



How do you  
create the right  
conditions for  
innovation?

Booklet Three

# How do you create the right conditions for innovation?

There are a number of conditions that can be created by managers and leaders that can create a favourable climate for innovation to flourish. However, innovative organisations can, and do, look very different. For example:



**The Linux** movement has been described as a 'revolution' sweeping the software world. It describes a group of dedicated software hackers who, in their spare time, created an open operating system.

Linux is structured as an informal social community, with no well-defined market or hierarchy associated with it. Most of Linux development occurs without economic transactions. Instead

of getting paid for their efforts, the developers often spend a lot of money and effort to be able to contribute to the advancement of the development project.

In contrast to Linux, **Apple** has traditionally avoided the open innovation model, preferring to control all aspects of product design and development. Apple favours a closed creative process, keeping much of the information about its employees, partners and

new products cloaked in secrecy. Key to Apple's continued success is the strong culture of innovation that comes from the talent and skills of a very closed group of designers and engineers that are managed in a very hierarchical way.

Both organisations are innovative, but have very few structural similarities.

In their efforts to understand what makes an organisation innovative, researchers have looked at a number of organisational, individual and environmental factors (Damanpour, 1991; Ling, 2002; Mulgan and Albury, 2003; Howell et al, 2005). Much of the literature concludes that the following factors can help to facilitate innovation:

**Culture:** Innovation depends on having a supportive organisational context in which creative ideas can emerge and be effectively deployed. An informal, open, and inquiring environment that values experimentation is essential for innovation (O'Reilly and Tushman, 1997; Tidd, Bessant and Pavitt, 2005; Andriopoulos, 2001; Gudmundson, Tower and Harman, 2003).

“Culture change is, without doubt, the most difficult and least understood area of organisational life.”  
– Qureshi and Nicholas, 2004

Culture, however, is often the most difficult part of an organisation to define or even understand, let alone change. The culture of an organisation is the result of many interwoven factors; some of these are considered in greater detail below.

**Experience:** Working in silos, within the same four walls, with the same people, reduces the likelihood of generating ideas for innovation (Wolpert, 2002). One feature of the most innovative organisations is that they are comfortable adopting ideas from diverse and surprising sources. To successfully think about new ideas, staff must have the ability to harvest ideas from a range of different sectors, places and individuals.

**Skills:** It is also important to ensure that relevant staff have the requisite skills to support the development of innovation at different stages (Ling, 2002). Evidence suggests that different skills are required at the first stage of generating ideas than at the later stages of

implementation. Ensuring that managers have this full range of skills may be a significant challenge for some organisations.

**Autonomy:** Freedom to develop is widely recognized as a prerequisite for innovation (Prather, 2000; Nijhof, Krabbendam and Looise, 2002). This can involve deciding what to do, how to approach a problem or just a general sense of control over day-to-day work to achieve the overall goal.

The aim of an innovative organisation is to have reflective practitioners capable of evaluating their practice and open to testing and trying out new practices. In a report commissioned by the Scottish Social Services Council, one of the key messages for improvement was to ensure that front line staff have delegated authority (distributed leadership). Many of the participants in the study noted that developing personal authority and confidence to take measured risks would be key to the development of new services (SSSC, 2011).

“Plants don't flourish when we pull them up too often to check how their roots are growing.”  
– Onora O'Neill

By creating a culture where everyone within the organisation is encouraged to ask, “What is not working as well as it could?” and “Is there something I could do to improve my performance?” staff also gain a stronger sense of satisfaction and ownership.

**Leadership:** Chief executives most likely to make innovation happen are those with a clear vision of the future operation and direction of organisational change and creativity (Schin and McClomb, 1998; Osborne et al, 2008).

Leaders have a central role in creating and maintaining a set of cultural values (Jaskyte, 2004). They can develop their values in the organisation, motivate employees to pursue goals that they may not otherwise attempt, encourage the need for change

and convey the means to achieve that change (Trice and Beyer, 1993). This has been recognised in a number of different social services publications such as *Leading Together* (SSSC, 2011) and the *Continuous Learning Framework* (SSSC and IRISS, 2008).

**Favourable attitudes towards change:** Evidence suggests that appointing an ‘innovation champion’ (or someone responsible for encouraging innovation) can support the introduction of innovation in an organisation (Howell et al, 2005). These individuals are usually enthusiastic, proactive and are able to enlist the involvement of others in the innovation process, promoting risk taking and using insight to find bold new ideas.

**Greater decentralisation and flexibility:** organisations that are structured organically are more likely to enhance organisational capacity for innovation (King and Anderson, 1990). Necessarily then, an organisation’s capacity to move financial or other resources around different projects and activities can enhance its ability to address issues where and when they emerge (Dougherty and Hardy, 1996; Nohria and Gulati, 1996).

So, having considered the organisational factors that can help innovation flourish, as well as those that can make it falter, do you agree with your original assessment?

## Ways to approach innovation in your organisation

There are a number of organisational structures that support strategic innovation and growth, but in quite different ways. When you think about working on the implementation of new and fresh ideas, you need to be able to ascertain how these will connect with what you’re currently trying to achieve, and if the current organisational structure is amenable to allowing this change to happen.

So, think carefully about the sorts of outcomes that you want to achieve by changing the way you work, and learn from models that you have used before. Using these experiences, and assessing the extent to which new structures could support your organisation to achieve its mission, should be the first step when exploring potential organisational structures.



## What kind of organisation do you aspire to be?

Resources	Control	Staff/team	Appetite for change	Feedback
<p><b>a.</b> Times are tough. We have few resources to be using for activities that might not work – we need to integrate whatever we do into what is already there</p> <p><b>b.</b> We could possibly combine what little resources we have with that of others, to be able to fund new ideas and approaches</p> <p><b>c.</b> We hope that by investing a little bit now, we can put ourselves in a good position for the future</p> <p><b>d.</b> We have resources set aside specifically for organisational development and reaching new markets</p>	<p><b>a.</b> Ideally, we would like full control over anything that we put our name to</p> <p><b>b.</b> We are open to sharing control with equal partners</p> <p><b>c.</b> Control is less important to us than achieving the results, we would be happy to learn from others</p> <p><b>d.</b> We want to exert some control by setting direction, but we are open to others interpreting what we mean in different ways</p>	<p><b>a.</b> We want to strengthen the skills we have; ideally, the whole organisation should be involved</p> <p><b>b.</b> A small group of people should be identified to work on the job, while other staff get on with the day-to-day work</p> <p><b>c.</b> We will need to use at least some expertise from external sources, but want to encourage an internal movement too</p> <p><b>d.</b> We need our staff to continue to deliver internally – we will seek ideas, resources and implementation from an external source</p>	<p><b>a.</b> All staff are clear about the direction of travel of the organisation and are equipped to rise to the challenge</p> <p><b>b.</b> We know where we need to be, and are taking small steps to getting there</p> <p><b>c.</b> We know that things need to change, but are worried about straying from what we know</p> <p><b>d.</b> Staff are likely to be resistant to thinking about change and will need a lot of direction</p>	<p><b>a.</b> We use a number of different channels to gather and assess promising innovations</p> <p><b>b.</b> We use feedback from staff and people who use services to inform service improvements</p> <p><b>c.</b> We use team meetings to talk about service improvements</p> <p><b>d.</b> We rarely get the opportunity to discuss areas for service improvement</p>

**How did you fare?** Please refer to sections in booklet 4: 'Developing a framework for innovation'

Mostly a's – see sections 1 and 4

Mostly b's – see sections 2 and 4

Mostly c's – see sections 2 and 3

Mostly d's - See sections 3 and 5





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