

DU

Organizational culture to boost innovation CCIS, mr.sc. Ines Gergorić







Co-funded by the COSME programme of the European Union

WHAT IS ORGANIZATIONAL CULTURE?

Organizational culture is the collection of all the **practices**, **processes**, **habits**, **values**, **structures**, **incentives**, that the organization has.

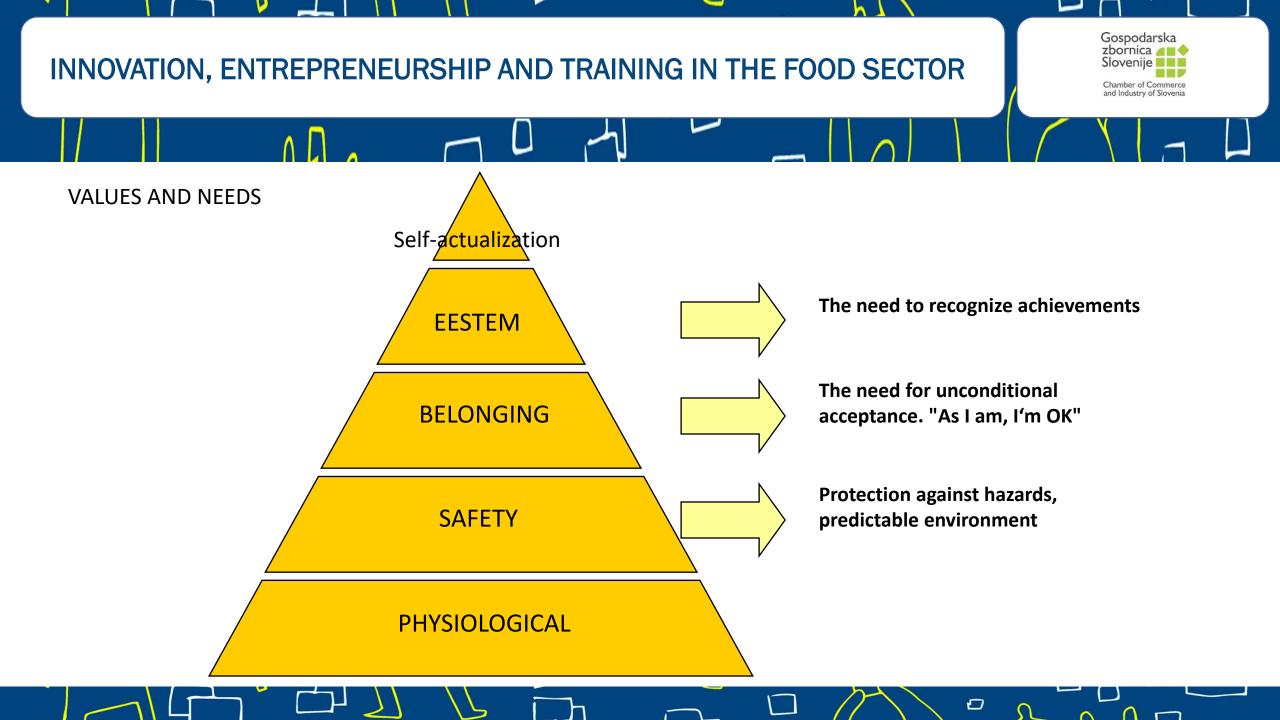
Culture is created through **consistent** and **authentic behaviors**.



0

Gospodarska zbornica

and Industry of Slovenia





How to become more disruptive, innovative and creative?

How to lead for innovation?





INNOVATION CULTURE

The organizational culture that lives to the values and supports innovation

= an innovation culture

... is open to innovation practices and supports employees to make innovation happen.

0

 \cap

Source: Hannah Kremer, Isabel Villamor, Herman Aguinis. Innovation leadership: Best-practice recommendations for promoting employee creativity, voice, and knowledge sharing. Business Horizons, Volume 62, Issue 1, January–February 2019, Pages 65-74



LEADING FOR INNOVATION

... innovation plays a critical role in determining organizational success

0

Innovations leaders are

change agents who

promote the manifestation of new ideas in a work context

by creating a supportive climate for creativity

and managing the innovation process.

Source: Hannah Kremer, Isabel Villamor, Herman Aguinis. Innovation leadership: Best-practice recommendations for promoting employee creativity, voice, and knowledge sharing. Business Horizons, Volume 62, Issue 1, January–February 2019, Pages 65-74



CREATING CULTURE FOR INNOVATION

Organizational culture is also mediator of the relationship

between leadership and organizational innovation.

Ð

Source: Teodora Lazarova. Innovation leadership as a key skill in business. Journal of international Scientific Publications. Economy&Business, Volume 8, 2014.

CREATING CULTURE FOR INNOVATION

Characteristics:

- tolerance for failure
- willingness to experiment
- psychological safety
- highly collaborative
- non-hierarchical
- leaders culture advocates
- enable employee voice
- *forging connections between team members*
- focus on learning and development
- personalized employee experience

Innovative cultures are generally depicted as FUN.

Gospodarska zbornica

Chamber of Commerce and Industry of Slovenia

(Gar Pisano)



Source: Jesse Nieminen, Innovation Culture – The Ultimate Guide Culture Leadership Innovation, Jun 08, 2020, https://www.viima.com/blog/innovation-culture

0

CREATING CULTURE FOR INNOVATION

To transform organizational culture to innovative one \rightarrow leader must:

- take decisive action,
- be consistent
- be patient

Culture needs time:

- to change people's understanding of how we do things in the organization
- to introduce new practices and develop habits reflecting values that support innovation in the organization
- changes take root and are reflected in the behaviour of the employees

ACTIONS AND BEHAVIOUR

 \cap

 \Box

Gospodarska zbornica

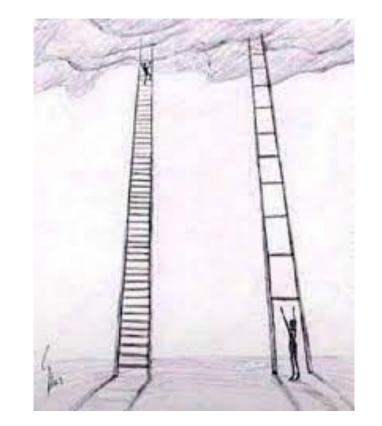
and Industry of Slovenia

How to create innovation culture and promote innovative thinking in the company?

Every change starts with small steps.

The key things to create innovative climate and culture:

- 1. Understand the status quo and why underneath it
- 2. Cultural change starts from the top
- 3. ...but, happens from the bottom-up
- 4. Encouraging curiosity as a part of creating innovative culture



Gospodarska zbornica

Source: Jesse Nieminen, Innovation Culture – The Ultimate Guide Culture Leadership Innovation, Jun 08, 2020, <u>https://www.viima.com/blog/innovation-culture</u>

1. Understand the status quo and why underneath it

Understand the existing organizational culture:

- mechanics of the cultural system,
- map out strengths and weaknesses
- listen to employees
 - → to be able to introduce changes to things that can contribute to desired transformation to innovative culture.

Analysis of the existing culture \rightarrow basis for understanding why things are the way they are.

The **answer to the "why" question** is crucial \rightarrow there lies the answer to **motivation to make the change**.



Gospodarska zbornica

and Industry of Slovenia

2. Cultural change starts from the top

Leaders are like **role models to other employees** \rightarrow by behaving in a way of supporting innovative culture they are:

- showing others which behaviours should be promoted within the company
- what is expected from them.

Leader's behaviour should be accompanied with:

- transparent communication of importance of transformation
- destination the company is headed.



 \Box



Gospodarska zbornica Slovenije

3. ...but, happens from the bottom-up

Transformation of the culture happens only when employees throughout the company **except and believe** in the new destination.

The ways of working within company should **change at** every level.

Forceful and impactful changes in everything that guides employees' behaviour should take place on day-to-day basis \rightarrow

- **Resource allocation** processes
- **Hiring** human resources and **firing** decisions
- **Rewarding** and promoting systems
- Communication and management practices



0

Gospodarska zbornica

and Industry of Slovenia



Creating a more innovation-oriented culture:

- Creating an idea challenge system focused on internal issues, where you ask every employee what is
 preventing them from innovating or pursuing novel ideas → commit to tackle a predetermined number of
 these.
- Set up an idea challenge system focused on external stakeholders, and ask every employee to pinpoint the biggest frustrations existing customers have, and reserve budget for addressing some of them.
- Introduce continuous improvement processes for doing incremental innovation across the company, which means making gradual, continuous improvements on existing products, services.
- Celebrate and reward those employees who are actively contributing towards new innovations in addition to their regular role in the company.
- Give employees the **possibility to test their ideas**
- Incorporate innovativeness as a characteristic of candidates in every hiring decision in the company

Ð



4. Encouraging curiosity as a part of creating innovative culture

"Curiosity is the spark that can lead to breakthrough innovation".

Organizations and their leaders can play a crucial role in **instilling curiosity among their employees** to create a significant **impact on engagement**, innovation and productivity.

- Organisation should have a curiosity-based culture.
- Culture begins at the top.
- Creating a path of learning and exploration can be critical to an organization's success.

Source: Adi Ignatius. Harvard Business Review: Cultivate Curiosity. September–October 2018 Issue. https://hbr.org/2018/09/cultivate-curiosity Hamilton. Forbes Coaches Council - How to instil curiosity in the workplace. April 2020. https://www.forbes.com/sites/forbescoachescouncil/2020/04/03/how-to-instill-curiosity-in-the-workplace/#33fd41ef42e2

Gospodarska zbornica

Chamber of Commerce and Industry of Slovenia

 $\cap \square$

 \Box

Ways of nurturing curiosity in organisation ...

Strategies leaders can employ to bolster curiosity:

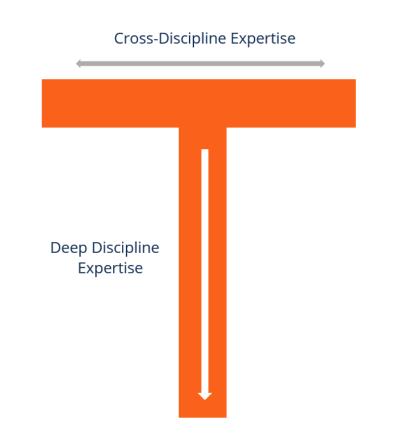
- Hire T-shaped employees
- Model inquisitiveness.
- Emphasize learning goals
- Let employees explore and broaden their interests.
- Have "Why?" "What if...?" and "How might we...?" days
- Communicate with purpose

Source: Francesca Gino. Harvard Business Review: The Business Case for Curiosity. 2018. https://hbr.org/2018/09/curiosity

1. Hire T-shaped employees

"T-shaped" employees

- deep skills that allow them to contribute to the creative process → (the vertical stroke of the T)
- a predisposition for collaboration across disciplines, a quality requiring empathy and curiosity → (the horizontal stroke of the T).



Gospodarska zbornica

Chamber of Commerce and Industry of Slovenia

T-Shaped Skills

 \Box

2. Emphasize learning goals

To boost motivation frame the work around learning goals:

- developing competence
- mastering new situations

.... rather than performance goals (hitting targets, proving our competence, impressing others)

When motivated by learning goals, employees:

- acquire more-diverse skills
- do better at work
- do better on problem-solving tasks
- receive higher ratings after training



Gospodarska zbornica

and Industry of Slovenia

Leaders can reward people for learning as well as performance.

Ð

3. Model inquisitiveness

Leaders encourage curiosity:

- \rightarrow Asking questions
- ightarrow genuinely listening to the responses

Asking questions → promoting more meaningful connections and more creative outcomes.

Listening is as important as talking:

- helps to fill gaps in our knowledge and identify other questions to investigate
- convey the message to our employees that they are important and valued



0

4. Let employees explore and broaden their interests

Give employees time and resources to explore their interests \rightarrow an opportunity to think innovatively about the work tasks they are tackling.

Employees need to have other competencies that enable them to do their job:

- soft skills
- interdisciplinary skills



 \Box

Gospodarska zbornica

and Industry of Slovenia

5. Have "Why?" "What if...?" and "How might we...?" days

"What if...?" and "How might we...?" questions about the firm's goals and plans

- encourage employees to think about the problem innovatively and engage them more in searching for possible solutions
- teach employees how to ask good questions
- organize "Why?" days, when employees are encouraged to ask that question if facing a challenge



Gospodarska zbornica

and Industry of Sloveni

6. Communicate with purpose

- repeatedly communicating the same message consistently across all levels of the company
- transparent communication builds trust, transfers "the why" - the real meaningful purpose of the transformation
- create a memorable motto to capture employees' imagination,
- try to use stories a great potential to engage employees on emotional level, easier to remember



Gospodarska zbornica

and Industry of Slovenia

It is with transparent, captivating and purposeful communication that is repeated and is consistent that the leader creates the innovation culture that is reflected in employees' way of work.

0

Creating organizational culture that enables innovation is as much a **top-down as is bottom-up endeavour**, that **depends on managers and employees alike.**

To promote innovation and innovative thinking in the company leaders must ...

Foster organizational Encourage tolerance for Nurture long-term future warmth failure and ambiguity orientation A warm organization is **Employees and leaders are** Organizational members supportive, approachable treated with care, interest should be united by a and amicable. There us and emotional intelligence. vision that carries the positive contact between It is all right to be wrong. organization forward. The employees, individuals feel Social activities that present is a time in which supported by their peers, enhance trust are desirable the future is crafted. and everyone is on the same and help loosen up strict **Optimism nurtures** hierarchies. side. motivation and ideas.

Gospodarska zbornica

Chamber of Commerce and Industry of Slovenia

Source: dr. Erika Price. December 2019. Innovation and organizational culture: How to foster innovative thinking and promote innovation; https://www.ckju.net/en/dossier/organizational-culture-and-freedom-fail-innovative-thinking-promote-innovation/1291



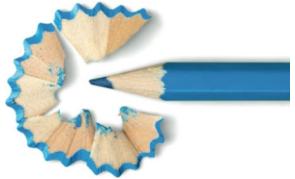
Plataforma Empresa

"...to fully understand the needs of a company and to achieve successful strategy implementation..."

FALLING IN LOVE WITH THE FUTURE

T'S ABOUT WRITING IT, NOT READING IT

MIQUEL LLADÓ



Strategy ideas for leaders

 \Box

 $\cap \square$

Book is available in Spanish, English and Slovenian



ENTRECOMP IN SLOVENIA'S SCHOOLS



ŝ

za solstv

PODVIG

Krepitev kompetence podjetnosti in spodbujanje prožnega prehajanja med izobraževanjem in okoljem v gimnazijah

PODjetnost V GImnaziji

Naložbo sofinancirata Republika Slovenija in Evropska unija iz Evropskega socialnega sklada



POGUM

Krepitev kompetence podjetnosti in spodbujanje prožnega prehajanja med izobraževanjem in okoljem v osnovnih šolah



 $\cap \square$

Naložbo sofinancirata Republika Slovenija in Evropska unija iz Evropskega socialnega sklada

Ð

REPUBLIKA SLOVENIJA MINISTRSTVO ZA IZOBRAŽEVANJE, ZNANOST IN ŠPORT



Naložbo sofinancirata Republika Slovenija in Evropska unija iz Evropskega socialnega sklada

THANK YOU FOR THE ATTENTION!

mr.sc. Ines Gergorić

Chamber of Commerce and Industry of Slovenia

E: ines.gergoric@gzs.si



LO QUE NADIE VE DONDE TODOS MIRAN



LO QUE NADIE VE DONDE TODOS MIRAN

