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Focus on Innovation

Focus on Innovation is a monthly electronic newsletter designed to provoke thoughts and ideas on how to bring innovation to life within the organizations in which we work.

For Those on the Run

Employee engagement levels in Canada are down from two years ago found the Towers Perrin HR Services business in their recent study on employee engagement. At a time when organizations are focused on increasing productivity and trying to attract top talent from a shortage of talented resources, this is not welcoming news. Some organizations are tackling employee engagement by focusing on innovation as part of their employee engagement strategy. Find out how to engage employees through innovation.

Innovation Leads to Employee Engagement

A recent study by Tower Perrin HR Services found that just 17 percent of 5,100 Canadians polled are "fully engaged" in their work, down from 21 percent two years ago. In today's knowledge economy what matters most are the intangibles; employees today are looking for: opportunities to learn and improve their skills and to have an open valve for imagination, creativity and ideas; senior management interest in employee well being; and to work for an organization with a reputation as a good employer. Interestingly, few companies have gotten it right when it comes to employee engagement says the Tower Perrin Group.

What is employee engagement? Boeing, an organization serious about employee engagement, defines employee engagement as an individual's personal attachment to his or her work on both an intellectual and emotional level. In other words, employee engagement relates to what employees think and feel about their job, their leaders and the work environment. That environment can include physical facilities, work-based benefits, pride in the company's products and services, and life/community-related programs.

Although there are many strategies an organization can use to engage their employees, focusing on innovation as a strategy towards employee engagement, is one that is often overlooked. There are a few exceptions, however. SAS Institute, the world's largest privately held software company has made the *Fortune's 100 Best Companies to Work For* list every year for several years has enjoyed low employee turnover, high customer satisfaction, and 28 straight years of revenue growth. What's the secret to SAS's success? Says Richard Florida and Jim Goodnight in their Harvard Business Review article *Managing for Creativity* (July-August 2005) "SAS has learned how to harness the creative energies of all its stakeholders, including its customers, software developers, managers, and support staff. Its framework for managing creativity rests on three guiding principles. First, help employees do their best

work by keeping them intellectually engaged and by removing distractions. Second, make managers responsible for sparking creativity and eliminate arbitrary distinctions between 'suits' and 'creatives.' And third, engage customers as creative partners so you can deliver superior products. Underlying all three principles is a mandate to foster interaction--not just to collect individuals' ideas. By nurturing relationships among developers, salespeople, and customers, SAS is investing in its future creative capital."

3M claim that their focus on innovation attracts highly talented, motivated people who are focused on working together to create great results for the company. "Giving people room" to innovate is a 3M tradition, lived out in the "15% rule" which encourages people to spend 15 percent of their time on projects of their own choosing and initiative.

Closer to home, Pfizer Consumer HealthCare Canada - which markets a range of non-prescription healthcare products including Benylin, Benadryl, Roloids, Polysporin and Nicorette - along with many initiatives to address employee well being and work-life balance, has instituted meeting-free days, and "innovation Thursdays" to encourage brainstorming.

What can be learned from organizations such as SAS, 3M, Pfizer Consumer HealthCare Canada, and other organizations that see a focus on innovation leading to employee engagement? Here are some ideas to consider:

- **Support unofficial activity** - Unofficial activity occurs in the absence of direct official support, and with the intent of doing something new and useful. When an idea is new to a company, it's often resisted and opposed. Unofficial activity gives ideas a safe haven where they have the chance to develop until they're strong enough to overcome resistance. Unofficially, allow free time for employees to experiment, even far outside their job descriptions, and it's often during this time that they make the unexpected connections.
- **Set one day a week aside as Innovation Day** - At Pfizer Consumer Healthcare Canada, "Innovation Thursdays" are reserved for employees to gather in the central atrium to discuss weekly topics and share ideas.
- **Hold an 'Idea Draw'** - Hold a monthly idea draw using a roll of numbered raffle tickets. Each time someone comes up with a creative idea, give them a ticket. At the end of each month, share all the ideas with the staff. Hold a drawing and give a prize to the person whose number comes up.
- **Provide a 'Creative Corner'** - People can go to think creatively in a specially provided area. Stock the area with books, videos and learning games on creativity. You might want to decorate the area colourfully and perhaps add pictures of employees as infants to suggest that we're all born spontaneous and creative.
- **Lunch with Purpose** - Encourage weekly lunchtime brainstorming meeting of three to five employees. Each person could read an article or book chapter each on creativity. They can then share ways of applying creative thinking to the business. Invite local creative business people or speakers on creativity to speak to the group.
- **Extreme Flex-time** - Ricardo Semler has an unorthodox approach to managing...."Allow your employees to work whenever they want, wherever they want, and they'll reward you with increased productivity, greater profitability, and longer-term loyalty", argues the Brazilian businessman in his new book *The Seven-Day Weekend* (Portfolio, 2004). Semler, CEO of Sao Paulo-based holding company Semco, whose ventures include industrial equipment and environmental consulting, boasts

his strategy is responsible for increasing annual revenue from \$35 million to \$212 million in the last six years with virtually no turnover among his 3,000 employees.

- **Reward innovative thinking** - The premier firms of the world encourage innovation by rewarding those who come up with good ideas in various ways. Companies such as the Clorox Company, Ford, The Smithsonian Institution have programs and systems in place to reward innovative ideas.
- **Minimize Hassles** - the more distractions a company can remove, the more its employees can maximize their creative potential, feel engaged and produce great work. Conduct annual surveys and field employee suggestions to determine what intangibles your employees need. Engage employees in a dialogue around what intangibles can and cannot be provided and why.
- **Teach employees how to be innovative** - help people acquire the skills, tools and techniques to think differently; teach them how to be innovative.

For more information on the Tower Perrin study go to
<http://www.towersperrin.com/hrservices/global/default.htm>.

What's the Bottom line

To engage employees create an environment that leverages the intrinsic motivation of employees by stimulating their minds and minimizing distractions; one that focuses on innovation and employee well being.



Please feel free to pass this newsletter on to others.

If you would like more information about the ideas and topics listed in this issue, contact Judy Laws, Ph.D. at jlaws@foursightconsulting.com.

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