

Interview with Tamara Erickson

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Tamara J. Erickson is a McKinsey Award-winning author and widely respected expert on organizations and the changing workforce. Tamara has co-authored numerous articles for *Harvard Business Review* and *MIT Sloan Review*. Her most recent article, *Eight Ways to Build Collaborative Teams*, was published in November 2007. Her recent books, *Plugged In: The Generation Y Guide to Thriving at Work* and *Retire Retirement: Career Strategies for the Boomer Generation*, were published this year.

Her firm, nGenera, enables their customers in becoming Next Generation Enterprises.

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Interview conducted by Doug Berger, Managing Director, INNOVATE. doug@innovate1st.com

Doug: What are some of the key learnings that have come out of your research and consulting work in building collaborative and innovative organizations?

Tammy: Foremost, we've learned that the way in which the leader approaches the organization is very important. People don't innovate when they feel unsafe or pressured in their environment. I can think of little that would be more discouraging than to look somebody in the eye and say, "Okay, now, innovate."

There are some key things that leaders need to do in order to create a culture and climate in which is innovation is likely to occur. First, the leader needs to create a **collaborative capacity**, which is a framework within the organization that allows for people to know and trust each other. This isn't the leader saying, "I insist you collaborate." It's the leader creating the kinds of relationships that would allow people to collaborate naturally.

Secondly, the leader has to **ask great questions**. It's not enough to say things like, "We need innovation." "I want 5% of our sales to come from new products." Those kinds of statements are minimally helpful. We need to ask questions of the organization that are intriguing . . . that get people pondering the way in which the organization might respond to a challenge.

Thirdly, a leader needs to ensure that his or her organization has access to **disruptive insights**. In other words, people can't get too cozy feeling that their view of the world is necessarily all that one needs to know. The leader needs to make sure that the organization is continually exposed to new thinking, new ideas and trends from the outside.

Collaborative Capacity

Starting with collaborative capacity, sometimes people use the term "collaboration" to mean that people get along well or seem to like each other. We're talking about

team members being willing to share information and ideas freely, which is the fundamental essence of collaboration. We did a large piece of research a year ago and looked at teams from all around the world. We found that the key step before sharing information was trust, and that trust was basically formed when people knew each other. So, organizations can do things that are extremely helpful to provide opportunities for people within the sphere of sharing activity to get to know each other. Now this can occur by physical proximity, but in many cases today that's not an option, so leaders need to be very cognizant of bringing those people physically together at various points in time. Making face-to-face contact early in the collaborative process and actually having people get to know one another is critical.

The Royal Bank of Scotland is an interesting example in physical proximity. They have created an office environment in which the first floor of the office building is essentially a main street of little shops, such as coffee shops and dry cleaning. The offices are in atriums that overlook this large common space. It creates a sense that we are all in the same community. You run down to the main floor to do errands throughout the day. You have opportunities to bump into people and get to know them.

Another example is the merger of Gap and Old Navy. They asked people, largely young people who were located on different sides of the United States, to create a three minute video talking about something in their lives that a colleague normally wouldn't know. Before people got on teleconferences with one another, they played the videotape, which gave them some icebreaking information to get the conversation started when the teleconference actually began.

Leaders need to be careful about role modeling the behavior, and modeling it in several ways. First, they need ways to make public within the organization the fact that different executives get together and share information. More importantly is what we call the creation of a **gift culture**. Senior executives, acting as role models, spend time sharing their knowledge and insights with people at lower levels in the organization, giving them the gift of their time and knowledge. By role modeling that behavior, we found that it set a tone of greater willingness by people at multiple levels of an organization to share knowledge with their colleagues.

Asking Great Questions

The classic example of a great question was John Kennedy essentially asking the scientific community if they could get a man on the moon. Now there was a dream ... a goose bump kind of an idea to people. Most scientists were of two minds about it; 1) it was an extraordinarily exciting idea and 2) it was completely impossible. Yet, it was such an exciting idea that people came together in a whole variety of ways to figure out how to make it happen.

A business example of asking a great question would be Robert Shapiro wanting to create more innovation at Monsanto. He didn't make a speech about "our business results" and "how we need to have more profits from innovative products, et cetera." Instead, he got people together and made a very simple, but heartfelt speech about world hunger and the terrible issues associated with world hunger, and asked the organization whether there was a way that Monsanto's technology could contribute to solving the problems of world hunger. Out of that came thousands of examples of people around the company thinking about it, getting together, and sharing ideas about how Monsanto's technology could affect that problem. The most notable outcome was Monsanto's program around genetically engineered seed.

Leaders need to ask their organizations interesting questions that people will be interested in solving. That's the best way to catalyze innovation.

Disruptive Insights

Disruptive insights are probably the most straightforward, and something that I think most people have recognized as important, yet we tend to forget about them when times are tough. You can do it by hiring people from different backgrounds and perspectives. You can do it by getting people out to visit other companies, by attending conferences, by visiting customers, by bringing in customers. My point is that the leader should be cognizant of whether or not his or her organization is getting enough of these disruptive insights. If not, they should consciously stir the pot and bring in some provocative points of view to get people thinking in different ways.

When you look at all three elements, the first and the third are somewhat paradoxical. It turns out that it is more difficult to form strong relationships of trust among a highly diverse group than it is among a highly homogeneous group. Yet, the diverse group is more likely to have the different perspectives and insights that are necessary for innovation. So, a leader needs to manage this paradox. You can't back away from either one. You have to build a relationship, and you must have the diverse perspective. This means that they don't happen naturally. A group doesn't naturally reach out for diverse ideas. The leader needs to make sure that it's happening. Similarly, when you have a highly diverse group, it takes time and effort to make sure that those relationships of trust have been effectively formed.

Doug: What are actions that executives have taken in order to have their next level embrace, at a sufficient level of ownership, that new strategic imperative and have collaboration trickle down the organization?

Tammy: That is a big problem. There's a huge difference between a leader asking a question and a leader offering a solution. I found that asking the question often leads people closer to rallying around the same solution than if you simply state the solution from the beginning. My recommendation to leaders is to begin through getting his or her team to agree on what the question is, and you may need to do that by bringing in some disruptive insight. You need to get your top team to agree that as an organization, you are facing a very intriguing question of how to respond to this technology, or how to move into this market, or how to respond to this particular consumer trend, or how to survive in a particularly difficult time. I've found that it's much easier to first talk with people about, "Are we thinking of the same question?" before we begin to talk about, "Are we thinking of the same answer?"

Doug: Presumably, this questioning becomes part of the daily practice of the top executive.

Tammy: That's exactly right. In the theory of complexity, there is the concept that organizations tend to be drawn to certain ideas, technically called "strange attractors." The premise is that if you get the question right, people are actually attracted to it. Imagine that you see your boss coming down the hall and you know he's going to ask, "How did you contribute to the bottom line yesterday?" For many people this would be a fairly uninspiring and perhaps threatening question. Contrast this being asked for your thoughts on world hunger, or teenagers today, or something that you would actually find to be of interest and something about which you would enjoy thinking. Done right, these kinds of questions can actually draw people toward the question and into a greater conversation and a deeper level of thought.

Doug: What have you found to be the practices by which an executive can signal their integrity around the question?

Tammy: I would suggest beginning with a disruptive insight. In other words, it's important for people to see what's actually happening in the world around them. Take digital technology, for instance. I would encourage people go back just 10 years. We didn't Google ten years ago. Most people didn't know how to buy online. Music downloads hadn't happened yet. When people are pulled back enough so that they can see the big picture and are then asked to think about how that velocity of change might continue forward for ten years, I think it drives home the fact that you need to step back and begin to ask some serious questions . . . questions about how you're doing business and how that might change in substantial ways over the years ahead.

Doug: What are some myths regarding innovation?

Tammy: **Compensation doesn't cause innovation.** We did not find any relationship between compensation and innovation and knowledge sharing. There actually is a link, but it's somewhat counterintuitive. It's the after-the-fact link. It turns out that people do not innovate because of the promise of greater compensation. There is no evidence to support the notion that giving people "x" amount of money causes them to be more innovative. On the other hand, there is a very interesting kind of backlash effect if someone does innovate. If that individual is not rewarded in a way that's viewed as adequate by the organization that will cause a backlash effect on future innovative activities. So, you don't have to use compensation to get people there, but you do have to make sure that the people who achieve innovation are perceived as treated fairly.

Sorting ideas isn't really innovation. What many companies tend to call an 'innovation process' is actually a sorting process. It's a way of looking at ideas and then deciding in which ones to invest. I have some problem calling that an innovation process. True innovation is bringing together different perspectives or ideas. In some cases, those can happen inside one incredibly bright individual's mind. In most cases, they come about because different people bring different perspectives and that combination provides for innovation. When you're thinking about processes for innovation, you need to be thinking about that set of activities.

Sorting based upon traditional financial measures hurts innovation. Many companies, understandably, have applied the same tools and techniques that are used to sort most business opportunities, to the sorting of innovative ideas. This might be okay if what you want is the lowest risk, shortest-term ideas. When you apply a discounted cash flow or net present value to the sorting of ideas, it shifts your portfolio quite substantially to the ideas that are near term and low risk.

The "Stand 'em up and shoot 'em problem." There is a natural human tendency to put off coming to grips with a 'yes' or 'no' answer, if in fact you're highly interested in the question. What I see is that people who are working on a particular project will do many things, but not the one thing that would tell you whether the project will in fact work or be highly successful. One of my strongest recommendations is to make sure that you've prioritized the work so that the project killers come up as early as possible. Kill it as early as possible. Stand it up against the wall and shoot. If it remains standing, you can now fuss with all of its little fiddly parts. But you've got to find out as quickly as possible whether or not that idea needs to be killed.

Doug: Let's touch on your research into trends associated with **the next generation enterprise** and implications for leadership.

Tammy: Several converging things are happening. One is technology, two are values in the workforce, and lastly, overlaying all of that, is the nature of jobs, career paths and work itself. Let's start with technology. Tom Malone, a professor at MIT, pointed out that back in the 1600's-1700's, if you had asked a peasant living under a feudal king whether they could believe that within 100 years they would be part of a democracy, they would have thought that you were crazy. It would have seemed preposterous because the whole idea of feudalism was deeply embedded in the way in which things were done. Once the printing press came about, the transition from feudalism to democracies throughout Europe transpired within about 100 years. The printing press made it possible for the written word, ideas and knowledge, to be shared. I start with this because we're in the midst of another very disruptive technology change. We are moving to a world in which sharing information is both instantaneous and free, for all practical purposes. That changes a number of things about how organizations work.

From a structural point of view, the role of the middle manager has often been to disseminate information. It wasn't practical for a person at the top to talk to hundreds of people. So they had middlemen who could talk to people at cascading levels. Today, that's really not necessary. The person at the top can, in fact, share information very broadly and very quickly. The reverse is similarly true. If for example, the person at the top wants to solicit the opinion of people broadly in the organization that too, can be done virtually instantly and virtually freely. The key point is that there's a fundamental change possible in the way that we make decisions and the way that we communicate within organizations, which over a fairly short amount of time will change both the structure and the governance processes within our organizations.

Now, let's move on to the people side of things. I do a lot of research on how people's values of work have shifted generation by generation. We've got groups in the workplace; Generation X is people in their 30s and 40s, and Generation Y is people in their 20s. Both groups want something quite different from the work experience than we've seen older generations both want, and be willing to tolerate. Both of those generations are saying, "I want to have much more input, control, flexibility and choice. I'm much less willing to play the game as it's been defined up until now."

The third aspect, and the reason that the opinions of these folks are relevant, is that we're entering a structural change in the supply and demand of people for the workforce. I know it doesn't feel like it while we're in this economic situation, however, the reality is that over the last several decades the economies in the United States and Europe have grown to the point where they're big enough to create more

jobs than the birth rates have created children. The net effect of which is that as our economies come out of this current downfall and begin to pick up steam, they'll have the capacity to create more jobs than there are young people to fill them. That will begin to give those young people much greater leverage in the kinds of work, arrangements and environments they choose. These preferences will become more and more palpable, and companies will have to respond differently than they've needed to respond in the past.

Doug: How are you advising leaders today to help them get their heads around what hasn't yet materially happened?

Tammy: The key is to be aware that these trends *are* happening. Much of a leader's job is dealing with the here and now. The leader, however, needs to discipline him or herself enough to pull back and allow for some thought time in order to look at the 'eventually;' to recognize what those trends might be, and to put some of that discussion on the agenda for his or her team.

An example that has hit people pretty hard in some industries has been demographics, or the aging of the workforce. It's a simple area because you can count people. There's no genius required to talk about the age distribution of a company's workforce. Yet, there were a number of companies that were caught completely flatfooted when they found, for example, that all of the engineers who knew about a particular type of technology were of retirement age and there were no younger workers able to pick up that technology and carry it forward. No one had ever stepped back and looked at the picture from that particular lens. Again, it gets at asking questions. It gets at disruptive insights.

Doug: As we wrap up, I want to give you the opportunity to make any concluding comments or speak to any further passions.

Tammy: I'm quite passionate and I spend a great deal of time thinking about the issue of judging people based on our own set of experiences. I think of the things that often blind us to what's happening . . . that a particular issue may look so odd to us based on where we come from and the values that we hold. It's difficult to recognize how important the issue might be to someone with a different perspective. This comes back to how we thoughtfully consider the perspectives of others and actually recognize disruptive insights.

