Fostering Innovation in the Workplace

Here's why leaders need to create a culture of tolerance to promote a spirit of innovation.

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Corporations in nearly every sector of the economy are on a quest for innovation - be it a new techno gadget, a more effective means of delivering a critical service, or strategies for breaking into new markets. Silicon Valley is especially prized for its ability to innovate, and companies across the country hope to bring that same level of energy and creativity to their own industries.

Unfortunately, many people believe that innovation is an almost magical quality that only a few prodigies possess. In reality, nearly every employee - and certainly every corporation - is capable of at least some level of innovation. Executives, managers, and other leaders just need to understand what innovation is and what it isn't - and how to create a workplace culture that promotes, rather than dampens, innovation.

Innovation: What it Is and Isn't

Innovation, broadly speaking, is about change or a novelty that provides an advantage. When a company innovates, it revises an existing product or service to add value or creates something new that promotes growth. Typically, innovation is not:

- the same as "right-brain" creativity
- the result of a sudden insight or brainstorm
- something that executives can simply mandate

On the contrary, hard work, focus, and investigation drive innovation.

One common mistake corporations make is looking at innovation as a quest for blockbuster ideas. In reality, something as simple as developing a routine that increases nurse response time by 10 percent is an important innovation. Most companies' continued success depends far more on a steady stream of small innovations than a huge innovation windfall. Emphasizing these small but regular improvements is critical since they're more sustainable than constantly reinventing routines or disrupting markets.

Leaders who want to promote innovation in the workplace should focus on their organization's culture and organizational processes. Most professionals already have the desire to innovate. Creating a physical and social environment conducive to innovation will help them realize their ambitions.

Four Principles for Fostering Innovation

1. Time and Autonomy

Bell Laboratories has brought the world more innovations than virtually any other company. The researchers there invented the first transistors, the photovoltaic cell, the C programming language, the first communications satellite, the wireless local area network and much more.

The secret of Bell's success? Time and autonomy. Executives hoping to emulate Bell Labs should create an environment where potential innovators can:

- Explore new ideas without worrying about immediately monetizing or marketing them
- Use their own methods for developing and investigating potential innovations at their own pace
- Work within a relatively flat hierarchy that eliminates needless bureaucracy
- Freely discuss ideas and collaborate with colleagues without seeking management approval or calling formal meetings

2. A Critical Mass of Talent

Bell Labs - as well as companies like IBM, Apple and Google - owe much of their innovation success to a deep talent pool. Mervin Kelly, a senior executive at Bell for 23 years, believed that bringing lots of smart people into close physical proximity was a critical component of innovation, and far outweighed the contributions of any single superstar.

Leaders can develop and retain their company's talent pool by:

- Providing regular training, professional development and mentoring opportunities
- Giving employees a forum for expressing their ideas, sharing their accomplishments, and connecting with others whose ideas and projects interest them
- Implementing a liberal job and department transfer policy
- Paying top dollar to a broad group of top talent rather than sensational bonuses to a small number of "rock stars."

3. Spaces for Collaboration - and Solitude

The workplace's physical environment can dramatically affect innovation. A landmark study in 2002 by McCoy and Evans found that employees given tasks requiring creativity did most of their thinking in complex spaces that included wide views (especially of nature) and promoted social interaction. But research has also shown that once workers develop an idea, they need solitude and freedom from distraction to produce results.

Companies hoping to prime their physical space for innovation should:

- Create central common spaces where people want to linger, such as cafes or courtyards
- Include as much light and nature, and as many windows and natural materials as possible
- Design traffic paths that encourage encounters with as many people as possible and provide nooks for casual interaction
- Give knowledge workers their own offices or workspaces away from the bustle of call desks, meeting rooms, and cubicles

4. Tolerance for Failure

A key unifying feature of all innovative companies is frequent - sometimes spectacular - failure. For example, Apple has experienced past and present failure with the Apple Lisa, Power Mac Cube, Copland OS, MobileMe and even Apple TV. Google's no stranger to failure either. Take Buzz, Wave, Orkut and Froogle.

Like companies, employees seeking to innovate are bound to fail. When they do, leaders should:

- Create opportunities for collaborative reflection and peer review
- Provide prompt, constructive feedback while discussing what went wrong and why
- Identify and highlight the specific areas where employees did things right
- Encourage employees to move on to the next project without adding additional barriers or bureaucracy

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