

Creative Leadership: Be Your Team's Chief Innovation Officer

by Judith A. Ross

CREATIVITY IS AN ORGANIZATION'S LIFEblood, driving the innovations that fuel its growth, extend its reach, and revitalize its processes. But creativity doesn't happen in a vacuum.

Substantial research demonstrates the connection between the characteristics of a work environment and the quality of the creative problem solving that comes out of it. Whether you lead a project team or an entire workforce, you have the power to greatly enhance—or completely drain—your team's ability to think creatively.

So what can you do to create a work environment where novel ideas are incubated, born, and grown into value-adding innovations? Plenty, say the researchers and practitioners who spoke to HMU about enhancing a team's innovativeness.

First of all, remember that innovation isn't limited to product and service innovation. As strategy guru and London Business School professor Gary Hamel noted in his keynote address at the recent Fortune Innovation Forum, creating new products and services is but one way that organizations innovate their way to better performance. Novel solutions to stubborn manufacturing problems, new operational processes that add speed and slash costs, and fresh approaches to R&D, marketing, or talent management—all are examples of innovations that can add substantial value to the bottom line.

To encourage in your team the sort of innovative thinking that can add value in myriad ways, say the experts, focus your efforts in these four areas:

1. Establish clear goals and then let your people find their own way to them

People's creativity is driven to a significant degree by their interest in and excitement about the work. So use that lever to its fullest advantage, and give them work that allows them to build on their strengths and stretch into new areas. This means constructing a clear set of goals so they understand the end point they are reaching for, without being too explicit about what route to take.

"Make the goals broad enough to allow people different

pathways to get there. That's where they are likely to discover new and better products or processes," says Teresa Amabile, the Edsel Bryant Ford Professor of Business Administration at Harvard Business School and an expert on creativity. "For example, if the task is to find a polymer that will produce a harder shell for motorcycle helmets, stress the goal but don't require that they use a specific chemical in a particular way."



When Seaman Corporation, a manufacturer of woven and coated fabrics, unexpectedly found itself operating at a loss in early 2005, CEO Richard Seaman met with his management team and challenged them to find ways to return the company to profitability. Two significant obstacles confronted the Wooster, Ohio-based company: (1) a dramatic rise in petrochemical prices meant that its raw material costs had reached unprecedented levels; and (2) a projected increase in sales had failed to materialize, leaving the company with excess capacity. He gave them the authority to

implement the changes they thought necessary to turn the company around. And then he stepped aside and let them go to work.

His confident hand-off was rewarded. Within 90 days, the team returned the company to profitability. They did this by concentrating their efforts in two areas: introducing price increases quickly into the marketplace and reducing manufacturing capacity. Says Seaman: "The creative component was how effectively the management team was able to communicate to our customers the need for price increases and give them the information to communicate this need to their customers."

The company's sales, marketing, and customer-service teams agreed on a straightforward message they'd deliver to customers: the recent rise in crude oil prices—which few of the company's customers had failed to notice at the gas pump—had sent Seaman's raw materials costs skyrocketing and increased its transportation and facilities costs as well. The company had no choice but to pass some of these costs on to its customers. The concerted, coherent communication plan paid off, and Seaman was able to achieve sig-

nificant price realization in the marketplace.

The management team also found ways to rapidly dial down the manufacturing operations—which, until very recently, they had been working hard to ramp up to meet a projected 20% increase in sales. Because Seaman line workers are trained in a variety of manufacturing applications, managers were able to shift many employees to more labor-intensive operations, avoiding mass layoffs. This had the side benefit of keeping morale up during a difficult time.

2. Monitor their work—at a distance

As your team members work their way toward the goals

ARE YOU BOOSTING OR KNEECAPPING YOUR TEAM'S CREATIVE EFFORTS?

Teresa Amabile, the Edsel Bryant Ford Professor of Business Administration at Harvard Business School, recently completed a study based on daily electronic diaries collected from 238 professionals who worked directly with a team leader on one of 26 project teams in seven companies from three different industries. Her research found that feelings powerfully affect people's day-to-day performance, that those feelings are strongly influenced by daily events, and that the team leader's behavior significantly shapes those events. For instance, good team leaders:

- **Clarify roles and objectives.** Effective team leaders give people a clear sense of what the overall project objectives are and why the project is important, and help them figure out who will do what. They avoid changing assignments or objectives frequently, and giving assignments that are not appropriate for the person's skill level or that conflict with other managers' instructions.
- **Recognize and reward good work.** Giving people tangible rewards such as higher pay for good work has a very positive impact, but so does simply giving recognition—especially public recognition.
- **Support people.** Good team leaders show support for people's actions or decisions, unless they were clearly wrong. They help relieve unnecessary stress, and they keep people informed about stressful issues. Finally, they address negative incidents, thoughts, and feelings, rather than ignoring them.

For more on Amabile's research into increasing team creativity, see "Creativity Under the Gun," *Harvard Business Review* (August 2002), # 1571.

you've set, keep an eye on them—but not too close an eye. Frequently checking on the status of assigned work, probing for every detail, and asking a team member the same questions over and over again—micromanaging in this way squashes employees' self-confidence and intrinsic motivation, tolling the death knell for their creativity and innovativeness.

Show an interest in what they are doing and offer constructive, carefully phrased advice. Seaman points out how important it is for leaders to be sensitive to the potential impact of their words. "If I don't acknowledge the idea and instead respond with a different solution, the person will think I am dismissing his idea," he says. So when a team member describes an idea to him, Seaman first listens carefully and acknowledges what he hears. Then he coaches the person in critiquing the idea and looking for ways to evolve it further.

Leading a team of people engaged in creative work requires a balanced approach. According to Fred Senn, coauthor of *Juicing the Orange: How to Turn Creativity into a Powerful Business Advantage* (Harvard Business School Press, 2006) and cofounder of the Minneapolis-based advertising agency Fallon Worldwide, "People do want to be led, but you must let them make mistakes, have room to think, [and] present their own work, and give them credit for their own work."

Giving employees credit for their work—even if it's incomplete—is a crucially important task for a leader. "Failing to show that you noticed good work is extraordinarily demotivating," says Amabile, and can stop employees' creativity in its tracks.

While verbal recognition given publicly or privately often will suffice, rewards that carry commemorative value are especially meaningful. Avery Research Center (part of the Pasadena, Calif.-based Avery Dennison Corp., an office supplies company), for example, recognized team and individual creativity by awarding its scientists with gold coins. "These have an obvious monetary value, but they also hold an intrinsic, artistic value. The scientists often planned to hand them down to children and grandchildren," says Paul Germeraad, former director of corporate research at Avery Research Center.

3. Facilitate your team's work

To boost positive emotion in team members and enhance their creativity, support them and facilitate their work however you can. "Selling" their work to others in the organization, gathering needed information for them, removing obstacles in their path: All these actions can have a profound impact on the quality and speed of their work. Amabile conducted a study that examined diary entries made by professionals engaged in creative work. (See the sidebar for more on this research.) The results achieved by

two teams whose leaders took very different actions present a stark contrast.

The leader of one team—let's call it Team A—took the time to gather external information for his team that facilitated their work. What's more, he also was careful to "sell" his team's project to other parts of the organization so that when his team members tapped their colleagues for information or resources, it would be more readily given. In contrast, the leader of what we will call Team B did none of these things.

By facilitating his team's work and acting as the team's advocate throughout the organization, Team A's leader provided his team with the content and context they needed for creative idea generation and motivated them to tackle their project's complexities. He was amply repaid for his efforts—and in a way that perpetuated the team's success: the team's greater level of creative output gave him tangible results to point to whenever he was called on to sell or justify the project, thus encouraging others in the organization to see the project's worth and lend further support to the team's work.

The leader of Team B neither funneled needed information to his team nor advocated for its work, helping push his team's performance into a downward spiral.

Amabile says that she and her colleagues saw this pattern "over and over again in the diaries," where teams wasted valuable time and energy in a struggle to get information and resources. Leaders who want their teams to create and innovate successfully, she says, "need to make sure their teams have access to information, resources, and equipment."

When Germeraad was at Avery Research Center, he maintained a "war room" that graphically laid out strategic information on each of its four walls: maps of technologies the company was directly working on as well as those they were following throughout the world; competitor information; Avery Dennison incremental R&D, next-generation, and breakthrough projects; and consumer needs, covering trends developing throughout the world.

The information provided team members with at-a-glance access to needed facts and figures when they were strategizing about the development of new products or planning the rollout of others. And the graphical setup often highlighted urgent problems that ultimately led to innovative solutions.

In one instance, the maturity of products displayed on the technology wall viewed against the wall containing divisional growth plans underscored the need for new products. "You could just look at the two walls and see there was a complete disconnect. It helped launch an effort to come up with the unusual technology, business models, and feature sets that would make those two walls mesh,"

says Germeraad, now founder and president of Intellectual Assets in Saratoga, Calif. The gap was ultimately addressed through the development of a new kind of adhesive for the automobile industry.

4. Create fruitful idea-generation and idea-evaluation processes

Creating and evaluating ideas is a crucial piece of the innovation process. Professor Gerard Puccio, director of the International Center for Studies in Creativity at Buffalo State College, State University of New York, and coauthor of *Creative Leadership: Skills That Drive Change* (Sage, 2006), suggests this framework for helping leaders and their teams generate and assess ideas:

Separate idea generation from idea evaluation.

These are two fundamentally different tasks calling for different kinds of thinking. "When these two processes get mixed up, poor decisions are made. In a meeting, ideas are often thrown out and judged simultaneously. As a result, people prematurely discard good options before they are fully realized," says Puccio.

Aim for quantity.

During the idea-generation stage, aim for quantity, Puccio says. "It is much better to have a menu of 10 meals to choose from than three," he says. Why? Having more ideas to choose from increases the likelihood of uncovering a breakthrough idea—research shows that the most innovative ideas surface only after an extended period of idea generation. It also increases learning because every new idea is an opportunity to discover what will or will not work. Moreover, it inhibits a natural tendency to pick the first idea that seems workable.

Seek connections.

Puccio also suggests that leaders encourage the team to reach for associations between ideas on the table and other contexts. "Piggybacking" off other ideas and comments has several benefits, including increasing the likelihood of obtaining unusual responses and solutions, encouraging flexible thinking, aiding in the elaboration on initial ideas, and, finally, stimulating the cross-fertilization of ideas.

Invest at least as much time in assessing and selecting ideas as you did generating them. Balance intuition (which helps determine the most promising ideas) with critical analysis (which ensures that you objectively test and refine your subjective insights) to make certain the best alternatives rather than the most expedient ones are selected and then developed.

Once you switch into evaluation mode, Puccio recommends the following two steps:

Apply affirmative judgment.

When judging an option, carefully consider both the positives and the negatives. Don't look strictly for weaknesses and shortcomings. You may overlook an option with a shortcoming that, if overcome, could be ideal.

Check your objectives.

Set clear criteria for success around such areas as market, budget, and time frame. As you review your options, ask questions such as:

- How well will the idea enable us to better meet customers' needs?
- Will our budget allow us to execute this idea?
- Can we implement this idea within our target time frame?

Asking these questions and figuring out the answers, says Puccio, "is also a way to refine an idea and guide development. You may be able to mold a fantastic idea so it fits within your criteria."

Chances are good that your team possesses the know-how, intelligence, flexibility, and creativity to generate value-adding innovations in both products and processes alike. Your job as their leader is to give them the tools and establish the context that will allow them to do so. ♦

Judith A. Ross is a freelance business writer based in Concord, Mass. She can be reached at MUOpinion@hbsp.harvard.edu.

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