IC Innovation Club

Creating an Innovation Culture

Innovation is about turning ideas into sustainable value – whether that be financial, societal or environmental. And making innovation happen must address the mix of people, process, technology and, most importantly, culture.

The link between innovation and organisational culture is strong - what people choose to do on a day-to-day basis and the way they do it has a significant impact on both the creation of ideas and whether their ideas can be captured, developed, tested and refined through iteration to create sustainable value.

Organisations can have a culture that stifles innovation. Ideas are not surfaced or never lead to the creation of sustainable value. Signs to watch out for are a blame culture where exploring ideas is discouraged due to the risk that they may not deliver success, centralised decision making and micro-management of day-to-day activities.
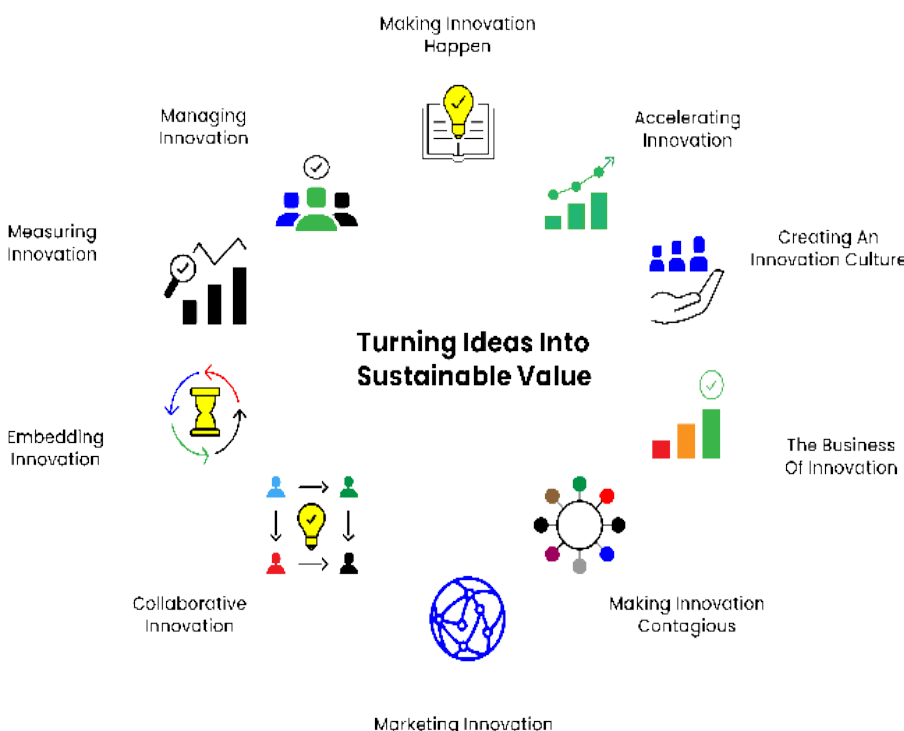
Culture change can help make the shift from an organisation that is struggling to turn its people's ideas into innovations to one which has the capacity and capability to innovate reliably and repeatedly over time. People throughout the whole organisation have the confidence to bring forward their ideas and explore them with others. They feel supported, but also accountable – the focus is on exploring and developing those ideas that can realistically turn into sustainable value, not just idea creation.

The 3 Innovation Enablers

- **Increasing shared purpose and value alignment**
- **Developing an organisational learning capability**
- **Increasing people orientation**
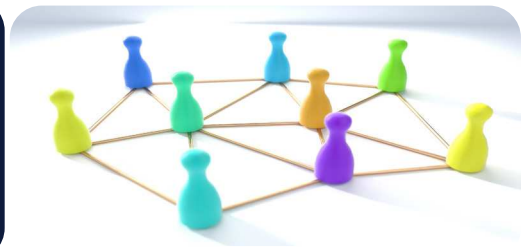
Creating an Innovation Culture is one of the 10 themes in the Making Innovation Happen (MIH) Framework. The MIH Framework provides a means of changing the way that people, teams and organisations look at innovation, their unique innovation journeys, and how to systemically turn ideas into sustainable value.

Making Innovation Happen

Managing Innovation

Accelerating Innovation

Measuring Innovation

Creating An Innovation Culture

Turning Ideas Into Sustainable Value

Embedding Innovation

The Business Of Innovation

Collaborative Innovation

Making Innovation Contagious

Marketing Innovation

"If you look at history, innovation doesn't come just from giving people incentives; it comes from creating environments where their ideas can connect."

Steven Johnson

(Where Good Ideas Come From)

"What good is an idea if it remains an idea? Try. Experiment. Fail. Try again. Change the world."

Simon Sinek

(Start With Why)

IC Innovation Club

Innovation Enablers

Increasing shared purpose and value alignment

Creating an environment where there is a shared purpose and alignment with shared values will lead to more innovation. Businesses, teams and individuals can solve problems and deliver great results when they are aligned around a shared purpose. People can feel that they part of something – their efforts are making a difference. When everyone in an organisation is aligned around the same purpose and they buy in to its narrative, results begin to show. Projects succeed, deadlines are met, service improves, and customers get a great experience as part of delivering a shared purpose.

Developing an organisational learning capability

Innovative businesses recognise that mistakes happen and there will be failure along the innovation journey – everything involves risk and failure is always a possibility. What matters is that organisations have a mechanism in place to learn from these mistakes. Organisations that are systematically learning and helping their employees to continually learn increase the likelihood of successful innovation. Becoming a learning organisation means shifting away from a blame culture but at the same time making sure that employees are accountable for the right things – it is a fine and nuanced balance. It means that leaders should be held accountable for addressing whole-system issues, such as creating an organisational learning capability, rather than taking an overly simplistic view that pinpoints people or teams as single points of failure.

Alignment with values is also important. Where alignment is weak, micro-cultures pop up which can have a detrimental impact on the whole organisation. People identify less with the organisation and more with their team or circle of colleagues. This leaves outcomes to chance – people can create their own way of innovating, or foster resentment that discourages sharing ideas and taking any form of risk due to its association with blame.

Increasing people orientation

People orientation means working hard to remove the barriers that allow them to do the best job they can and prioritising their wellbeing, inviting people to contribute to the organisation's success. Empowering employees to take ownership of their decisions and actions, and recognising their successes, encourages people to collaborate and take appropriate risks.

People can achieve their full potential, both professionally and personally. A culture that cultivates curiosity and fosters collaboration, means people will feel a part of the success that the organisation enjoys. Developing an environment that promotes different and open thinking surfaces more ideas and therefore the opportunities to create sustainable value.

So What?

Organisations always want more "innovation moments that matter", creating sparks for new innovations and embedding systemic capability to consistently turn ideas into sustainable value.

Creating a culture of innovation means empowering people to take advantage of emerging ideas, explore small steps with the occasional quantum leap, and turn their ideas into sustainable value – so culture matters. Innovation can be fostered by moving from a culture of control to one of collaboration and curiosity, where employees with a shared purpose work together and learn from their failures, fast.

In the real world, innovation is not a linear process, but a near-random walk of different sized steps with the occasional quantum leap – with lots of failures and successes along the way. This means accountability must not just be correlated with success or failure, which often depends on the hand dealt at the time, but on whether the organisational capability and capacity to innovate has increased.

Whole systems thinking and implementing change through a process of system reframing, both key themes in the Making Innovation Happen Framework, will help change culture.