. At an individual level, formal idea capturing schemes can also enable valuable

contributions, and research has shown that it is vital to the effectiveness of such schemes to give feedback to employees. Furthermore, if employees do not think creativity is expected, making creativity a formal requirement of the work role can itself improve the degree of innovation shown.

More generally, empowering employees by developing responsibility for organising and managing work to individuals or teams encourages innovation. Research on job enrichment initiatives and self-managing work groups has shown that it is through the increased learning opportunities that such initiatives provide that most gains in productivity and quality arise.

Providing the opportunity for employees to implement ideas, and involving them in the design of new work practices from the start, will enhance the effects of empowerment.

Developing managers to support the innovation of others

Many studies have demonstrated that greater line management support is linked to greater creativity of employees, especially with respect to the implementation of ideas. IWP research has shown what managers who are supportive of innovation do: they help employees learn how to share their knowledge and experience; they act as role models; they enhance employee motivation and confidence by giving supportive encouragement and feedback; and they nurture an environment in which employees feel they can be open and challenge even their supervisors' ideas.

Supportive management thus underpins the other practices, without which they are unlikely to create an innovation culture. Strong leadership also ensures that they are used in the integrated way that an innovation culture would appear to require.

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