

Developing a Culture of Innovation

by Nick Foster | Feb 8, 2017



Peter Drucker, the management consultant, educator, and author famously said, *“Culture eats strategy for breakfast”*.

In my travels meeting with CEOs, one of the common refrains is that they would like to “develop a culture of innovation” within their organizations. With **today’s pace of change and seismic shifts in technology**, the imperative seems clear.

Yet despite best intentions, something seems to get in the way. What is it? In a word – culture. Most workplaces have gone through long cycles of growth where the most important worker attributes were efficiency, consistency, and predictability all leading to higher productivity.

When change is forced on a workplace culture that values efficiency and productivity, the response is to work harder and faster – reduce errors and delays and be even more competitive. But there is a limit to what this approach can bring.

We all know how Uber, Netflix, AirBNB, and others have disrupted industries. **Was it a failure of strategy or a failure of execution that left so many companies in the dust?**

Performance in the workplace today demands two VERY different skills. Yes, we have to be tactical and focus on efficiency; but, with as much emphasis, **we need to be *adaptive***. We need to be able to try new things and quickly figure out if they have potential. The problem is that the workplace cultures referenced above have a hard time shifting to the adaptive phase.

The adaptive phase demands that we make mistakes. We are required to try new things and risk failure.

Culture is about the common behaviors that are expected and reinforced within a group of people. If your company has a mindset about mistakes that punishes the offenders, then it is near impossible to get people to get outside of their comfort zone and risk failing.

The companies we have worked with at **1-degree shift** often have a clear wish (from the CEO to the front lines) for more innovation. Innovation can be defined as ground-breaking new inventions, but we more often hear that

an innovative culture challenges the status quo on the current practices – to break free from the perceived constraints that stifle and limit new ideas.

The new normal is to build capacity in the workplace culture for behaviors like:

- Wise risk-taking
- Making mistakes and learning quickly
- Continuous improvements that build momentum
- Collaboration to share decision-making and quick adjustments
- Entrepreneurial zeal – the willingness to sponsor out-of-the-box thinking

This of course would be in addition to the behaviors that take a working idea and build processes, standards, and systems to make it profitable.



How Do You Build These Behaviors into Your Current Culture?

You start from the top. Here is a little known secret about how cultures actually work: **if you want to know about a workplace culture, study common behaviors at the front lines.** A short-cut to that is to study the behaviors of the senior leaders in a company. People watch leaders' behaviors – how you “walk” – and then mimic those behaviors to fit in. The trouble is that leaders often have blind spots – they actually say one thing and do something completely different. And again, **what employees do is watch for the ACTION and disregard the words.** So, leaders talk about adaptive behavior but reward or demonstrate the tactical behaviors.

This is critical because the leaders in any company have to Walk the Talk on making mistakes, learning, collaboration, and so on.

Building a culture of innovation starts with making sure your leaders are modeling the behavior. If they don't, it is just words and people will continue doing what they have been doing for years.

Peter Drucker also said, *“We now accept the fact that learning is a lifelong process of keeping abreast of change. And the most pressing task is to teach people how to learn”.*

That mindset starts with the executive team.

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