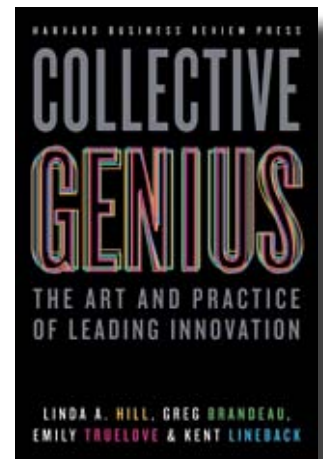


# Collective Genius

## *The Art and Practice of Leading Innovation*



Based on the book by **Linda A. HILL**, **Greg BRANDEAU**, **Emily TRUELOVE**, and **Kent LINEBACK** (Harvard Business Review Press, June 2014).

**Some companies are able to innovate continuously, while others are not. To understand why this is, the authors of *Collective Genius* studied innovative organizations from around the world. Their conclusion? “Conventional leadership won’t get you to innovation.”**

### INNOVATION REQUIRES A NEW KIND OF LEADERSHIP

Rather than setting a vision and motivating others to follow it, leaders of innovation recognize that innovation is a “team sport.”

“We didn’t think the world needed more research on leaders or on innovation. We wanted to study a topic much less understood: the role of a leader in creating a more innovative organization,” write the co-authors of *Collective Genius*. After studying innovative organizations such as India-based IT company HCL Technologies, the marketing division of automaker Volkswagen in Europe, and California-based Pixar Animation Studios, they conclude that effective leadership is the key difference between organizations that can innovate and those that can’t. What sets the leaders they studied apart from others is the insight that innovation results from the collective genius of the organization, not individual super heroes.

#### ■ Conventional leadership stifles innovation

“If the problem calls for a truly original response, no one can decide in advance what that response should be. By definition, then, leading innovation cannot be about creating and selling a vision to people and then somehow inspiring them to execute it,” explain the coauthors. They point to co-founder and president of Pixar Animation Studios, Ed Catmull, who increased the innovation capacity of his organization by adopting a supportive, enabler role rather than a conventional, authoritative role. According to Catmull, his approach is more conducive to innovation due to the inherently collaborative and, above all, voluntary nature of the innovation process. Under his leadership, Pixar has enjoyed

## MEMO

- **In the most innovative companies**, innovation does not result from the mind of individual geniuses, but from a collective effort supported by leaders.
- **Effective leaders understand that their most important role is to enable others to innovate**, not to set the direction and inspire others to follow it.
- **To create the willingness to innovate**, leaders foster a shared sense of purpose and implement clear rules of engagement.

“ Leaders of innovation recognize that innovation is a ‘team sport.’ ”

a 20-year-long stretch of successful innovation, giving strong credence to his assertion that innovation cannot be “compelled or commanded” but must instead be “enabled.”

### ■ Leaders of innovation build collective genius

Research on innovation has already established that innovation is the result “of iterative learning processes as well as environments that encourage experimentation, critical inquiry, critical debate, and accept failures as a necessary part of the process.” But few organizations have yet to realize how this reality transforms the role of leaders. An organization’s individual team members each possess what the co-authors call, “slices of genius,” and their central insight is that the role of leaders is to elicit and combine all those individual “slices of geniuses” into “a single work of collective genius.” To put it another way, innovation results not from the visionary genius of a few singularly talented individuals, but rather from the organization’s ability to generate, refine, and execute ideas as a whole — an ability that depends strongly on leadership.

## CREATING THE ABILITY TO INNOVATE

To create the ability to innovate, leaders must support the sharing and debate of ideas and encourage learning and development while simultaneously demanding performance.

### ■ Managing creative abrasion

Creative abrasion is the process of sparking and refining new ideas through discourse and debate. The coauthors emphasize that creative abrasion is different from brainstorming. The goal of creative abrasion is not to generate as many ideas as possible, like it is in brainstorming, but to generate ideas and have others criticize them: “Brainstorming is all about support and only support. Creative abrasion, on the other hand, is about support and confrontation.” If creative abrasion functions as it should, therefore, it presents serious challenges for leaders, because of the high level of conflict involved. Most people avoid conflict, so leaders must encourage team members to overcome this natural instinct and voice their

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criticisms openly, while at the same time maintaining a constructive dynamic between sparring participants. “When advocates oppose each other instead of each others’ ideas, conflict can turn personal and destructive,” explain the coauthors. “Keeping intellectual conflict separate from interpersonal conflict is difficult. Even debates about ideas can get heated. It’s human for people to become attached to their ideas and feel personally attacked when someone disagrees.” The role of the leader in stimulating creative abrasion is to support team members enough that they are willing to share their own ideas (knowing they will be criticized) and criticize the ideas of others. “The essential ingredients of creative abrasion are diversity and conflict,” write the coauthors. “By diversity, we mean people who think differently. By conflict, we mean conflict aimed at learning and improving, not winning, losing, or dominating.”

### ■ Fostering creative agility

Contrary to what most people remember of the innovation process — that the solution appeared out of the blue — research indicates that innovations in fact emerge step-by-step through iterative, trial-and-error experimentation. The co-authors call this organizational ability creative agility, and report that the leaders of innovation they studied all foster the three key phases of this process:

1. Pursue new ideas quickly and proactively through multiple experiments
2. Reflect on and analyze the outcomes of their experiments
3. Adjust subsequent actions and choices based on what they’ve learned

Creative agility again presents key challenges for leaders. The first challenge is striking a delicate balance between supporting learning and development and demanding performance. “While learning and development are important, performance — did you solve the problem? — is what ultimately matters,” they write. “Thus, leaders of innovation encourage people to test and learn from new ideas. But they also demand that people be data driven in their experimentation and performance focused in evaluating results.” The second challenge is balancing the need for structure and the need for creative freedom or improvisation. “Too much structure stifles innovation, but too little will produce chaos,” the coauthors explain. “In every setting, some degree of structure seems to help a group produce something worthwhile. ...

... The question is, how much? It is the role and burden of the leader to wrestle with this question constantly.”

### ■ Achieving creative resolution

After ideas have been generated and refined through creative abrasion, then tested and developed through creative agility, one step remains: choosing and executing the best idea that has emerged. “The best innovative solutions often combine ideas, including ideas once considered mutually exclusive,” the coauthors report. They call this ability to integrate a variety of perspectives and ideas into one solution creative resolution and report that, although it is a key concern of all the leaders they studied, unfortunately it occurs infrequently. “Most decisions are little more than the simple selection of one option, to the exclusion of all others, or some sort of splitting the difference between alternatives” (See the box, “Creative resolution at Google”).

## CREATING THE WILLINGNESS TO INNOVATE

“Innovation is voluntary,” explain the coauthors. “No one can be compelled to make a contribution or to care about a problem. Unless people freely open their minds and hearts, they’re unlikely to offer their best ideas or endure the sense of vulnerability and anxiety that innovating creates. Why should they?” To create the necessary willingness to innovate, effective leaders build strong communities, bound together by a shared sense of purpose and protected by clearly enforced rules of engagement.

### ■ Foster a shared sense of purpose

“Purpose is not what a group does but who is in it and why it exists,” the coauthors explain. “It’s about a collective identity.” Fostering a strong, shared sense of purpose is how effective leaders overcome many of the challenges and dangers inherent to innovation, as outlined above. For example, a shared sense of purpose encourages the kind of conflict that leaders of innovation seek to stimulate (i.e.,

cognitive conflict) and discourages the kind they seek to avoid (i.e., personal conflict), because team members with a shared purpose focus more on reaching the best possible result than on personal wins or losses. “Purpose makes people willing to take the risks and do the hard work inherent in innovation,” the coauthors explain. Beginning in 2009, Volkswagen Group’s chief marketing officer Luca de Meo created the willingness to innovate within his marketing team at Volkswagen AG by communicating their shared purpose: to make VW one of the world’s leading global brands. He emphasized the critical importance of building a strong global brand to achieving the company’s strategic goals. Prior to Luca de Meo’s arrival at VW, an engineering- and product-driven company, marketing was seen as a necessary expense, not a strategic function, and as a result the marketing division was highly fragmented, linear, and siloed. “Each person focused on a specific task,” de Meo explains, “rather than functioning as a purpose-driven community.” Within three years of de Meo’s arrival and his focus on fostering a shared purpose in his marketing team, VW was awarded the prestigious CLIO “2012 Global Advertiser of the Year” award for its creative leadership and commitment to innovation in advertising.

### ■ Enforce rules of engagement

To keep disagreements and tensions from splitting the community apart, leaders need to define and carefully enforce what the coauthors call “rules of engagement.” These rules govern how people interact and collaborate with each other, and they are designed to discourage unproductive behaviors and keep people focused on what matters: the end result, or the single work of collective genius. “Think of them as the informal behavioral rules or guidelines that support a community as it does the work of innovation,” explain the coauthors, who report that such rules fall into two categories:

- 1. How people in the group interact** — Rules to ensure mutual trust, respect, and influence, based on the following belief: “everyone in the community has a voice and even the inexperienced and less tenured should be allowed to influence decisions.”
- 2. How people in the group think** — Rules to ensure that people maintain critical, analytical, and inquisitive mindsets, questioning everything, and stay as data driven as possible.

## Creative resolution at Google

The resolution of Google’s need for more data storage in the early 2000s, under the leadership of senior vice president of engineering, Bill Coughran, is a good example of creative resolution in action. Coughran empowered two teams with opposing ideas to develop their solutions in parallel. When it came to time to make a decision two years later, Coughran recognized that neither team’s solution was perfect, but that one was better than the other for the short term. He thus implemented the former and approved the other team to continue working. Ultimately the latter team’s discoveries heavily shaped the company’s long-term solution. “The ability to keep multiple options open requires what has been called an ‘opposable mind,’” explain the coauthors. “Leaders and groups with this ability are able to ‘hold in their heads two opposing ideas at once.’ Then, ‘without panicking or simply settling for one alternative or the other,’ they’re able to create a new idea that combines the two and is superior to both.”

The view of effective leadership articulated by the coauthors of *Collective Genius* is far less glamorous than the myth of “the visionary hero” that stubbornly continues to dominate the popular imagination of what constitutes true leadership. But they make a compelling case that the humble work of leading innovation as outlined in their book is a far more realistic portrayal of the kind of leadership that is actually driving the success of today’s most innovative organizations. ■

\* “Creating an Innovation Culture: Accepting Failure is Necessary,” by Edward D. Hess (*Forbes*, June 2012).