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## Four myths of innovation

We have observed in our work with clients that many false myths seem to have supernatural powers of survival in organizations. These are the four “biggies”:

Myth #1 – Technology is innovation

Myth #2 – Innovation is only for artistic types, frizzy-haired scientists, computer geeks, bosses, and other “geniuses”

Myth #3 – All companies encourage people to be innovative and creative

Myth #4 – Innovation is a fad that will pass

### Myth #1 – Technology is innovation

It’s not. Innovation is the people.

There’s no arguing that computer-driven technology, the beloved offspring of the industrial revolution, dramatically changes the way we work. But technology is not innovation; it is a product or outcome of innovation. In fact, technology levels the playing field between competing companies. It’s an equalizer. But it is the *people* who develop and use technology who most distinguish competitors from one another.

The idea that technology is innovation is a powerfully misleading myth. Believe it and you’ll probably agree with the pessimistic vision that the factory of the future will be a dark, windowless building, filled with computer-controlled machines and robots, and inhabited by only two living creatures: a dog and one human. The dog is there to make sure no one messes with the machines. The human is there to feed the dog.

We don’t buy into that line of thinking. We have seen far too many “forecasts” of widespread job losses due to new technology be proven false in the long run. It is silly to believe that human ingenuity and input can ever become expendable.

Technology, innovation, and business are inextricably interwoven. Since the early 1800s at least, modern society has had a love-hate relationship with technology. From the start of the industrial revolution, writers lauded technology as the salvation of the common laborer. On the other hand, between 1811 and 1816, fear and distrust of mechanization went to an extreme, driving some British workers to riot and destroy labor-saving

textile machinery. They were called Luddites, a term returning to common usage today to describe technophobes.

What would those anti-progressives say about technology today? Enthusiasm for new technology – for the World Wide Web, nanotechnology, biotechnology, genetics, robotics – is feverish. Rightly so. As we enter the new millennium, we are linked virtually to the entire world through technology, for better and for worse. We're continually refining the use of mechanics and digitization to create new jobs and eliminate old ones, improve old services and products, and essentially bring us into the realm of what once was considered fantasy. And more is sure to come.

It would be wonderful if technology or some process improvement could magically make an organization innovative, but it won't. The work of researcher Robert Kelley done at Carnegie Mellon University brings us back around to the importance of people and culture in the ability of organizations to innovate.

Kelley says, "It's a given that today's companies must keep new products and services coming – and respond quickly to continually shifting consumer demands. To maintain this competitive pace, managers need to improve the productivity of knowledge professionals. But while many have expected new technologies like company-wide computer networks to boost performance, the real promise lies elsewhere. Changing the way professionals work, not installing new computers, is the best way to leverage this intellectual capital."

We can use technology to create, gather, store, and manipulate information. Information can help us be bright, but information *isn't* knowledge. And knowledge *isn't* innovation. Innovation is what is done with that knowledge – how it is shared, built on, applied, questioned, and altered that leads to innovation.

Geoffrey Colvin, a columnist for *Fortune* magazine, says, "You must keep your infotech current with that of competitors – but for sustainable competitive advantage you'll have to look elsewhere. Where? The answer I'm hearing from executives around the world and in all sorts of industries is: in the most distinctively human elements of business – culture, leadership, character."

Technology has a potent influence in business, but with every step we take deeper into the knowledge era, it's clearer that successful organizations are coming to understand the importance of tapping the unique talents, skills, passions, and creativity that people bring to the work formula. John Naisbitt captured the essence of this important truth in a succinct phrase way back in 1988 in his eye-opening book, *Megatrends* "High-tech, high-touch." The "tech" needs the "touch" of people.

## **Myth #2 – Innovation is only for artistic types, frizzy-haired scientists, computer geeks, bosses, and other "geniuses"**

In today's knowledge era, success depends almost entirely on brainpower, a resource that post-World War II industrial organizations deliberately limited. That is, managers did the thinking everyone else was expected to follow

instructions. Creativity and control were reserved for the select few in the executive suites or the research-and-development or marketing areas. It worked. For a while. Demand was high, competition was limited, and change relatively slow-paced. Organizations could rely on these isolated pools of intellectual capital and still succeed.

That's not the case any more. The rules of the game of business have changed. They continue to change daily. The command-and-control, military-and-industrial model is broken, and if you are still using it to figure out how to keep up with the constantly and radically changing demands of the market, you are missing the most promising course to the future. You are missing out on a substantial portion of the intellectual assets of your organization. The only way to innovate perpetually is to unleash the cumulative intelligence, ability, and desire to be creative of your workforce.

It was a former field representative who – against normal industry practices at that time – was made part of the executive founding group, and who then pushed the leaders at Life USA to not only offer life insurance, but to provide annuities as well. That was a move that was innovative and groundbreaking for the industry, valuable for customers, and very profitable for the company, according to Maggie Hughes, former president of that financial services company. It was a McDonald's franchise operator, not the brain trust in corporate headquarters, who came up with the idea for the Big Mac, which was a revolutionary idea in the burger business at the time. And it will be a brave teenager, frustrated about being unable to rent skates to skaters at the ice rink, who will finally give voice to that problem and probably come up with a solution.

It is the people you lead who hold the potential for all innovation in your organization. John Mickelthwait and Adrian Wooldrige emphasize the need to tap this reservoir in their book, *The Witch Doctors*. "To harness [the knowledge in workers' heads], the manager needs to be able to understand it, define it, locate it, measure it, and encourage it to grow. Above all, the manager must be able to turn that abstract phenomenon into winning products."

### Myth #3 – All companies encourage people to be innovative and creative

Most companies say they value innovation, but as yourself how good you think your company is at putting actions behind the words. Our guess is that your response will be, "Not nearly as good as we need to be."

Recall the survey we referred to in chapter 1. We had the top managers in a 500-million-dollar division of a high-tech company ask employees if they believed the average worker in their organization had ideas that could help make the company more successful. More than 95 percent said, "Yes." We also had them ask if employees are regularly asked for those ideas. More than 95 percent said, "No." In another of our client organizations, one of the world's largest manufacturing companies, a telling employee satisfaction survey revealed that only 34 percent of workers felt management did a good job of acting on employees' ideas.

We'd like to believe these are exceptions to the norm, but our experience tells us otherwise. We've seen a widespread disconnection between what executives preach about innovation and the reality of what gets practiced and reinforced in the depths of organizations. The dangerous truth seems to be that we haven't totally walked out of the shadow of that industrial command-and-control model of management. We're battling against centuries of historical influence. It's going to take more than talk to show the people you lead you are serious about encouraging innovation and creativity.

#### Myth #4 – Innovation is a fad that will pass

Business people tend to learn some lessons slowly, Some leaders have a propensity for latching onto fads in search of easy answers to tough problems. Let us put it bluntly:

- Innovation is not a fad.
- Becoming more innovative is not a quick fix.
- Innovation can't be invoked through hollow proclamations from the corporate boardroom.
- Innovation is not an “event” or something you “do”.

In short, *innovation is a way of being* – a mindset. It must be ongoing, and it must be woven into all facets of a business on the individual, team, and organizational levels.

Jim Champy, co-author of the influential book *Reengineering the Corporation*, pointed out a significant shortcoming of that book – after it had been on the market for about two years and sold two million copies. In his follow-up book, *Reengineering Management*, he said the trouble is that “popular concepts sometimes look like magic, and the more popular they become, the more powerful the magic seems. Some managers, misled by wishful thinking, believe merely repeating the key words in *Reengineering the Corporation* is enough to bring the transformation, like the newsboy in the comic strip who yelled ‘Sha-zaam!’ and became Captain Marvel.” Of course, as Champy knew, this is not the case. His reengineering initiatives are long-term commitments, requiring continuous effort and more than occasional management lip service.

If ever there were a reason to avoid falling into the trap of turning a solid idea into the next “program of the month”, your effort: to lead innovation is it.