INSPIRING INNOVATION

Fostering a Courageous Culture of Micro-Innovators, Problem Solvers, and Customer Advocates

A WHITE PAPER FROM INTERNATIONALLY RECOGNIZED LEADERSHIP EXPERTS KARIN HURT AND DAVID DYE.

LET'S GROW LEADERS

INTRODUCTION

Many of today's business leaders genuinely believe they foster an open environment that encourages employees to speak up; yet, they are shocked when they learn that their employees are actually holding back. Groundbreaking new research explains why this happens and what to do about it.

The
Research

Our research collaboration with the University of Northern Colorado's Social Research Lab shows that employees have good ideas, they want to be heard and leadership wants to hear them.

However, all too often, employees and leaders feel that no one cares about cultivating a communicative culture of ***solution-focused problem solvers.***

These barriers to a Courageous Culture are natural tendencies, but they aren't set in stone. It's possible to change the culture and make the shift from safe silence to consistent contribution.

We conducted our research to find out how these human tendencies show up and practical answers to help you build a Courageous Culture.

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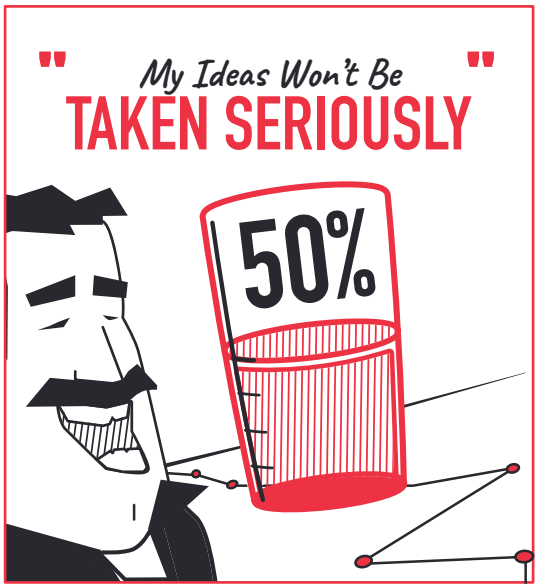
Conclusions

We found **five significant reasons** that people don't speak up to contribute solutions, micro-innovations, or advocate for customers:

1. People don’t think leadership wants their ideas
2. No one asks
3. They lack confidence to share
4. They lack the skills to share effectively
5. People don't think anything will happen, so they don’t bother



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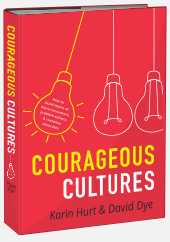

COURAGEOUS CULTURES
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THE GAP THAT FRUSTRATES EXECUTIVES AND KILLS PRODUCTIVITY

"Why am I the only one who finds these issues? What's wrong with my managers? Why can't they see this stuff and fix it?"

"They say they want our ideas, but nothing ever changes. I've stopped bothering."

"We've got so many ways for people to submit their ideas, why don't more people use them?"

Sound familiar?

How often do your employees suggest creative, empathetic, customer-focused solutions? If you're like many of the companies we've worked with, the answer is "not nearly enough."

To uncover the real story about the importance of courageous cultures, we conducted research in collaboration with the University of Northern Colorado's Social Research Lab. The data includes an in-depth review of research on workplace psychological safety, courage and daily innovation; a robust survey (1,400 respondents) across a statistically significant research sample; best practice interviews from executives and

managers around the globe; and, in-depth case studies from five diverse industries (Telecom, Healthcare, Banking, Engineering, and Non-Profit).

Many of today's business leaders genuinely believe they foster an open environment that encourages employees to speak up; yet, they are shocked when they learn that their employees are actually holding back. Groundbreaking new research explains why this happens and what to do about it.

The fact is that employees have good ideas, they want to be heard and leadership wants to hear them. However, all too often, employees and leaders feel that no one cares about cultivating a communicative culture of solution-focused problem solvers.

WHY EMPLOYEE'S IDEAS ARE SO IMPORTANT

For many companies, it's not the senior leaders who fear making big "go, no-go" decisions that stall progress – it's the exponential effect of countless small opportunities missed simply because team members didn't speak up.

When employees don't speak up it stifles innovation, problem solving and your ability to deliver breakthrough results for customers.

For example, what if you never understand what's working well (or what's broken) within your organization?

"It's the exponential effect of countless small opportunities missed simply because team members didn't speak up."

When employees resist the urge to speak up, feel discouraged for saying the wrong thing, or don't recognize they have something of value to share, they tend to play it safe, keeping their heads down, and say or do nothing. As a result, problems multiply, worker morale sinks and customers leave.

Why Courage Matters in the Automation Revolution

"We should automate work and humanize jobs. Let's give the mundane to the machines and the purpose back to people." The Rt Hon Matt Hancock MP[1]

If your business involves work that is repetitive, routine or structured in a predictable setting, you face competitive pressure to automate that work.

Technology is commoditizing many products and services, and the "easy" jobs are starting to slip away. According to a Pew Research study, experts predict robots and digital agents powered by Artificial Intelligence (AI) will significantly displace blue and white-collar jobs by 2025.

But when so much is automated, and quality service or products are the price of admission, how can you differentiate your brand from the competition? The secret to success in the automation revolution is in what computers and all-things-digital simply can't replace: human creativity, empathy and critical thinking, especially in unpredictable environments.

"Leading in the automation revolution isn't about what you can control; it's about what you can create and contribute."

[1] "Technology, innovation and the future of the UK workforce", Annual Keith Joseph Memorial Lecture at the Centre for Policy Studies in London, The Rt Hon Matt Hancock MP, 8 June 2016. See also: https://www.gov.uk/government/speeches/technology-innovation-and-the-future-of-the-uk-workforce

Competing for the Best Talent

The labor market for the talent today's organizations need is also tightening. As of June 2019, the U.S. unemployment rate is 3.6% and trending close to full employment.[2]

Today's workers have more choices than ever because the continual battle for talent includes the gig economy. And this increasingly popular job option shows every sign of expanding as employees value its flexibility and employers use gig workers to lower costs.

One recent study revealed that 25-30% of employees secure income from short-term contracts or freelance work each month and the number is growing.

"Many young millennials and Gen Zers watched their parents struggle through layoffs and frustration during the economic downturn and they're more cynical about working for an employer."

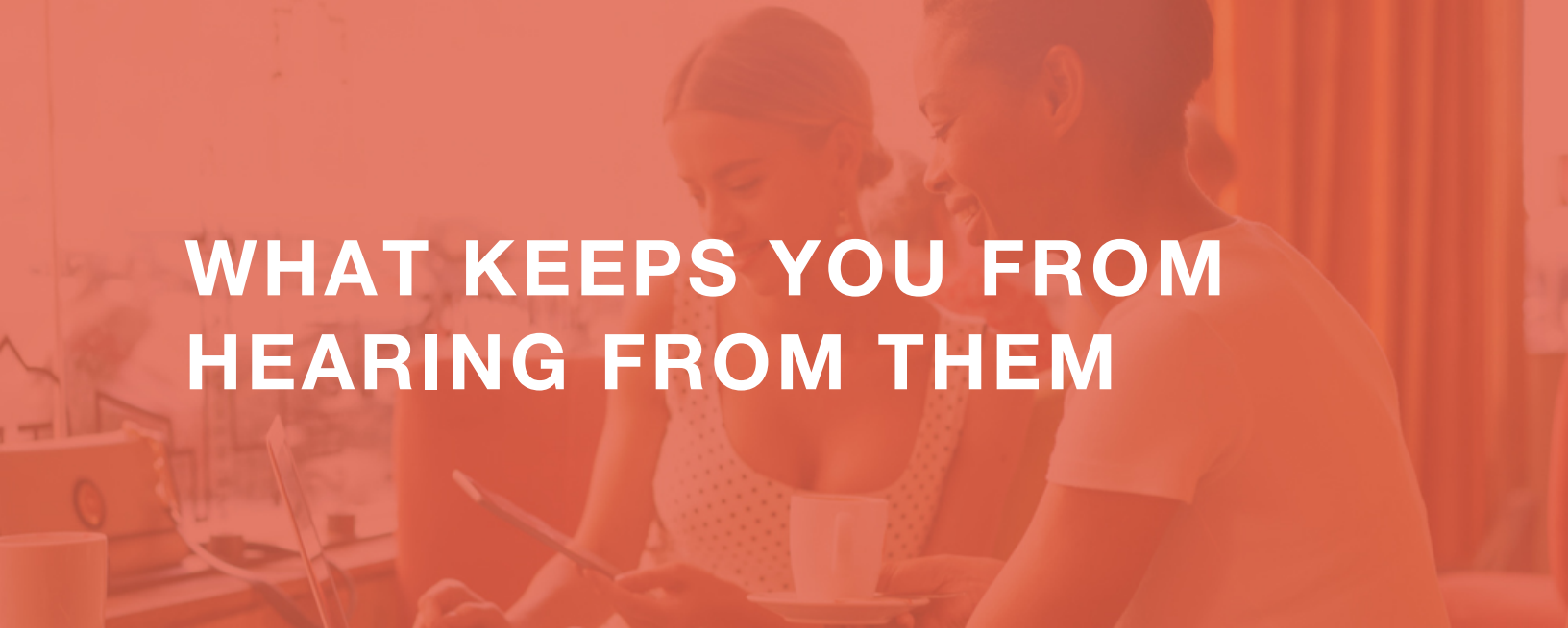
Also, when it comes to future talent, Generation Z, the demographic cohort after the millennials, has become known as the entrepreneurial generation. A Gallup study of fifth through 12th graders reported that 77% want to be their own boss, 45% plan to start their own business and 42% plan to invent something that changes the world. According to research conducted by Millennial branding, 43% of college students would rather be an entrepreneur than have a job when they graduate.

Why do today's students feel this way? Many young millennials and Gen Zers watched their parents struggle through layoffs and frustration during the economic downturn and they're more cynical about working for an employer. Furthermore, they have role models that attest anyone can be a successful entrepreneur – even at a young age – and as "digital natives," they don't think twice about collaborating with people around the globe to help them scale.

[2] http://www.ncsl.org/research/labor-and-employment/national-employment-monthly-update.aspx

Additional reasons that competition for talent is fierce in today's marketplace is that insight into a company's culture and leadership is freely available online, the next job is always just a click away and remote work lowers the barriers to changing jobs.

In fact, some of the most courageous and creative prospective employees have no desire to sit in a cube and be told what to do. Instead, they want to connect, collaborate and work on more significant issues, calling their own shots. They want a voice, and they want the opportunity to think like an entrepreneur.



WHAT KEEPS YOU FROM HEARING FROM THEM

So why aren't employees speaking up? The research found:

1

Employees think leadership doesn't want new ideas.

Executives and managers shared what happened when they approached their boss with a great idea and an executable plan to improve the business. In many cases, their boss agreed their concept would work and was doable, but then they were told to go back and do things "the old way."

"41% of survey respondents said leadership doesn't value innovation, and 67% said leadership operates on the notion that "this is how we've always done it."

2

No one's asking.

One significant reason employees say they don't share what they think is that "no one asked." An astonishing 49% of employees surveyed said that they are not regularly asked for their ideas and 35% of respondents said they were never asked for their ideas when initially trained for their role.

3

It feels safer to be silent than share new ideas.

Many managers were told to just keep their heads down and do their work: *"I didn't hire you to fix our company." "It's not your job to think about that." "I didn't ask you for your ideas." "The problem is that we have too many ideas, I don't want any more."*

"40% of respondents said they don't feel confident sharing their ideas."

4

Managers and employees lack the skills to share their ideas.

In many cases, employees simply don't know how to speak up in a way that can be heard. "In hindsight, I really hadn't done all the research." "I think I came into my new role a bit too gung-ho, I had so many ideas ... I think they thought I was cocky and critical."

"Interestingly, 45% said there's currently no training available at their organization for problem-solving and critical thinking."

5

Employees feel ignored (nothing will happen with their idea), so they don't bother.

One of the most significant issues, even in some of the highest performing organizations, is that people are convinced their ideas will be ignored, or there was a systemic gap in communication. One executive shared: "Sometimes when I do focus groups, I realize we've made the changes employees suggested, but somehow that never got back to them."

"Half of the employees we surveyed said they believe that if they share an idea, it won't be taken seriously. And 56% said fear of not getting credit would prevent them from sharing their opinions."

The Research: Silence Impacts Your Bottom Line

Unfortunately, this growing issue can severely impact your bottom line.

As long as employees remain silent, companies will lose money on flawed projects, innovations that never happen, and subpar customer service. These companies are also likely to see lower morale and higher turnover rates due to teams feeling discouraged about expressing their opinions.

Gallup's data reveals that a mere three out of 10 U.S. workers strongly agree that their opinions seem to count at work. However, by moving that ratio to six in 10 employees, organizations could realize a 27% reduction in turnover, a 40% reduction in safety incidents, and a 12% increase in productivity.[3]

Simply put: the ideas people hold back are not trivial. And the majority of these ideas are not self-serving – think on-tap kombucha or foosball tables in the break room.

"By moving that ratio to 6 in 10 employees, organizations could realize a 27% reduction in turnover, a 40% reduction in safety incidents, and a 12% increase in productivity."

[3] https://www.gallup.com/workplace/236198/create-culture-psychological-safety.aspx

In fact, when asked about the suggestions they would share, survey respondents said they most commonly share ideas that would improve their company's:

- **efficiency in a process**
- **employee performance**
- **customer service**

And, in a tight economy, don't ignore the impact on retention. 55% said they would search for a new job if their voice isn't heard. And 67% said their leaderships' response to idea-sharing definitely impacts their desire to stay in their job.

THE SOLUTION TO BUILD TEAMS OF MICRO-INNOVATORS, PROBLEM SOLVERS AND CUSTOMER ADVOCATES

It's Time to Build a Courageous Culture

Rather than unknowingly promote a workplace culture of safe silence and frustrated leaders, what if you encouraged a courageous culture?

A courageous culture is an environment where:

- Leaders have the courage to ask what's not working and truly listen
- Employees at all levels are confident to raise their hand on behalf of the customer and put purpose above politics
- All team members have the training and tools they need to think critically, solve problems and communicate ideas
- Speaking up is the norm
- Leaders share clearly defined processes for soliciting ideas and feedback loops that inform contributors what happened to their idea
- Teams at every level continually ask, "How can we make this better?"

Building a courageous culture requires an elegant dance between two seemingly contradictory leadership characteristics: clarity and curiosity:

Clarity is focus, alignment and doing what works. It means that everyone in the organization mutually understands shared definitions of what success looks like. Clarity also ensures that your brand promise is kept in every interaction. People know where you are headed and why.

In organizations with a strong commitment to clarity:

- Executives communicate a clear vision of the future, and what success looks like
- Managers translate vision to behaviors, and ensure everyone understands what they're doing, why they're doing it, and how their work fits in
- Frontline employees know what to do and how to do it well.

"Building a courageous culture requires an elegant dance between two seemingly contradictory leadership characteristics: clarity and curiosity."

The three critical leadership behaviors to establish clarity are:

KNOW

Clearly articulate what success looks like and the fundamental behaviors that make it happen.

FLOW

Translate vision to behaviors and ensure everyone understands what they're doing, why they're doing it, and how their work fits into the big picture.

SHOW

Demonstrate that leaders and team members know what to do and do it well.

Curiosity is questioning, exploring and trying what's new. Curiosity means that everyone explores how to improve, and team members ask great questions and actively listen to one another. Curiosity also ensures that your organization consistently becomes the best version of itself. In organizations with a strong commitment to curiosity:

Executives are open to suggestions, solicit ideas and act on what they learn.

Managers are on the lookout for new ideas and best practices, and when they see them, they share them.

Frontline employees find ways to improve the business and customer experience.

The three critical leadership behaviors to cultivate curiosity are:

MINE

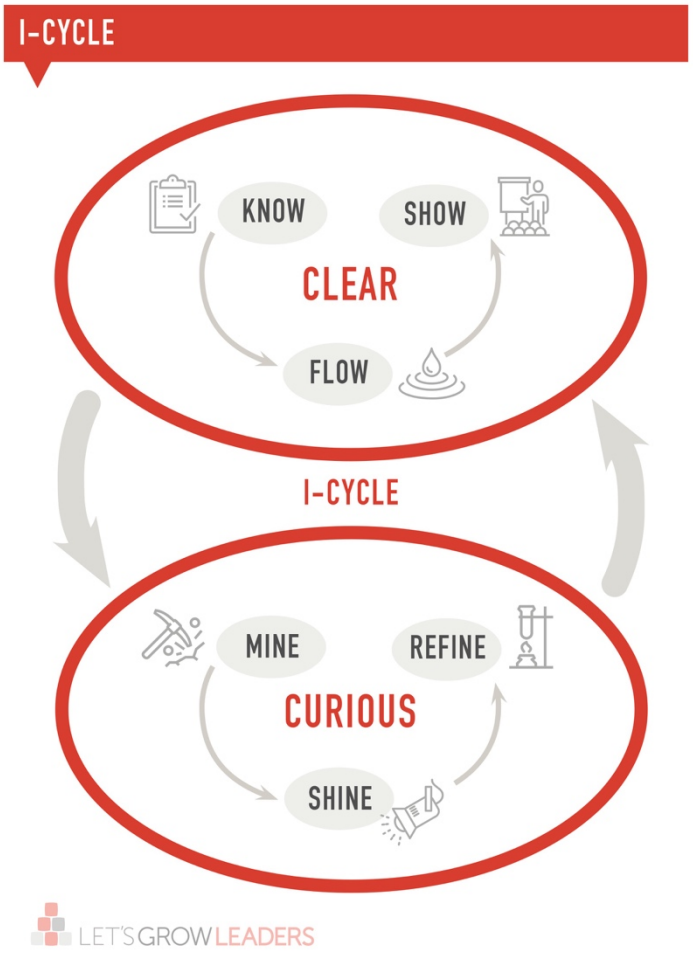
Actively seek out best practices, micro-innovations, and frontline perspective on how to better serve customers.

SHINE

Respond to ideas in ways that build momentum, improve employees' strategic thinking, and generate more useful ideas.

REFINE

Find the scalable principles within useful practices and help teams localize best practices within their unique contexts.



Where to Start?

Get started by examining your organization's focus on Clarity and Curiosity. Which one gets more attention? Focus your initial efforts in the area that currently has the least momentum.

For example, if your department is a free-for-all of ideas and employees all doing their own thing, establishing clarity about what success looks like will yield the most immediate results. In contrast, if you have incredibly clear definitions, goals, and behaviors, a curiosity tour where you ask courageous questions about how to improve the customer experience can be very helpful.

Cultivating and fostering a courageous culture requires integrated work in several key areas, including Executive Leadership, Management, Infrastructure and HR Systems to develop problem-solving competencies at every level of your organization – which includes critical thinking and routinely thinking "like a customer."

Executive Leadership

- Equip your leaders with tools and techniques to communicate with clarity and show up with curiosity
- Develop strategies to cultivate and reinforce clarity and curiosity in leaders throughout the organization

"Establishing clarity about what success looks like will yield the most immediate results."

Management

- Build management and leadership fundamentals as prerequisites for a courageous culture
- Train leaders at every level in the clarity/curiosity cycle to cultivate courageous culture on their team
- Create an environment where leaders experience accountability and celebration to reinforce courageous culture practices
- Provide leaders with career development opportunities that build confidence, critical thinking and problem-solving skills, cultivate courage and address real business needs

Infrastructure

- Develop systems for capturing ideas
- Cultivate communication strategies to connect employees to the results of their ideas

Integration into HR Systems

- Set the foundation and expectations, during the onboarding experience, to introduce processes and capture the influx of best practices coming through the door
- Ensure this continues through every phase of the employee life cycle
- Encourage recognition
- Compensate accordingly
- Conduct regular employee surveys and exit interviews

Looking Ahead: Leading Courageous Cultures

Courage is a critical skill – it inspires confidence and promotes a healthy, thriving culture. A workplace lacking open communication has devastating consequences.

The key to surviving and thriving in today's competitive landscape is recognizing that your employees have knowledge that you need. Your team members can identify problems before they escalate, and they can innovate with customer-focused ideas.

"Ultimately, your employees are your greatest asset – when they think critically, share their ideas, and you listen to what they have to say."

Ultimately, your employees are your greatest asset – when they think critically, share their ideas, and you listen to what they have to say.

Fostering a courageous culture allows you to help your team members overcome their fear of speaking up at work, transform your culture from "safe silence" to energized engagement, uncover the day-to-day innovations and great ideas that employees already have, inspire courage in the people you lead, and move everyone on the road to more productive dialogue.

By providing your employees with practical approaches and tools to turn your team's fear and frustrations into customer-focused solutions and micro-innovations that add up, you will realize a significant competitive advantage.

To find out more about how your business can cultivate and foster a courageous culture, visit LetsGrowLeaders.com today.

For Courageous Culture Executive Development and Training, click here.

ABOUT LET'S GROW LEADERS

Authors, international keynote speakers, trainers and consultants, Karin Hurt and David Dye are a husband and wife team who combine diverse backgrounds and perspective along with a shared commitment to innovative, human-centered leadership. Together, they lead Let's Grow Leaders, a leadership development company serving a broad range of clients across a wide range of industries. This research is a quick preview of their next book, *Courageous Cultures: Building Teams of Micro-Innovators, Problem Solvers and Customer Advocates* (Harper Collins, July 2020).

About Karin Hurt

Karin inspires transformational change. Recently named on Inc's list of Best Leadership Speakers and American Management Association's 50 Leaders to Watch, she helps leaders around the globe achieve breakthrough results without losing their souls. Karin has over two decades of turn-around success in customer service, sales and human resources.

A former Verizon Wireless exec, Karin transformed customer service outsourcing to reach parity in quality with internal centers and developed a leading sales team that won the President's Award for Customer Growth. She's the award-winning author of three books: *Winning Well: A Manager's Guide to Getting Results Without Losing Your Soul*, *Overcoming an Imperfect Boss,* and *Glowstone Peak*.

Her keynotes, strategic consulting and leadership programs inspire leaders with proven and practical techniques developed over her rich career as an executive, speaker and strategic advisor.

About David Dye

David gives leaders the roadmap they need to transform results, working with executives around the world who want to achieve breakthrough results without losing their soul (or mind) in the process. He gets it because he's been there: a former executive and elected official, David has over two decades of experience leading teams, building organizations and working with Boards of Directors to transform their effectiveness.

He is the award-winning author of three books: *Winning Well: A Manager's Guide to Getting Results Without Losing Your Soul*, *The Seven Things Your Team Needs to Hear You Say*, and *Glowstone Peak*. Known for his optimism, for making difficult concepts understandable and for moving leaders to immediate, practical action, David's keynotes and training programs help leaders across industries to increase their influence, solve common leadership frustrations and improve productivity through practical leadership inspiration.

CONTACT

Contact Karin and David today to learn more about building a courageous culture in your organization.

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