

## **Encouraging Differences and Discussion to Germinate New Ideas and Innovation**

Richard Blayden – (previously) Associate & Principal Consultant, Hatch Associates, Australia

**This paper is intended to provoke discussion about how an organization might improve its innovative capability through the bringing together of a number of important considerations in a way that they may not previously have been interconnected.**

**In this context we use the term 'innovation' to refer to the process by which people turn new ideas into value-creating outcomes rather than to the outcome themselves.**

### **Prologue – Congratulations and Commiserations**

To the people who speed-read the introduction to this paper and think to themselves – “that’s ok, but we already do all that” – may we offer either our congratulations, or indeed, commiserations. Congratulations if you feel that your business is already at the pinnacle of world’s best practice and that you could not possibly (or even conceivably) ever become any better. Commiserations if you are not quite at the top, but nevertheless are comfortable holding the view that “differences” in employee attitudes to their work are unfortunate, unavoidable and with luck will tend to diminish over time. Rest easy while the world passes you by.

### **Introduction**

With shortening product life cycles and ever increasing rapidity of technological change, the need for successful (and indeed continuous) innovation is critical. While almost all organizations regard themselves as being “innovative”, some are clearly better than others at coming up with new ideas that are converted into successful products and services.

Why are some more successful than others?

Because they are “different” is probably a good answer. They are different in many aspects including the type of business they are in and the opportunities that each business presents. They are different in the “culture” of their organizations driven by the style of leadership and the intellect, attitude and behaviours of the people they engage.

But if being “different” is key to breeding successful innovation, why do people so often regard “being different” as an unwelcome behaviour? And why don’t more people seek the input of “different opinions” as a natural approach to finding the best ways to resolve (and generate ideas from) current issues?

This paper does not attempt to answer these questions – that can only be done by the people themselves.

The intent of the paper is simply to provoke thought about how people might improve their innovative capability by being much more open and receptive to differences and the processes through which those differences can be explored.

## Getting Comfortable with “Differences”

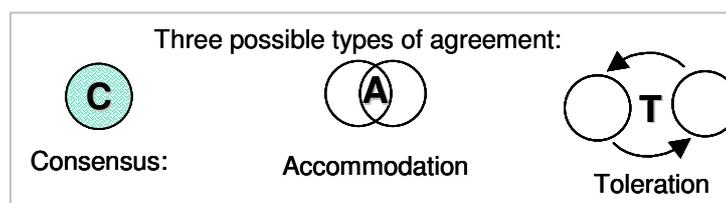
Imagine connecting the terminals of two identical, six-volt batteries: what happens? Nothing – there is no voltage difference to drive any current flow. Similarly, there is no flow between reservoirs unless the fluid pressure in one is greater than the other. Difference drives just about everything and in this technical sense, difference is easy to recognise and accept as an everyday essential of life and the world of movement (and therefore progress) as we know it.

Differences in human beliefs and behaviours can be much harder to accept and of course, are far more complex than these simple technical examples suggest. Often, people find it hard to accept ideas and opinions that are different from their own, not because those opinions or ideas are wrong, but simply because they do not fit within the framework of their own mental models. They are simply not comfortable with them.

Hugh Mackay in his book “The Good Listener” explains this phenomenon in great detail whereby he describes an imaginary psychological “cage” within which each of us resides. The bars of the cage represent the beliefs (or prejudices) that we hold. When we hear things that reinforce our beliefs, we welcome them into our cage. Conversely, the cage protects us from thoughts or ideas that we don’t feel comfortable about.

The process of opening up our “cages” to listen to and discuss things that make us feel uncomfortable can be hard work. If we have an underlying belief (or “ego”) that determines that what we do is already at the leading edge of “best practice”, then we are unlikely to accommodate inputs that might challenge that belief by suggesting otherwise. Not only is it an attack on our capability (after all - what we have is what we have strived to build), it hurts our pride and presents a potential disappointment that we would rather avoid.

Instead, we seek and take great comfort in associating with people of like mind and belief because we generally prefer to be in agreement than argument. But is it a good thing to always be in agreement? Neville Flood in his book “Rethinking the Fifth Discipline” explores the concept of “agreement” as a spectrum:



Where we have *consensus*, everybody agrees. This might be the most comfortable position from many peoples’ perspective, but with no “differences”, how is the situation likely to change? Who is going to challenge the status quo or come up with a better idea if everybody is already happy? Consensus is likely to breed complacency – a situation where innovation is not only considered unnecessary, but is something that can ruin an otherwise comfortable existence.

*Accommodation* looks for common ground between differences in ideas. This is another form of consensus seeking - but one that rejects ideas that the majority aren't quite comfortable with.

However, if relationships are sound enough to manage conflict, a situation where people show *toleration* of – and openness to – each others' beliefs and opinions will support a stronger flow of ideas and suggestions. Innovation is a much more likely outcome from this situation – a situation where we not only tolerate, but actively explore other peoples' "differences", and thereby broaden our own contexts.

In their book "Facilitating Organizational Change – Lessons from Complexity Science", Olson and Eoyand argue that an organization that mimics the conditions of a naturally occurring "Complex Adaptive System" (CAS) is most likely to flourish in the long term – providing those conditions are sustained. They suggest that the three elements of a CAS are 1) a "container", 2) "differences" and 3) "transactions".

The "container" is both a boundary and a sense of identity. The easiest example is a sports team (or club) where the boundary is defined by membership (member versus non-member) and the team itself is the identity. Typical examples in a business sense could include a small organization, a department or function within a larger organization, or a community of practice spanning several departments or organizations.

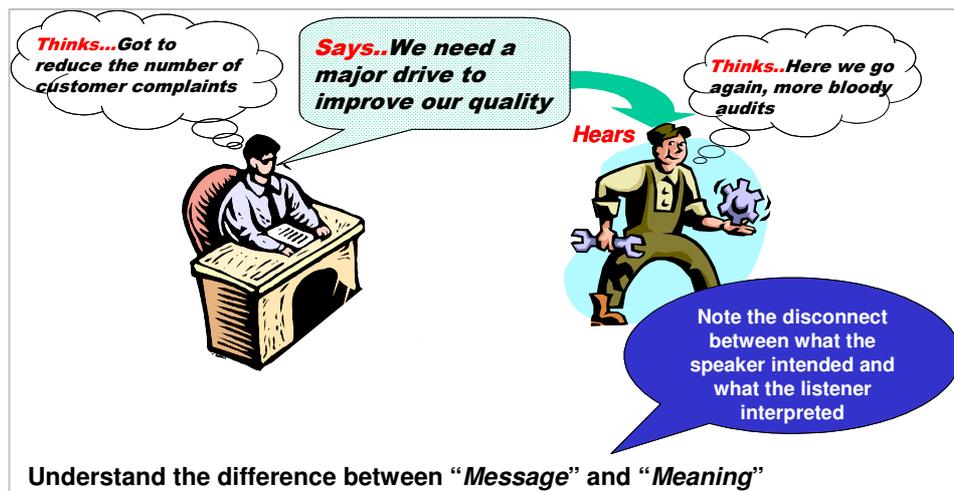
"Differences" are the driver – just as voltage, temperature, pressure etc can be drivers in physical systems. But in human and/or biological systems, these differences are complex arrays of beliefs, feelings, attitudes, behaviours, needs, ambitions, experience, motivation etc. Peoples' vision of the future will almost always provide a rich source of differences for discussion.

"Transactions" are the means of communications. In an organizational sense, these are meetings, casual conversations, e-mails, 'phone calls, conferences, reports and broadcasts, etc. But "communications" is necessarily a two-way deal.

## **Some Thoughts about Communications**

Getting back to Hugh Mackay's concepts, communication is not just about sending and receiving messages. It is about sharing knowledge and thoughts by discussing and validating our interpretations and understandings of information we send and receive. To achieve this requires that we accept that people interpret information differently depending on their personal contexts (cages) and unless we take the trouble to explore these differences, we can never be sure that the intended outcomes of our "communication" have been achieved successfully (see illustration on next page).

We are unlikely to welcome other peoples' differing views if we are unwilling to examine our understanding of basic communication principles. Expressed another way, we need to accept that communications is about sharing and comparing the interpretations people place on messages, and not just about the existence, quantity or frequency of messages themselves. (See "I = 0" reference).



*NB Equally important in any communication situation is the need to take the time to test the meanings people attach to the words they use, especially the key words. Although we mostly assume that we will agree about meanings if we all speak the same language, a recent meeting on just this issue indicated that there were as many interpretations being made of the key words being used (viz 'maintenance', 'management', 'knowledge', 'communications', 'risk', 'safety', 'quality', 'asset' etc) as there were people in the room. Few activities can be a more important than to test the meanings people have in mind when they find themselves arguing. They may be working from different basic premises.*

### Recognising Possibilities

In the field of continuous improvement, people strive to weed out and resolve issues that impede the success of the processes they have under review. Continuous improvement is essentially about problem solving – and the first step in resolving any problem is simply to recognise that a problem actually exists in the first place. Otherwise, nothing happens. So the potential success of any continuous improvement program is fundamentally dependent on the rate at which the people involved can identify and thereby recognize problems (or improvement opportunities).

Similarly, the success of any attempt to become more “innovative” depends on the existence and availability of peoples’ creative “ideas”.

Ideas are of enormous potential value. They represent the possibilities for our future, and our future is dependent on our ability to first recognise and then capitalize on those possibilities.

Recognizing possibilities is a critically important step.

No doubt for every successful innovation there must have been a number of “silly ideas” that didn’t quite make it. Perhaps the successful idea arose in a ‘value management’ brainstorming session where the process requires participants to throw ideas – no matter how apparently bizarre – into the ring. While we can seed the generation of ideas by involving people in interactions intended to leverage differences, just having ideas is not enough.

Ideas are wasted if they are not shared and they are wasted if they are not adequately explored. If they are wasted or worse still, ridiculed, the source is likely to be suppressed cutting off the potential for future ideas.

So part of the process of recognizing possibilities is to make sure that ideas are encouraged rather than suppressed or dismissed before they have been adequately explored.

## **Propagating Ideas**

How do people have ideas? Is having an idea a planned – or a spontaneous – activity? Can you plan to have an idea “early next week”? Do ideas emerge when you are under intense pressure – trying to have an idea, or do they mysteriously appear at times when you are trying to relax – away from that pressure?

Is there any truth in the rumour that “*the best way to resolve a problem is to forget it*”?

Whilst people are different in their perceptions of opportunities and the importance of ideas, they are also different in their responses to various inputs that might support or undermine idea generation. Given that some social environments are more conducive to the propagation of fruitful ideas than others, let’s look at some of these environments.

Conversations around coffee tables, butcher’s paper and whiteboards (shared space), like facilitated discussion (eg brainstorming) sessions are usually open environments where people can explore common contexts. And being informal occasions, they are able to accommodate humorous and light-hearted interjections – and ideas! However, they demand the allocation of time and resources to activities that are not always perceived to be “productive”.

Compare that environment with the formality of routine technical and progress review meetings that are limited in time, driven by an agenda and minuted to keep a record of what happened. These are generally serious situations that don’t allow much time for open discussion or light-heartedness. Correspondingly, they rarely generate original or novel ideas. Credit is given for conformity and uniformity rather than “out of the box” thinking and challenges.

An organization’s expectations for the flow of new ideas should probably be guided by the degree to which they provide environments that actually encourage innovative thought.

Similarly, any hope for new ideas is undermined by the degree to which an organization discourages people from taking the necessary time out to nurture ideas. Innovation tends to be discouraged by applying time and productivity (performance) measures that monitor short-term outcomes rather than contribution to longer-term business goals.

## **Sharing Ideas**

Ideas emerge out of a context that we create in our own mind as we interconnect and reflect on the issues we see associated with a particular situation – be it a problem or an

opportunity. We form a systemic “picture” in our mind of what we think is happening. How we reflect on situations influences the likelihood of our having ideas.

It's natural that when we feel comfortable with a situation we are more likely to look for ways to reinforce or perpetuate it. Part of this strategy might be to denounce ideas that threaten the state of things. However if we are looking for ways to improve a situation because we are dissatisfied with the status quo, then part of our strategy should be to seek as many ideas (from other people) about how to improve things as we can find.

Being “dissatisfied rather than proud” is surely a key driver of innovation.

As suggested earlier, ideas are always formed within a context and everybody creates a unique context based on their personal beliefs, experiences and interpretations of information available to them. For this reason, a seemingly good idea in one persons' context may not be so appealing in another's.

So to share an idea effectively, we need to share the context within which the idea has been generated. And therein lies a difficulty. The idea itself may be explained in a few simple words whereas the context may be a highly complex system of entities and inter-relationships that is difficult to convey in words and almost impossible to illustrate pictorially. Throw in a few language, personality and cultural differences and we have a situation where effective sharing of context can potentially require a fair amount of time and patience – and of course, tolerance of and openness to other people's ideas.

How many good ideas are assessed (and potentially rejected) on the basis of the review of a simple statement (to save time!) rather than by exploring the context and emergent concepts behind it? What possibilities might an organization be missing by not providing support to help those with novel ideas articulate their case more thoroughly and effectively?

If the person who should be listening to the idea judges it from within his/her own context and has neither the time nor the patience to listen to and explore the proponent's context, then no matter how good an idea may be, it is dead (unless the proponent of the idea jumps ship and finds someone who will listen).

## **Making the time available**

Whilst the concept of encouraging conversation and exploration of each-others' ideas seems both comfortable and obvious, and is frequently allowed for through the provision of open plan work environments and shared facilities, there are subtle ways in which it can be discouraged.

This discouragement often comes from people's different perceptions of “productivity” and the performance measures that are applied to monitor people's work.

For example, a tradesman engaged in the maintenance of equipment might only be judged to be doing “productive” work if he or she is actually working on that equipment, “with tools in hand”. Similarly, a service provider's productivity (eg: lawyer, engineer, accountant) might be judged primarily on the proportion of time booked to chargeable work.

If peoples' performance is monitored (and therefore made visible) by these measures of productivity, then they will naturally respond by making compliance a priority. "What gets measured gets done". Whilst obviously necessary, such "utilisation-based" accounting and performance measurement processes can undermine idea generation because they encourage the perception that "off the job" informal discussion is "time wasting".

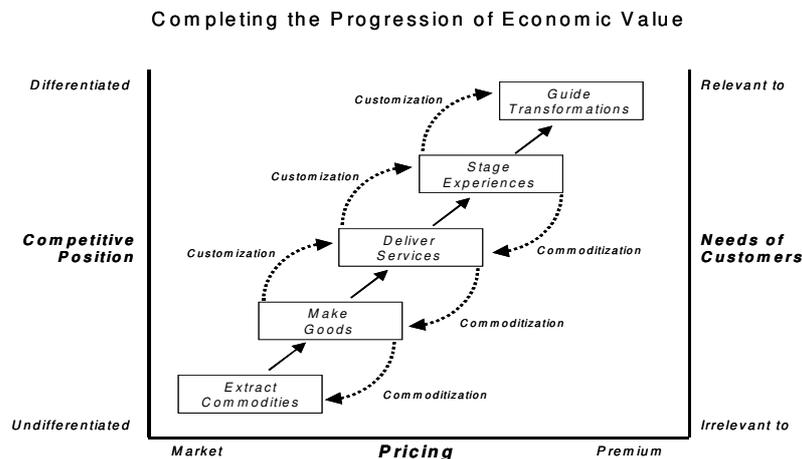
A more enlightened management philosophy in the context of modern knowledge-based economies would probably include performance measures that report both "chargeable utilization" plus the contribution made through knowledge sharing and idea generation.

That of course would require careful thought on how to measure contribution and how to budget for peoples' time to be allocated between "current revenue earning" activities and "future business shaping" activities.

Knowing how to guide and manage the transition period between sowing the seeds of innovation and reaping the fruit they would hopefully bear in terms of increased business volumes and margins is a key issue. Lifting management's perspective from a focus on 'task performance' to a more holistic 'contribution to the business' is therefore a critical challenge for business.

## The Business Imperative

Business is basically about responsibly and sustainably creating wealth through the provision of goods and services. The rate at which that wealth can be generated is dependant on the demand for and the value of those goods and services as perceived by the market. The linkage between various levels of goods and services and their relative value in the market is illustrated below (Ref: The Experience Economy - Pine & Gilmore)



The challenge for organizations intent on raising the value of their products and services lies in climbing the ladder of "customisation" (or novelty) to gain market leadership and pricing advantage. As more suppliers enter the market, competition drives prices down ("commoditisation") and to remain successful, organizations need to become the "best in class", lowest cost suppliers. Jumping a continuously rising bar is not easy.

Herein lies the need for ideas that lead to innovative ways to improve a business, either through improvement in the novelty and variety of its products, or by migrating up the “providing services / staging experiences / facilitating transformations” ladder, or through technology “breakthrough”, or by substantially and sustainably reducing unproductive costs.

It's a highly competitive world and the businesses most likely to survive are those that are the most adept at the “human processes” of creating and sharing new ideas within a culture that values and encourages the innovation process.

## In Conclusion

Long-term business success has always been a function of the rate at which novel ideas are precipitated, encouraged, supported and transformed into new products and services.

Differences in perspectives and contexts represent great, untapped resources for innovation in the future. Knowing how best to leverage such differences is another matter, and perhaps the biggest barrier to idea generation lies in our own attitudes towards differences of the sort that can radically challenge or change our ways of thinking.

To effectively explore (and thereby leverage) differences, we all need to encourage and enrol more people in conversations about the business we are in and the possibilities for improving its future sustainability. At every level, we need to be more open to questions and challenges from our colleagues (especially our subordinates), and more inclined to question and challenge the status quo ourselves.

Identifying business-relevant questions and exploring responses in conversational forums is a powerful way to allow differences in perceptions to emerge that can result in innovative thought and precipitate break-through ideas. But this requires an environment – and time allocation – favourable to discussion and exploration of ideas.

We believe that the ability of business leaders to generate and sustain motivated, creative and adaptive cultures within the organizations they lead will increasingly be enhanced by their willingness to accept (and be sensitive and open to) the issues suggested in this paper.

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### References:

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Richard Blayden was previously an Associate and Principal Consultant with Hatch Associates Pty Ltd, Brisbane, Australia. ([www.hatch.com.au](http://www.hatch.com.au)). He retired from full-time employment in 2006 and now provides consulting services on a part-time basis only.