PurpleBeach



PURPLEBEACH'S MANIFESTO FOR PEOPLE INNOVATION

The world called for change. Welcome to the <u>new.</u>

Ask big questions – and then invest in listening 2. Find your massive transformative purpose

3. Flatten as much as you can and embrace a pirate mentality

4. Don't ignore, but reframe "failure" to encourage innovation

5. The future needs to be part of the present





When Covid-19 turned the world upside down, businesses adapted quickly to survive. Many fundamental business processes were usurped, traditional hierarchies recontoured and companies became nimble because they had no other choice. The accelerated adoption of digital tools certainly facilitated widescale innovation, but an underappreciated catalyst was a NEW corporate backdrop – sometimes photoshopped for Zoom – that forced companies to unlock the potential of their people, more so than ever before.

If there's one over-riding lesson to be learnt from the NEW we continue to find ourselves confronted with, it's that companies need to be as innovative with people as they are with their product development or their go-to-market strategies.

The question facing business leaders today though is, whether the emergency lessons of Covid will be forgotten as soon as WFH accommodations give way to the inertia of BAU and Covid becomes a part of our every day?





This rapid evolution of what constitutes NEW, will continue to require companies to transform themselves. If the pandemic proved anything, it would be that fixed mindsets, inculcated behaviours, and leadership norms that promote groupthink and the status quo, have no place in the future.

A new approach is required.

What follows is a short Manifesto containing what I call People Innovation Principles.

These are designed to not only inspire change, but help maintain a different way of unlocking the potential of people and in consequence driving successful innovation and commercial growth.





1. Ask big questions – and then invest in listening.

Communication within businesses often is a series of afterthoughts, perfunctory and uninspired, leaving the vast majority of employees disengaged at best or in the dark in most cases. In contrast with a basic, need-to-know communications approach, organizations that launch active employee outreach and honest listening, discover important insights, especially if they anchor their conversation in meaningful listening.

An example of this principle in action, is taking a different approach to starting the innovation journey in a business. Instead of sourcing innovation ideas ... why not engage people by starting a conversation and asking them to weigh in on solving an "undeniable problem" within the business, the world or the customer base. Also focus on tapping into people beyond the usual suspects – people at all levels and in all parts of the organisation.





In my experience this process can produce two surprising results:

- Just by stating the problem and conversing about it, we can unlock a solution without even knowing the answer is readily available.
- And other times, we may assume a problem is undeniable, but in trying to articulate what the issue even is, we realize there isn't agreement around the underlying problem to be solved

Consider the transformation journey in the quick-service restaurant industry. Executives, over the past five years, have spared no expense to accelerate customer "throughput" during peak hours, adding technology to take in more orders, creating pick-up and delivery options, and launching ghost kitchens. In short, they try almost everything but ask the front-line workers where the most acute bottlenecks reside.





If they did ask, they may discover there are too many skus or ingredients that slow down production or the menu may be disorganized, creating lulls at the point of sale. And only the front-line workers would know if the kitchen layout, itself, may be creating inefficiencies.

Do note though, that there is an art to listening and processes to establish effective conversation loops ... it won't happen consistently without deliberate effort. Ethnography and storytelling are valuable tools in the listening process.

Ultimately, if you can't hear your team, you can't hear your customers.





2. Find your massive transformative purpose

The pandemic has accelerated a trend – a need for work to provide greater meaning that reflect core values.
Employees are looking to embrace what increasingly in the last few years has been called a massive transformative purpose, even in environments where you may not expect it. By tying our work to something bigger – and understanding the extent to which our work improves the quality of life of millions of people – our employees are inspired to come in every day and fulfill that mission.

People Innovation in action requires of businesses to establish a greater purpose, which gives people the opportunity to contribute to the mission in a way that is meaningful for them. The effect is to liberate them to overcome their personal inhibitions towards innovation. This principle effectively harnesses intrinsic motivation. The beliefs within all of us that get us going, can be a phenomenally useful tool to unlock innovation potential.





Too often have I seen extrinsically driven innovation motivation and reward activities fail. They go only so far in encouraging individuals to innovate. Empowering your entire team to solve basic problems, on its own, will help instill more purpose and commitment (especially if this is done in the manner set out in principle 1, which embraces listening and conversation.)

3. Flatten as much as you can and embrace a pirate mentality

Even when an organization is inspired by a higher purpose and committed to transformation, hierarchies (formal and informal) – more than any other factor – can snuff out innovation before it has the chance to ignite. The problem with top-down organizational structures is they instill a permission-based dynamic, effectively disempowering and disengaging people from wanting to own and be part of innovation.





In best-case scenarios, employees will still look to their bosses for structure and thus won't challenge the status quo unless they're actively encouraged to do so. In worst-case scenarios, characterized by towering hierarchies, employees aren't only disconnected from the problems senior leaders are trying to solve, but the odds that breakthrough ideas can float up the chain of command decreases considerably with every layer.

A practical example of applying a people innovation approach in this context can be seen in businesses that seek to side step their own entrenched hierarchies and ways of working. They do this by allowing an innovation team to operate outside of the pecking order in the name of building something cool or in service of a bigger purpose.

Remember, teams – not individuals – are the most dependable and fruitful source of innovation. We often forget this. In this regard, leaders can look to the 18th century pirates for inspiration. They weren't only buccaneers but also inadvertent pioneers in flat management practices and rallying around a common purpose.





Everyone on board committed to themselves to a set of common objectives, as well as one overarching purpose – perhaps best immortalized by Black Bart's motto for "a merry life, and a short one." Payday didn't arrive until treasure was captured and the quartermaster distributed the prize (almost) equally. (The Misfit Economy, by Kyra Maya Phillips, makes for interesting reading in this regard.)

Outside of removing the layers in the corporate structure that bottleneck innovation, the free flow of information can also level the playing field and have a flattening effect that empowers employees. Bridgewater Associates, for instance, famously espouses what its founder refers to as 'radical transparency' and facilitates this tenet by recording every meeting and making the recordings available to all employees.

Make no mistake, anything "radical" must come from the top. But ... CEOs often act as if they have all the answers.





A CEO, who embraces people innovation though, will display vulnerability, solicit input, and surround themselves with other leaders willing to challenge and be challenged, who then tend to emerge as the most effective agents of change.

4. Don't ignore, but reframe "failure" to encourage innovation

Hierarchies also distort accomplishment within organizations, making "heroes" out of their outperformers and innovators. This promotes a cult of the individual, often at the expense of team success.

What many fail to consider are the different ways the star-syndrome also stifles innovation. For one, it cuts against the importance of creating a shared mindset, in which everyone should be part of the innovation process and actually share in the successes.





Moreover, the inverse of lionizing individual achievements is to find the goats behind the failures – lending to a zero-sum framework that instead of encouraging creativity and collaboration motivates employees to "stay in their lane."

Doomed projects can simply be a by-product of innovation. This is why it is so important for leaders to define what "smart failures" look like and outline the acceptable levels of risk the organization is prepared to absorb. Indeed, the "near misses" are almost required in order to recalibrate and create better competitive alternatives.

In summary, this people innovation principle acknowledges that when teams do fail, it's best that they fail small and fail often. This means you can turn your attention to what might prove to be a far better bet. Team members should have the freedom to propose ideas that may not be fully fleshed out, that may seem risky, and even ideas that come off as a bit daft. While not every improvisation will be successful, it's from the iteration and pivots that a daft notion becomes a breakthrough discovery.





5. The future needs to be part of the present

A people innovation mindset should be ingrained in the organization, like it's a habit, not a switch to be turned on and turned off. It's an organic process, drawing from within the organization, and can't take place on command.

Moreover, beyond stimulating innovation in their people, companies need to reconsider their entire approach to human capital. The growing talent shortage makes fundamental questions motivating innovation even more pressing:

- Who leads this effort? A specialist in the function or a specialist in the industry who knows what talent looks like and what they really do?
- Where can companies find talent? Who says innovation has to come strictly from employees? How can organizations tap into different communities and networks and leverage talent that isn't even their own?





Innovation is a people-centric, 360-degree process. It's not merely about wanting change, but also opening the channels to inspire your people to actively pursue it, by being innovative in how you treat and engage the people you expect to make the innovation happen.

In this context, leaders obviously play a crucial role. I would also however ague that People and Human Resources teams could be meaningful change agents and early adopters of this approach. Ironically, prior to the pandemic, the function, at least within many boardrooms, was at risk of being left for dead. During the pandemic, organizations were most in need of the insight and guidance People and HR leaders could provide and new (often more innovative and meaningful) partnerships emerged between business leaders and their people partners.





A key challenge to these business and people leaders now however is, will they revert to the old normal, long for a new normal, or embrace the NEW with a people innovation mindset?

Will they step up and encourage leaders to ask big questions – and then invest in listening? Help their organisations to find a massive transformative purpose? Flatten as much of the old that no longer makes sense? Be role models for a reframed definition of failure in order to encourage innovation and always be one step ahead by making the future part of the present?



Join me in being part of the conversation - in challenging, questioning, innovating and defining the NEW.

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