
Enabling Innovation with Human Values: A Recipe for Transformation

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Abstract

Despite the deluge of innovation knowledge, processes, models, tools and resources... Is it possible we are still in a nascent stage of comprehending the true nature of innovation, and how to enable it across the organization? Can innovation be a catalyst for personal as well as organizational transformation?

Methods of enabling innovation have evolved over the last decades into three distinct yet interconnected versions. The time has arrived for the emergence of Innovation Enablement (IE) 3.0, which puts the power, responsibility, knowledge, and tools for innovation at the fingertips of every employee – with a common language and understanding, integrated productivity tools, and processes that can be used throughout the organization.

Innovation Enablement 3.0 is a game changer. It will first be a means of industry leadership, but eventually it will become a required core competency for any organization just to be in the game. However, changing the game does not necessarily mean transforming it. Human values elevate Innovation Enablement 3.0 from a game changer into a transformative force. They provide the “hard stuff” of good character and courage it takes to transform the what, why, and how of innovation.

How do we enable innovation with human values as a recipe for transformation... fostering the mindset, behaviors and opportunities for people to innovate to their highest capacity?

After setting the stage for Innovation Enablement 3.0, this chapter answers those questions with a recipe that can transform the way we innovate. Each of the 10 ingredients is suffused with human values, the driving force for moving Innovation Enablement 3.0 into the transformational realm of a quadruple bottom line: people, planet, prosperity, and principles.

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Introduction
The Time Has Arrived for Innovation Enablement 3.0

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Methods of enabling innovation have evolved over the last decades into three distinct yet interconnected versions. The time has arrived for the emergence of Innovation Enablement 3.0, which puts the power, responsibility, knowledge, and tools for innovation at the fingertips of every employee – with a common language

and understanding, integrated productivity tools, and processes that can be used throughout the organization.

Innovation Enablement 3.0 is a game changer. It will first be a means of industry leadership, but eventually it will become a required core competency for any organization just to be in the game. However, *changing the game doesn't necessarily mean transforming it*. Innovation Enablement 3.0 can open the door to the *possibility* of transformation, but does not in and of itself insure transformation.

Human values – the positive, enduring qualities of good character found across cultures and throughout time – elevate Innovation Enablement 3.0 from a game changer into a transformative force. They provide the “hard stuff” of good character and courage it takes to transform the what, why, and how of innovation.

So how do we enable innovation with human values, as a recipe for transformation? How do we promote and foster the mindset, behaviors and opportunities for people throughout an organization to innovate to their highest capacity, from a basis of good character and values?

After setting the stage for Innovation Enablement 3.0, this chapter answers those questions with a recipe that can transform the way we innovate. Each of the 10 ingredients is suffused with human values, the driving force for moving Innovation Enablement 3.0 into the transformational realm of a quadruple bottom line: people, planet, prosperity, and principles.

Transformation Can Happen Faster Than You Might Believe

To transform: “to change in character or condition” (Merriam-Webster 2008). Does a “transformation” in character or condition always take its time, and occur at nature’s seemingly slow, evolutionary pace? Let us examine two moments from recent history.

March 8, 1983: US President Ronald Reagan labeled the Soviet Union an “evil empire” while speaking to the National Association of Evangelicals. In an age still ripe with the possibility of nuclear confrontation, the phrase caused an international gasp – and outrage in the Soviet bloc of countries.

May 31, 1988: Only 5 years later, Reagan was in Moscow speaking to the students and faculty at Moscow State University, with simultaneous broadcast throughout the Soviet Union. He was in Moscow to sign the Intermediate-Range Nuclear Forces Treaty that eliminated an entire class of nuclear weapons from each country’s arsenal. It was the first time an American president was able to speak directly to the people of the Soviet Union.

Underlying this super-power transformation was a transformation of Reagan’s personal understanding and empathy for the Russian people. A key figure in this personal transformation was an American named Suzanne Massie, a Russian-speaking author who wrote *Land of the Firebird: The Beauty of Old Russia* (Massie 1980).

Massie first met Reagan on January 17, 1984, when National Security Adviser Robert McFarlane asked her to give Reagan a report on her recent visit to the Soviet

Union. She and Reagan connected well at a personal level, based on the compelling stories she told him about the history, culture, and entrepreneurial spirit of the Russian people.

While the first meeting was in the Oval Office of the president, the subsequent 20-or-so meetings were typically upstairs in the family quarters, and usually without his staff. In fact, Reagan met with Massie more than he met with any single Soviet expert within his administration. In May of 1986, Reagan wrote in his diary, “*She is the greatest student I know of the Russian people*” (Massie 2013).

A significant moment for Reagan came when Massie spoke about the Russian religious point of view and the importance of the Russian Orthodox Church. As Massie wrote in her book, *Trust, but Verify: Reagan, Russia, and Me*: “No one had ever told the president of the United States that the Russians were religious. I think that humanized the Russians for him in a way that he could understand” (Massie 2013). Massie added that after that moment, Reagan began to speak privately about religion with Gorbachev.

This is but one example of how an inner transformation can symbiotically hasten a dramatic shift in the way we live, work, and relate in the world. And it can happen faster than we might believe is possible.

Perhaps the most important aspect of this transformation was the introduction of *empathy* into the equation of super-power relationships – at least as a balancing force to enmity. Empathy is the action of understanding, being aware of, being sensitive to, and vicariously experiencing the feelings, thoughts, and experience of another (Merriam-Webster 2008). It is one of many human values.

Today, *empathy* is playing a vital role in transforming how businesses are innovating new products and services throughout the world. Really.

The movement is called “design thinking,” a concept originated by the world-famous design studio IDEO when it co-founded the Institute of Design (“d-school”) at Stanford University. A core aspect of their design process is – in their terms – incorporating human values into the design equation. The core human value they instill is empathy. And now, the design thinking process is being emulated in universities and corporations throughout the world.

When Lars Kolind was CEO of Oticon, the world’s oldest manufacturer of hearing aids, he exemplified empathy as he innovated the future of the company after a severe financial downturn. During his tenure, he led the transformation of Oticon from a traditional manufacturing company into an internationally known, creative knowledge-based organization that is preeminent in its industry. Lars described the values that emerged and drove this transformation (Pruzan and Mikkelsen 2007):

First, it was to “focus on your neighbor,” where your neighbor in this respect is primarily your customer. These were people whose hearing was impaired and were in very difficult situations. So we focused on what we could do for these people.

Second, we created a culture in which people were responsible not only for what they did, but also for what we all did together. The third emerged from the first two and that was a clear element of caring for your neighbor – your colleague.

The last thing was creativity; the culture urged everyone to continuously question what they were doing and to find a better way and new ways to do things.

If you are serving a purpose and you are doing it based on some fundamental values, and those values have to do with care and love, then you have great potential and you can be successful in almost anything.

While the impact of having “human values be the basis for innovation” may not seem as dramatic as what occurred with Reagan and Oticon, *perhaps it could be that dramatic*. Really.

Enabling Innovation

Innovation: What Is the Big Deal?

Innovation. It's ubiquitous – it's everywhere.

Search Google for “innovation” and you will find 516,000,000 entries. Search Amazon books and you will find over 115,000 books with “innovation” in the title.

“Innovate or Die” is a popular cliché, first used by Jack V. Matson in his book by the same title (Matson 1996). Clay Christensen, a Harvard Business School professor and author of *The Innovator's Dilemma* (Christensen 2011), coined the phrase “disruptive innovation.” And it is very likely you have heard someone talk about the need to “think outside the box.”

Conferences on innovation, speakers on innovation, blogs on innovation, innovation consultants, innovation incubators, innovation management software, plus innovation processes, models, tools, and resources are everywhere.

Organizations around the world, from universities to nonprofits to corporations, are branding themselves as innovative leaders. The Wall Street Journal reported that a search of annual and quarterly reports filed with the US Securities and Exchange Commission showed that companies mentioned some form of the word “innovation” 33,528 times in 2011, which was a 64% increase from 5 years before that (Kwoh 2012).

Today, the priority for innovation is spiraling upward. Since 2010, research surveys from leading consulting firms have stated that innovation is a top strategic priority. For example:

- *79% of respondents ranked innovation as either the top-most priority or a top-three priority at their company, the highest ranking since we began asking the question in 2005* (BCG et al. 2015).
- *The growth lever that has the greatest impact is innovation* (PWC et al. 2014).
- *Innovation is one of the last remaining sources of growth that can create nonlinear economic returns. Innovation appears to be a universal imperative. For most companies, ignoring innovation is no longer an option* (Deloitte Tuff 2013).
- *CEOs see an inseparable link between customer centricity, human capital and innovation* (Conference Board et al. 2015).

This explosion of attention on innovation is not really new – it just continues to expand. During the latter half of the twentieth century, the Total Quality Management (TQM) movement cascaded around the world, starting in Japan. Essentially, TQM was, and is, *process innovation*. Today, TQM has morphed into kaizen, reengineering, Six Sigma, and lean innovation.

TQM was a game changer. At first, this approach to process innovation was a path to industry leadership. But today it is a required core competency for any organization *just to be in the game*.

One of the most revolutionary features of TQM was embracing the realization that everyone – from CEOs to floor sweepers – could contribute ideas to improve the quality of their work if given the knowledge, skills, and opportunity to do so. For the first time, “being innovative” became democratized: it was no longer the purview of highly educated specialists. And the definition of innovation expanded to include not only breakthroughs in process innovation, but also incremental improvements.

Today, the realm of innovation continues to expand beyond products, services, technologies, and processes. Knowledge management, talent development, business models and strategy, organizational design, customer satisfaction, vendor relationships – all these and more are common focuses for innovation initiatives involving people at all levels of the organization. Organizations are recognizing, just as with TQM, that every person can, and must, be innovative in the course of their daily routine.

Indeed, KPMG’s study, *HR as a Driver of Organizational Innovation*, gave a resounding message that innovation is “everyone’s business” when they stated (KPMG and Bolton 2013):

Winning companies first and foremost have developed cultures where innovation is seen as everyone’s responsibility. . . as an objective that employees at all levels and in all roles strive to achieve on a day-to-day basis.

There is a shift in focus from *innovation* as a noun (the next great product, technology, or process) to *being innovative, thinking and acting innovatively* as a natural way of working. The need to innovate in arenas like creating new knowledge, strengthening the talent and wisdom of employees, designing and leading the organization, business models, relationships with vendors and society is continuing to gain attention and credibility.

Through our research since 2001, we have found that the growing synergy between “everyone innovates” and “expanding beyond product and process innovation” is being fueled by seven global, macro-trends:

1. The recognition that “being innovative” is a core competency for any organization to succeed in complex, turbulent times.
2. The development of a “systems-thinking” mindset for operating businesses in an environmentally sustainable, societally responsible manner.
3. The “wiring” of the planet for instantaneous information-sharing, social and business networking, and collaborative communities.

4. The globalization of business and subsequent political/social/economic interdependence among all countries of the world.
5. The widespread use of PCs, tablets, and mobiles that give individuals the power to do their work and manage their lives beyond levels previously imagined.
6. The emergence of “capitalism with a conscience” as a guiding force for business and the global economy.
7. The identification of deeply held, cross-cultural human values as a means to bring out the best in employees and to become a “best company to work for.”

These macro-trends are shaping: a new mindset about innovation; a new set of market demands from customers; a greater access to a wealth of data, information, and knowledge; and a heightened awareness of the impact our actions have on others. And yet, despite this deluge of innovation knowledge, processes, models, tools, and resources, is it possible we are still in a nascent stage of comprehending the true nature of innovation, and how to enable it across the organization?

“Innovation Enablement”: The Next Game Changer

To enable innovation means “to provide the means and the opportunity” to innovate.

There are well-defined specialties in the field of innovation that have been around for decades, such as new product innovation, technological and scientific innovation, design innovation, process innovation, strategic innovation, and entrepreneurial innovation.

In addition to these specialties, there has been a more implicit specialty, one that has not been well articulated. For a long time, it did not even have a name, despite the fact that it is foundational to all of the other specialties. At its core, it aims to build the competencies that any person needs to be innovative, no matter what their work is.

In 2008, we wanted a name for this specialty so it could gain greater credibility and momentum. We struggled for a while; do we say that you *foster*, or *strengthen*, or *nurture*, or *empower* innovation? In the end, we chose the term “*enable*” – as in “enabling innovation” and “innovation enablement” – because it had the meaning we were looking for: *to provide the means or opportunity; to make possible, practical, or easy; to cause to operate* (Merriam-Webster 2008).

As co-founders of Values Centered Innovation[®], and drawing upon our 60+ combined years of professional experience in over 25 countries, we have had to learn and unlearn a lot about the challenges of enabling innovation across the organization. On the one hand:

- We have learned about the diverse ways we perceive, think, and act innovatively and how those natural inclinations can be channeled into effective, healthy processes and practices that can be used in everyday work.
- We have also learned about the role our human nature plays with innovation, and why it is important to anchor our self-worth and inner motivations to a higher

wisdom and calling – a foundation that is much more stable than the transient ups and downs of daily life and work.

On the other hand, we have had to continually *unlearn* and discard outdated paradigms and beliefs about enabling innovation. For example:

- We have had to completely throw out the tendency to think “some are innovative” and “others are not,” especially with those who seemed uninterested in our innovation techniques. We discovered that our way of facilitating innovation was geared to our own preferences, instead of offering a wide diversity of perspectives that could include everyone in the process.
- We have expanded our approach to measuring innovative results at the individual, team, and organizational levels. We have found it essential to include both tangible achievements and intangible knowledge-creation to more accurately reflect the whole story of the value created from any innovative effort.

Innovation enablement has been around for decades, but has evolved significantly.

With Innovation Enablement 1.0, the basic purpose for being innovative is to increase shareholder wealth. Specialists are assigned the innovation projects. Work is done in hierarchical silos, where “personnel” fit into predefined job descriptions and the focus is on maximizing productivity. Innovation training is focused on key people in critical functions. This approach started gaining popularity in the early 1900s, with the birth of “scientific management” by Frederick Taylor. Its strength is to optimize the innovativeness of the specialists and experts.

With Innovation Enablement 2.0, the purpose for being innovative expands to wealth creation for employees as well as shareholders. Those who have self-initiative are given innovative projects. Work roles are built around the unique talents of “human resources.” Innovation training is typically initiated by a function or project team, resulting in many unrelated interventions. This approach first gained recognition in the 1960s, fostered by Abraham Maslow’s hierarchy of needs and Douglas McGregor’s Theory X and Theory Y, as well as the TQM approaches of Kaoru Ishikawa, Dr. W. Edwards Deming, Joseph Juran, and Philip Crosby. Its strength is to open up innovation competency-building to more people and expand the innovation opportunities to a broader range of people and functions.

With Innovation Enablement 3.0, the purpose for being innovative expands even further to the well-being of all stakeholders. Everyone is expected to be innovative in whatever job they do. People are “human capital” who often define their own roles. Innovation training has integrated models and interventions across functions, stakeholders, and cultures. This approach began to gain credibility in the 1980s and is founded in holistic principles first espoused by Peter Senge, Peter Block, Stephen Covey, and Jay Wright Forrester. Its strength is to provide the knowledge, skills, and opportunities for everyone in the organization to innovate to their highest capacity.

This evolution of Innovation Enablement can be likened to the evolution from mainframe computers to PCs to mobile devices. While mobile devices dominate the

global scene today and have given billions of people the ability to connect, interact, and be productive, we still have mainframe computers (critical to the backbone of our global connectivity) and PCs (abundant in every professional's work area).

Similarly, the paradigms of Innovation Enablement (IE) 1.0, 2.0, and 3.0 are all practiced in today's world. But when we examine the situation more closely, we mainly see a blend of IE 1.0 and 2.0, with early signs of IE 3.0. Versions 1.0 and 2.0 will continue to contribute important elements to the role of innovation in organizations, even as IE 3.0 emerges more fully.

Just like TQM, Innovation Enablement 3.0 is a game changer. It democratizes the mindset, behaviors, and opportunities to be innovative in every day work. It puts the power, responsibility, knowledge, and tools for innovation at the fingertips of every employee – with a common language and understanding, integrated productivity tools, and processes that can be used throughout the organization, as well as across projects, functions, stakeholders, companies, industries, and cultures. It will first be a means of industry leadership, but eventually it will become a required core competency for any organization just to be in the game.

However, *changing the game doesn't necessarily mean transforming it*. Innovation Enablement 3.0 can open the door to the *possibility* of transformation, but does not in and of itself insure transformation.

The Forces for Transformation

The Potency of Human Values

Human values turn Innovation Enablement 3.0 into a transformative force.

For us, *enabling innovation* means to inspire, empower, and equip people throughout an organization with the knowledge, skills, and opportunities they need to innovate to their highest human capacity, based in good character and values. The reason we add “based in good character and values” is that innovation is a proactive, conscious act of co-creating our future. If we are going to unleash this power across the organization, it must stand on a firm foundation that will guide and use it in a responsible, positive, life-affirming manner.

Given the magnitude of economic, political, social, and quality-of-life challenges that face us today, the call now is not just for *more* innovation, but for innovation that is informed, motivated, and guided by our higher human nature to achieve more consistently positive and systemically beneficial outcomes. We describe that higher human nature in terms of *human values*: the positive, enduring qualities of good character that are found in all cultures around the world, throughout time. These are values such as:

- Having a positive intention
- Extending goodwill to others
- Being helpful
- Having respect for others

- Being truthful in speech
- Being responsible and accountable
- Being trustworthy

“Human values” are not the same as “social values.” Social values are enculturated in us – they are what make people raised in China different from people raised in Brazil, Russia, or Canada. They represent the diversity in how we perceive, think, feel, and act. Human values, by contrast, are what unite us even with our social/cultural differences. Because they are found across cultures and time, we can say they are part of the human DNA. They resonate with and correspond to our conscience – our “faculty, power, or principle enjoining good acts” (Merriam-Webster 2008). They are values that bring out our best as human beings to create a sustainable, healthy society.

This emphasis on human values as the energizers and intrinsic motivators for innovation matches the findings from a 2012 Capgemini research report, *Innovation Leadership Study* (Capgemini et al. 2012):

Executives are mainly motivated by extrinsic transactional drives whereas employees are driven by high intrinsic transformational motivations for innovation.

This finding has sometimes been difficult to “bring home” to leaders in organizations. In 2008, a young and enthusiastic IT professional learned about our work with human values and innovation and wanted to promote it to his senior leaders. He was able to assemble a group of about 10 senior leaders, which we met with for about an hour. As we began our conversation with them, one of the executives asked with a strong tone of voice, “So what do human values have to do with innovation?”

Together with the IT professional, we articulated very clearly the benefits of innovating from a basis of human values. We even used one of their main projects as an example to show how it could be transformed with human values. But the senior leaders were never convinced to seriously look at adopting human values in their innovation programs.

Things have changed a lot since that meeting in 2008. The trends continue to gain momentum that innovating from a basis of good character and values is the way forward. For example, near the end of 2015 Google released the results of a 2-year internal study known as “Project Aristotle,” regarding the qualities of its most effective teams. As reported by Julia Rozovsky, lead analyst for the project (Rozovsky 2015):

Over two years, we conducted 200+ interviews with Googlers (our employees) and looked at more than 250 attributes of 180+ active Google teams. We were pretty confident that we’d find the perfect mix of individual traits and skills necessary for a stellar team. We were dead wrong. Who is on a team matters less than how the team members interact, structure their work, and view their contributions. We learned that there are five key dynamics that set successful teams apart from other teams at Google:

1. Psychological safety: Can we take risks on this team without feeling insecure or embarrassed?

2. Dependability: Can we count on each other to do high quality work on time?
3. Structure & clarity: Are goals, roles, and execution plans on our team clear?
4. Meaning of work: Are we working on something that is personally important for each of us?
5. Impact of work: Do we fundamentally believe that the work we're doing matters?

Inherent in these qualities of team effectiveness are human values:

- *Psychological safety*: Caring, authenticity, harmonizing diverse interests
- *Dependability*: Keeping promises, being trustworthy
- *Structure & clarity*: Seeing the whole, having disciplined thought
- *Meaning of work*: Having noble intentions, doing no harm
- *Impact of work*: Committing to higher goals, serving others

From this we can see that the subject of values, especially human values, are no longer the *soft stuff*, they provide the *hard stuff* needed to formulate the most transformative answers to:

- “*What* should we innovate?”
- “*How* should we innovate?”
- “*Why* are we innovating?”

Basing our innovative efforts on a foundation of human values is not an easy task and is not something to be taken lightly. Our corporate experience has shown that when we sincerely strive to innovate from a basis of human values, it will naturally take us through a transformative purification process.

Ananth Raman, former Chairman and CEO of Graptex, went through this kind of purification process when he was having difficulty implementing the ISO 9000 quality system (Pruzan and Mikkelsen 2007):

Since our products are made for specific applications it is extremely difficult to standardize things and is a very complicated process. The expert said, “This is all very simple. All you need to do is write down each of the procedures that you are already doing.” Even after he said this, my fellows were still completely worried.

One evening I was thinking about this and saw that all of this was simply talking about unity of thought, word, and action. So, I called in my employees and told them, “This is nothing but the concept of having what you feel, what you write and how you act be the same. This is all that ISO 9000 is about.” They understood the concept very easily.

They started raising all kinds of questions throughout the departments; I was amazed at the chain reaction that began. So I told them, “Let’s have a monthly meeting where we can discuss these problems where you find it difficult to be totally truthful.” We continue to have these monthly meetings where we examine these difficult situations and look to see how we can solve them with a unity of thought, word and action.

Looking at values from another perspective, when we observe the field of innovation today, we see there is a notable distinction between being “*value-based*” versus “*values-based*” (with an “s”). “Value,” as it is used in relation to

innovation, refers to the benefits delivered to stakeholders such as customers and shareholders: “a fair return or equivalent in goods, services, or money for something exchanged” (Merriam-Webster 2008).

Being “values-based” refers to working in accord with principles that are, in the dictionary’s wording, “intrinsically valuable or desirable” (Merriam-Webster 2008). It refers to the motivating factors that inform and drive our innovative efforts from the front end of the process to the finish. “Value-based” refers to the back end, the benefit derived as a result of our “values-based” work.

There is no question that innovation is the key to our future and that we must respond to the critical needs of our global culture with systemically positive, healthy, sustainable solutions that work for everyone. For us, “*No one wins until everyone wins*” is the fundamental theme of Innovation Enablement 3.0. Coupled with this theme is the mandate to take the time to learn and unlearn, patiently seek higher wisdom, grow as a human being, and be bold yet humble in thought, word, and action.

Human values elevate Innovation Enablement 3.0 from a game changer into a transformative force. They provide the “hard stuff” of good character and courage it takes to transform the what, why, and how of innovation.

The Recipe for Transformation

We have now seen that it is time for Innovation Enablement 3.0 to gain momentum and maturity as the next game changer for organizations globally. We have also seen how human values are fundamental for elevating this game changer into a transformative force. *But are there really any businesses today that embrace these kinds of values as fundamental to their success?*

In response to this inquiry, let us look at the 30 years of research from the Great Place to Work Institute® (Great Place to Work 2016), which has conducted surveys all around the world with millions of employees each year, to determine the best companies to work for. In their philosophy and criteria for what constitutes a “great place to work,” we see human values as the operating principles behind a company’s rating.

Their evaluation system is based on employees (not managers) ranking their company, and their research has found that people experience a great place to work when there is a consistent practice of five dimensions. The first three dimensions taken together constitute the level of *Trust* in an organization: *Credibility, Respect, and Fairness*. The two other dimensions relate to the workplace relationships: *Pride* in making a difference, and *Camaraderie*.

Additionally, between 1998 and 2015, Fortune 100 companies that were “great places to work” had almost 2x growth in market value compared with companies in the Russell 3000 index (which benchmarks the entire US stock market) and Russell 1000 index (with the largest 1,000 American corporations). These

companies also had a 50% better employee retention compared to their peers (Russell FTSE 2016).

So companies with a commitment to human values do exist around the globe, and they prosper. *Given this, how do we promote and foster the mindset, behaviors, and opportunities for people throughout an organization to innovate to their highest capacity, from a basis of good character and values?*

Different people have different starting points, depending on their background, experience, and role in an organization. The 10 ingredients in the “*enabling innovation with human values*” recipe can transform the way individuals, teams, and entire organizations innovate. They can be applied to any organization, large or small, and to any professional expertise from entry level to senior executives.

The 10 ingredients are comprised of five principles and five practices, which we will describe in more detail in the next two sections:

Five Principles

- *Inclusion*: Embracing the fact that every person has the potential to be creative and innovative
- *Strength-based*: Building the self-awareness, self-esteem, and confidence for being innovative
- *Coherence*: Integrating the resources for building and applying innovation competencies
- *Purposeful leadership*: Stretching boundaries while consciously co-creating the future
- *True wealth*: Measuring values, new knowledge, and achievement as outcomes from innovation activities

Five Practices

- *Common ground*: Promoting a unifying language and understanding for being innovative in everyday work
- *Heartstorming*: Using human values and innovative thinking to stimulate creative ideas and produce comprehensive solutions
- *Disciplined freedom*: Practicing the “art and discipline” of innovation with wisdom and ease
- *Synergy*: Sustaining a positive team climate for innovative collaboration and versatility
- *Summoning the culture*: Invigorating and institutionalizing the norms, values, policies, and practices for enabling innovation with human values

Each ingredient is suffused with human values, the driving force for moving Innovation Enablement 3.0 into the realm of transformational. We offer our experience, perspectives, and guidance as a starting point to energize this transformation with every individual, team, and leader in your organization.

Five Principles

Inclusion

The principle of inclusion embraces the fact that every person has the potential to be creative and innovative.

Inclusion is fundamental to enabling innovation across an organization. It summons a shift in power, recognizing that innovation is the responsibility not just of specialists and experts, but of everyone.

It takes a profound humility to make this shift, dissolving the mindset of top-dog/underdog, win/lose, better/worse, have/have-not relationships into a more egalitarian view that respects each person's potential to be creative and innovative. It leads to a polarity-shattering, external transformation that matures our words and actions and democratizes innovation with a thoughtful sense of respect and oneness. We are all in this together, and we are all the better for it.

Promoting inclusion can have an immediate, tangible impact. For example, a group of senior technical managers participated in a workshop with us, and one of them later told us:

Before the workshop, I used to reject the ideas of junior team members when thinking of design options. I preferred the ideas of more experienced people. Now, I listen to all concepts and inputs from everyone before presenting ideas to our client. Recently, we proposed four options to the client, including one from a junior team member; the client actually accepted the junior's idea for design! The work is now 80% complete and the design will work. So now, in team huddle meetings, I reinforce that we don't discard ideas just because they are from juniors.

When this transformation of power and responsibility is put into practice, it is possible to actualize the potential of every person to be innovative, think and act innovatively, in every job, every day. Without it, much innovative potential goes to waste, careers lag, and organizations lose their creative edge for industry leadership.

This shift in mindset, power, and responsibility is very similar to the evolution of computers that we mentioned earlier. Before the PC, those who managed, programmed, and operated the mainframe computers held the power of information in the organization. No one could gain access to that information unless it was given by the Information Management department.

With the advent and distribution of PCs, including access to the internet, that power and responsibility has now been distributed to virtually every person in the organization. And now, mobile devices are spawning another shift in power and responsibility. Not only do professionals in an organization rely on mobile devices, but also virtually everyone in their lives, from their children to their taxi driver to their restaurant server.

So how do we actualize this transformative principle of inclusion as we strive to enable innovation across the organization?

One of the distinguishing factors with Innovation Enablement 3.0 is the key role that professionals in Human Resources (HR), Talent Development (TD), and

Organizational Transformation (OT) have to play. Human Resources knows how to look across the organization and connect dots as they develop policies and practices that work across functions and levels. Talent Development knows how to develop the competencies needed across the organization to not only operate well, but to also maintain industry leadership. Organizational Transformation knows about large-scale engagement and change, and how to design systems that transform the organization.

These functions have the inherent mandate to be broadminded and focus on the good of the whole as they exercise their duties to the organization. They also understand the role that “inner transformation” plays when evolving a culture. By expanding their power and responsibility to enable innovation with human values, they can make a significant contribution to meeting the innovation challenges that will determine the organization’s future.

We will discuss more about the roles each of these functions can play in the following sections:

- Human resources: True wealth
- Talent development: Strength-based and coherence
- Organizational transformation: Summoning the culture

Human values such as broadmindedness, humility, respect, and a sense of oneness bring a depth and strength to the principle of inclusion, which helps us to shift our mindsets from “only some are innovative” to “everyone has the potential to be creative and innovative.” While HR/TD/OT have distinct responsibilities for actualizing the transformational principle of inclusion, every person in the organization can take a leadership role when it comes to embodying the spirit and mindset of inclusion.

Strength-Based

The principle of strength-based builds the self-awareness, self-esteem, and confidence for being innovative.

What did we all learn in school – perhaps the most enduring lesson and legacy of our education systems across cultures? *The habit of looking for what’s wrong, pointing out problems, identifying deficits, focusing on what’s missing or mistaken: in short, judging and criticizing.*

Yet we all know the shortcomings with these deficit approaches: they can sub-optimize growth, progress, and improvement by squashing enthusiasm, inviting fear, and ignoring the very strengths it takes to move forward. An emphasis on faults, on what is wrong, on shame and blame, often results in continued weakness.

Strength in the world comes from strength in the heart and mind. We can be a catalyst for transformation when we strive to see “what’s right” – the true potential of a person, situation, team, or organization. It takes a wise sobriety to uplift ourselves

and others during dark times, even when some accuse us of “seeing through rose-colored glasses.”

When it comes to balancing inner transformation with mastering new competencies, the Talent Development function can play a significant role by promoting a strength-based approach to enabling every person to innovate to their highest human capacity.

It is well recognized today that self-awareness is key to personal and professional development; think Myers-Briggs and DISC. Likewise, self-awareness is also key to enabling innovation as it helps us to discover our strengths and identify where we need to develop new skills. When using self-assessments to gain insights about being creative and innovative, we need to be mindful about what kinds of assessments we choose: ratings-based or strength-based.

Ratings-based self-assessments give high-low scores as an output. They say to some, “You’re more innovative” while saying to others, “You’re less innovative.” Ratings are the norm in our achievement-oriented society and business culture. But they can do substantial damage to the goal of bringing innovation alive throughout an organization. People get divided into “the elite” – while others are led to believe they do not have what it takes to be innovative. The latter feel disrespected – or worse, they buy into being second-class players in the innovation game.

Strength-based self-assessments give preference/tendency scores as an output. They say, for example, “Of all the different ways to be innovative, here are your strengths, preferences and tendencies.” With strength-based self-awareness, people can focus on leveraging their strengths (the key to healthy self-esteem and confidence) and expanding their skills.

The difference between the two approaches is quite simple: Does the self-assessment emphasize, “Are you creative?” or “HOW are you creative?” Does it emphasize, “Are you innovative?” or “HOW are you innovative?”

Ratings-based self-assessments do have their place, especially when the goal is to identify people with special talent for specific roles, such as being an intrapreneurial business-builder. But they are not the preferred route to take when the goal is to identify strengths, build self-esteem, and instill confidence, in order to maximize each person’s true potential to be innovative.

A participant in one of our workshops taught us just how impactful this approach can be, not only to self-esteem but also to his satisfaction of making a real contribution:

In the past, I felt awkward when people had bold, far-reaching ideas. I wondered, “Why am I not thinking like them? Are they greater? Do I lack something?” I didn’t want to open up because people might ridicule me and not take me seriously. Now, I’ve started appreciating my own approach and how I can capitalize on it to make things better. In one project, I studied the “as is” current way of doing it, studied other models, and then combined the best and enhanced the existing model. I know where I can be successful and I grab at those opportunities. I’m good at making things better.

Along with self-awareness is the need to “understand others” – extending respect and appreciation for how others might think and act similarly or differently.

Encouraging each person and team to develop versatility, without having to change their preferences and tendencies, supports this effort. This versatility converts differences into synergy rather than conflict.

This understanding of oneself and others makes “learning new concepts” more meaningful and relevant. When good character and values are also integrated into innovation competency-building it matures our attitudes and perspectives so that each person’s true strengths and inherent ability to learn can shine through.

Standing on this foundation, we can then focus on the wise, practical application of the awareness and learning. This transfers the new knowledge and skills for being innovative back on the job, and brings the transformative power of innovation and human values alive in everyday work.

Coherence

The principle of coherence integrates the resources for building and applying innovation competencies.

Puzzles can be fun, challenging, and ultimately satisfying when all the pieces fit. But if the pieces you are given come from different puzzles and do not form a coherent picture or link together, you end up failing to complete the task. All too often, that is the story when people engage in programs to build and apply their innovation competencies. On the one hand, you have Six Sigma; on the other hand, you have Six Hats. And it can be hard to figure out how they work together.

With Innovation Enablement 1.0, programs to build and apply innovation competencies are typically managed by a function that has specialized expertise, such as R&D or Engineering. These programs usually focus on the specific technical knowledge, skills, and processes needed to develop an innovation. Stage-gate innovation processes and TRIZ innovation techniques are common tools that specialists learn and use to help them develop a new product.

With Innovation Enablement 2.0, innovation competency-building has proliferated as the importance of innovation grows globally. Different functions and project teams throughout the organization independently decide on the programs that meet their needs, while HR brings in a variety of training courses from different sources. Depending on the size of an organization, there could be dozens of disparate programs being used.

Innovation Enablement 3.0 is quite different, ushering in a new awareness and understanding about how to build and apply innovation competencies. It is now being recognized that when the models, assessments, knowledge, and skills are integrated across the organization, there is an exponential improvement in how they reinforce and build on each other.

By “integrated” we mean that the various subjects, methods, and materials are related in a way that people can make meaningful connections across those subjects. Borrowing from the work of Adria Steinberg’s *Real Learning, Real Work* (Steinberg 1997), effective integrated learning offers the advantage of six qualities:

- *Rigor*: Connecting all the components to form a “whole”
- *Authenticity*: Providing real-world context with meaningful issues
- *Application*: Solving problems that require high performance competencies
- *Networking*: Creating opportunities to gain input and ideas from others
- *Mentoring*: Linking to internal and external coaches and mentors
- *Assessments*: Monitoring both achievement and new learning real-time

Rob Lauber, Chief Learning Officer for McDonald’s, recognized the need for a coherent learning system when he first arrived at McDonald’s in 2014. He found that they had over a dozen learning management systems, along with a wide range of training programs that did not provide a consistency of messages, training methods, and procedures for people at their 35,000 restaurants around the world. By selecting and migrating to a consistent set of vendors to host, develop, and manage their content, he is striving to make their learning “easy, flexible, realistic, adaptable and re-useable” (Lauber 2016).

Integrated learning and curricula break down the silo mentality and allows innovative efforts to be practiced seamlessly across functions, stakeholders, and cultures, inside and out of the organizational membrane. Just like the work Rob Lauber is doing at McDonald’s, this is an area where Talent Development professionals can make a substantial contribution, because they can reach across the organization to assess the current programs being used for enabling innovation and transform them from disparate to integrated.

Every function has its own processes to get its work done efficiently and effectively. However, when striving to enable innovation across the organization, it is important to adopt an organization-wide model of the innovation process that can be used across functions, stakeholders, and cultures. This pan-organizational process can then provide the hub for integrating all other competency-building programs and resources for innovation and ensure that the core innovation knowledge and skills support every task in that process.

In other words, to enable innovation with human values, make sure that what is learned and practiced reinforces getting the work done innovatively, task by task. Such an innovation process will need at least the following characteristics:

- Everyone can relate to and easily use the innovation process, no matter what level in the organization or what type of work.
- The process explicitly makes good character and human values the energizer, guiding-force, and basis for innovation.
- Following the process brings out concerns and skepticisms as well as hopes and aspirations up front, and uses them in a positive way to stimulate creative thinking.
- It recognizes and supports a healthy “breathing rhythm” for innovation:
 - With the “inhale,” you set the goal and gain new knowledge and viewpoints you need as the “raw material” for innovating.
 - With the “exhale,” you generate your innovative ideas and solutions, and make them happen.

- The process highlights both learning and achievement as valued outcomes, and as a “completion” that energizes the next innovative effort.

Additional criteria you can use to develop coherent, competency-building programs that give people the skills they need to innovate in their daily work are:

1. Do your programs share a common foundation of principles and values about innovation (especially that everyone can be innovative)?
2. Do your programs distinctly emphasize inner transformation along with competency-building, and reinforce a common language and understanding for innovation?
3. Do your innovation models and tools build on and support each other, so a person’s experience is that “this is an extension or expansion of what I’ve learned before”?
4. Can each innovation program be “mapped” with other programs to show the connecting points for strengthening each other?

When the programs and resources for developing and applying innovation competencies are fully integrated throughout the organization, then significant personal and professional learning and development can take place. And that is when growth and working innovatively are naturally self-reinforcing and sustainable.

Purposeful Leadership

The principle of purposeful leadership stretches boundaries while consciously co-creating the future.

According to Ray Kurzweil, noted scientist, inventor, and futurist (Kurzweil 2008):

We’re entering an age of acceleration. The models underlying society at every level, which are largely based on a linear model of change, are going to have to be redefined. Because of the explosive power of exponential growth, the 21st century will be equivalent to 20,000 years of progress at today’s rate of progress; organizations have to be able to redefine themselves at a faster and faster pace.

As a species, we face what has been called disruptive stress, based on the level of change happening all around us and within us. Buckminster Fuller first pointed out that, up to the year 1900, human knowledge had doubled about every 100 years; and by the end of World War II, it was doubling every 25 years. As of 2015, the consensus is that knowledge is doubling across disciplines every 13 months. Absolutely mind-boggling (Terego 2015).

This exponential pace of change can overwhelm our lives and work, and easily lead to fear, disease, running faster and faster just to stay in place. We end up

responding with a never-ending cycle of adapt-adapt-adapt. Yet it is our own ability to innovate that is prompting this hectic pace in the first place! It is not just happening *to us* – *we* are the ones generating it.

It is a matter of getting out in front, intending to consciously cocreate the future, and take responsibility for the impact we have on others. Max De Pree, former CEO of Hermann Miller, pointed to this when he said, “*Leadership is a serious meddling in the lives of others*” (De Pree 1992). This sense of responsibility is what makes a “leader” a true *leader* who strives to shape our future, rather than letting it run amuck and shape us.

Being such a leader is easier said than done. It requires a level of seeing challenges for what they are and still having the confidence to be bigger than them; and committing wholeheartedly, creating meaningful intentions, and linking goals to purpose and values.

Some of the most enduring traits we have found in purposeful leaders are:

- *Being dauntless*: Being willing to be uncomfortable (even overwhelmed) with paradox and uncertainty, yet facing them with courage rather than retreating from them
- *Being determined*: Staying balanced in the face of ambiguity and complexity, taking conscious risks, and anticipating consequences of success and failure
- *Being self-aware*: Developing and using inner knowing and intuition, aligning one’s work with personal purpose and values, and appreciating the positive strengths in others
- *Being expansive*: Practicing a “beginner’s mind,” being open to many new ideas and options, and switching easily between facts and imagination
- *Being insightful*: Supporting people to consider new perspectives, assessing situations systemically and holistically, and being curious and attentive
- *Being rewarding*: Sharing credit for success, giving intrinsic and extrinsic rewards, and appreciating all contributions

It is not a time for the timid. Years back, the head of HP Labs, Frank Carrubba shared a personal story with William about the time he took his executive team for an outdoor “ropes” course in which they participated in physically and mentally challenging activities together – exploring issues of risk, leadership, problem-solving, and communication. One activity was to wear a safety harness attached to a safety rope and climb a 30’ pole that had a 24” disk on top. While standing on top of the disk, just out of reach was a suspended trapeze bar. The person had to jump off the disk to catch the bar, after which he or she would be lowered to the ground (even if they missed, they would be safely lowered).

Frank stated a clear reason why he chose this event for his team: “*I wanted them to experience that moment when they had left the disk at the top of the pole, but hadn’t yet caught the trapeze bar.*” He knew that is when the uncertainty and risk were most acute. That is the moment we constantly face and manage as we lead others forward in these times. We have to master ourselves to be purposeful in those moments, leading with surety and confidence.

Surety and confidence. In the face of uncertainty, risk, and complexity. With a heart of wisdom and courage. And a reservoir of creativity, innovativeness, and integrity. Taken together, these go a long way to meeting the demand, the calling, and the promise of proactively, consciously co-creating our future so that everyone wins.

True Wealth

The principle of true wealth measures values, new knowledge, and achievement as outcomes from innovation activities.

Wealth is a word derived from the old English “weal,” which means a “sound, healthy, or prosperous state” (Merriam-Webster 2008). The strong tendency in business is to define wealth in financial terms for the sake of owners and shareholders, as found in Innovation Enablement 1.0. But with the evolution to Innovation Enablement 3.0, “true wealth” refers to the sustainable well-being of all stakeholders. That true wealth grows from innovation generated from a basis of human values, resulting in wise and beneficial results.

Without the proper awareness and full measure of the true wealth produced from our innovative initiatives – as individuals, teams, and organization – it is not easy to “stay the course” to manifesting our full potential.

The key to navigating our way to true wealth is measuring and reporting three outcomes from our innovative efforts: the values we practiced, the knowledge and wisdom we gained, and the beneficial achievement of our goals. Values, knowledge, and wisdom are more intangible, and are often called “intellectual capital.” The achievements are more tangible, and include measurable results such as financial, social, and environmental impact. The proper balance between intangible and tangible results yields the true measure of our wealth creation.

There are three ways an organization can support this proper balance of measuring and reporting true wealth:

1. *Senior leaders and Human Resources can work together to establish organizational performance indicators that include intellectual capital as well as tangible measures.*

Measures of intellectual capital (intangible assets) – such as growth capital, process capital, human capital, organizational capital, and relationship capital – indicate how well the organization is building its capability to proactively, consciously innovate its future.

Research from the Intellectual Management Group (Sullivan and Sullivan 2000) has shown that the average value of an organization across industries is now 20% based on achievements from past performance (as *tangible book value*) and 80% based on the intangible assets of values, knowledge, skills, and relationships it takes to innovate new value in the future.

Most executives manage business performance with an eye on the tangible 20%, while giving significantly less attention to the intangible 80%. The result is

an overemphasis on past and present financial performance while underemphasizing what it takes to produce and sustain true wealth. When senior leaders and HR work together to determine relevant measures of intellectual capital to go along with the more traditional tangible measures, the organization gains a holistic view of the 100% value of the enterprise.

2. *Incorporate “being innovative” in individual and team performance indicators.* One way of institutionalizing the fact that everyone can innovate is to add “being innovative” to the “key performance indicators” (KPIs) for individuals and teams. Mid-level leaders and Human Resources can work together to do this. However, there are two notable “watch-outs” in doing so:

The first watch-out is the tendency to treat “being innovative” as another box to check, along with other performance indicators like “quality of work” or “ability to communicate.” The problem with this approach is that being innovative can apply to *almost every indicator* of work performance. That is, a person or team needs to be innovative in how they improve or evolve their “quality of work” or their “ability to communicate.” Therefore, being innovative is not a separate performance indicator, but needs to be assessed as a dimension across all the performance indicators.

The second watch-out is in response to trends such as expanding agile development across functions, using technology for instantaneous feedback, performing rapid prototyping while co-innovating with customers, and learning on demand. These trends require real-time awareness, guidance, and feedback, for which a wide variety of dashboards are being developed.

While the traditional mode of assessing and discussing performance indicators is at annual performance reviews, real-time dashboards can help individuals and teams be aware of and practice their KPIs in their day-to-day work. This level of agility can enhance their present and future capability to innovate and can influence the KPIs themselves as conditions change.

The key is for everyone to stay balanced between the immediate information being provided and the long view of past-to-future progress. In other words, do not micromanage short-term performance at the expense of staying in tune with the bigger picture, as corporations often do in managing quarterly Wall Street expectations.

3. *Use story-telling to acknowledge and document the “true wealth” that individuals and teams have contributed to the organization and its stakeholders.*

Story-telling plays a defining role in documenting how individuals and teams have practiced good values, created new knowledge, and produced innovative results. This triple accountability – values, new knowledge, and achievement – is the basis for communicating the “true wealth” generated by individuals and teams.

How does story-telling play that key role? In three ways:

1. Story-telling can help to overcome a dilemma that occurs when reporting the sincerity and impact of values related to working innovatively. On the one hand,

we cannot see into another person's heart and motivations. Invisible to us are his or her intentions, connection with others, and earnestness to act. On the other hand, *we can* observe words and behavior. Story-telling can give us insights into both the inner motivations as well as behavior.

2. Story-telling can highlight the new learning and knowledge that was gained, and the insights and wisdom that can be used beyond the specific innovative effort itself.
3. Story-telling can clarify the innovative challenge or goal, and can include both expected and unexpected outcomes.

Mid-level leaders and HR together can institutionalize this practice by establishing a template for story-telling, one that is highly engaging as it brings the heart and soul of being innovative to the forefront. We have found questions like these to be useful:

- What work challenge did you encounter that required you to be innovative?
- What values guided and energized your innovative efforts, and what are examples of when you practiced them?
- What new learning was required to meet your challenge?
- What innovative solution did you formulate?
- What did you achieve as tangible results, both expected and unexpected?
- What new knowledge, insights, and wisdom were gained that can be used going forward?

Closing the loop between this kind of story-telling and the market value of the business, senior and mid-level leaders can partner with HR to ensure that these stories of values, new knowledge, and achievements are rolled up as part of the intangible and tangible results of corporate performance reviews. And do not forget the PR/Communications function, who can use these stories and measures to communicate to current and prospective shareholders, as well as customers and employees, the true wealth being generated by the organization.

Five Practices

Common Ground

The practice of common ground promotes a unifying language and understanding for being innovative in every day work.

The world is changing too fast, with too much complexity and too many disruptions, for just a chosen few to address the innovation challenges in an organization. When it comes to identifying the right opportunities, generating innovative solutions, getting them implemented, and producing positive results, people all across an organization need to be mobilized.

To do this, a common ground for what it means to be innovative is required: a unifying language and understanding about innovation, a unifying purpose and commitment for innovation, a unifying belief that each person is innovative, and a unifying respect for the diversity each person brings to the innovative efforts. Without this unity, significant opportunities go unnoticed, priorities are misunderstood, collaboration is diffused, and ineffective solutions are promoted.

In a room of 20 people who work together on a regular basis, there is likely to be 20 different perspectives for what it means to “be innovative.” No wonder the mandate for more and better innovation can lead to confusion, frustration, and unpredictable results. Yet, paradoxically, we have found that having only one definition is too narrow. Here are four concepts we have found successful to promote unifying perspectives related to being innovative:

1. *Creativity is distinct from innovation.* Creativity is generating new and novel ideas. Innovation is putting those ideas to work and producing a positive benefit. Thus, a person or team can be quite creative, always thinking up new ideas, but not necessarily innovative. Innovation on the other hand, includes creativity throughout the process, while producing beneficial results. To enable “creativity” across the organization could invite chaos, a valid concern that senior leaders have. Instead, enabling “innovation” across the organization keeps the focus on the process of innovation from start to finish, making sure positive results are gained.
2. *Promote innovation equally at all levels in the organization.* Two ways to do this are:
 - (a) Have innovation be simple, so that being innovative means doing something in a new, better or different way to produce a positive benefit.
 - (b) Have innovation include both breakthrough and incremental thinking and results, both of which are essential for continuous, sustainable innovative efforts.
3. *Every person can be innovative no matter what their job is.* Innovation is much more than just new products, processes, or business models; it encompasses *all* the different roles and responsibilities people have within an organization. Maintaining an open mind about the many ways people can be innovative is essential, from developing a new product to improving a leadership program to strengthening a customer or vendor relationship.
4. *Innovation is a conscious, proactive act of co-creating your future.* This definition reveals the full meaning and promise of what “enabling innovation across the organization” is all about.

One way to develop and spread a unifying language and understanding for being innovative is to establish your organization’s “Way of Innovation.” A Way of Innovation communicates the *principles*, *resources*, and *culture* that guides and empowers employees to be innovative from a basis of good character and values.

An organization’s *principles* for innovation include its commitments, opportunities, and affirmations. For example:

- *Every person has the potential to be innovative, and it's a part of every job.*
- *Developing skills for being innovative is key to career growth.*
- *Sharing and creating new knowledge is a natural part of our everyday work.*

An organization's *resources* for innovation include the innovation-productivity tools that people can employ to help them work innovatively. For example: innovation models, processes, IT platforms, and training programs. Resources also include the availability of financial, people, time, and knowledge resources needed to identify, generate, develop, and implement innovative solutions. Some resources will be specific to a function and others are organization-wide resources that allow people to innovate across functions and stakeholders.

An organization's *culture* for innovation includes the metrics, policies, practices, and systems that are embedded in the organization. Also included are the messages that senior leaders use to promote and encourage innovation across the organization. For example:

- *Innovation and conscious risk-taking are part of our corporate DNA.*
- *Our customers are innovative leaders in their industries; therefore, every project we do is an innovation project.*
- *We celebrate our successes and failures by seeing what we can learn from them.*

From this established common ground, you can demystify innovation, create a confident mindset that everyone can innovate, and unify people to produce innovative solutions in their daily work.

Heartstorming

The practice of heartstorming uses human values and innovative thinking to stimulate creative ideas and produce comprehensive solutions.

It has been a decades-long journey to define and refine how we think innovatively. Brainstorming now comes in many different forms, such as:

- *Shotgun* thinking: ideas arise spontaneously in an unfocused, scattered fashion.
- *Vertical* thinking: ideas stem from a process of logical reasoning.
- *TRIZ* thinking: ideas are based on understanding patterns of problems and solutions.
- *Lateral* thinking: ideas originate from a new angle, after a deliberate shift in thinking sequence.
- *Innovation Styles*[®] thinking: ideas come from four strategies or “languages” of innovative thinking.
- *Design* thinking: ideas are stimulated by empathy for the person(s) who will be served and impacted.

With all these, ideation can be like a scalpel: it can be used to heal or hurt. The solutions we engender can do good or harm, depending on our motivations and our anticipation of consequences. What is needed is a transformative model for channeling the creative spirit in directions that do good, engage everyone in the process, and produce comprehensive solutions.

A starting point for articulating this new model is research from the HeartMath Institute, which has studied the heart-brain connection for 25 years with some profound findings (McCraty 2016). The focus of their research is: (a) how the heart's magnetic field changes in relation to the coherence of heart-rate variability, which is dependent on the mental/emotional/attitudinal state of a person; and (b) how the heart can entrain the brain, since its electrical field is 60x and its magnetic field 100x stronger than the brain's.

According to HeartMath, when a person experiences states such as peace, caring, love, and appreciation, the heart-rate variability is synchronous, and the resulting magnetic field opens up the brain's capacity to think creatively and holistically. With states such as anger, frustration, depression, and fear, the heart-rate variability is chaotic, and the resulting magnetic field can close down cognitive abilities in the brain. That is the experience we have all had when we feel "I'm so stressed I just can't think!"

These findings lead to what we call "heartstorming" – a new way to optimize innovative activities such as brainstorming using a wide range of human values. Heartstorming may sound too "touchy, feely," but do not be fooled. It substantially deepens the various ways we think innovatively. When done well, heartstorming is the most collaborative and motivating way to generate ideas and positive solutions that work.

How does heartstorming work? The first step is to establish "heartstorming guidelines" that create a safe and caring environment for everyone to give their best. Here are some successful guidelines we have used:

- Separate out the idea-generation process from the evaluation process; when ideas are being generated there is no judging or debating of ideas.
- Let go of ego and offer all ideas in the spirit of contributing to the whole.
- Respect the ideas of others and build on those ideas when possible.
- Think with your heart and mind, staying open to new perspectives.
- Generate as many ideas as you can, from the practical to the impractical.

The second step is to lay a human values foundation by selecting the human values that most energize you to find a beneficial solution. For example:

- Making a meaningful difference
- Serving the well-being of others
- Using resources wisely

The third step is to incorporate the human values with brainstorming tools and exercises, to stimulate innovative thinking using a wide range of perspectives so that everyone has an entry point to engage. Here are three examples:

1. Convert your selected human values into questions, such as:
 - What ideas could make a meaningful difference?
 - What ideas could serve the well-being of others?
 - What ideas could make wise use of resources?
2. Innovation Styles[®] is a methodology that stimulates comprehensive solutions through four distinct strategies of innovative thinking:
 - *Visioning* seeks an ideal, long-term solution;
 - *Modifying* seeks to build and improve on what’s been done;
 - *Experimenting* seeks to try out unique combinations;
 - *Exploring* seeks to discover radically new solutions;
 Combine your selected human values with the four Innovation Styles[®]. For example:
 - To make a meaningful difference, what ideas could give you an ideal, long-term solution?
 - To serve the well-being of others, what ideas could improve on what you’ve already done?
 - To make wise use of resources, what could you combine to give a unique solution?
 - To make wise use of resources, what could you discover that is radically new and novel?
3. TRIZ is a methodology that focuses on resolving “contradictions” or “trade-offs” found in a problem, such as improving manufacturing productivity without sacrificing adaptability or versatility. One approach is to apply any of the 40 principles of problem solving, such as applying the principle of “segmentation”: dividing something into independent parts.

You can combine your selected human values with any of the 40 principles to generate innovative solutions:

- What is a resolution to this trade-off that could make a meaningful difference?
- What is a resolution to this trade-off that could serve the well-being of others?
- What is a resolution to this trade-off that could make wise use of resources?

The sum total is heartstorming, pure and simple. It is amazing to experience the difference in energy, stamina, and dedication that emerges from this heart-and-mind approach to idea generation. There is a sense of depth, fulfillment, and satisfaction that is qualitatively different. As the old ad used to say, “Try it. You’ll like it.”

Disciplined Freedom

The practice of disciplined freedom incorporates the “art and discipline” of innovation with wisdom and ease.

The belief is quite rampant and pervasive: “discipline restricts creativity and innovation.” In fact, the most frequent hindrances are the *lack* of discipline or *rote* discipline. The word discipline comes from the ancient Latin word “disciplina,”

meaning “teaching, learning” (Merriam-Webster 2008); *discipline is essential to learning*. And learning leads to empowered expression – whether in speech, the arts, or work.

For example, Charlie Parker was a virtuoso jazz saxophonist who spearheaded the rise of the music form called “bebop,” featuring fast tempos with advanced technique and harmonies. His own words reveal the secret to his innovativeness: “*You’ve got to learn your instrument. Then, you practice, practice, practice. And then, when you finally get up there on the bandstand, forget all that, and just wail*” (Pugatch 2006). That is disciplined freedom: first put in your time and energy on learning and mastering the basics of your chosen field. From that “disciplina,” you gain the freedom to express your full potential with wisdom and ease.

Innovation has an art and a discipline. The art is the human side that brings out our deepest aspirations and human values to make a difference, individually and collectively. The discipline is the set of tools, systems, and techniques that heighten our knowledge and skills. The blend of art and discipline empowers us to innovate to our highest capacity.

The “disciplina” of innovation comes in many shapes and sizes. They include how we think innovatively, follow an innovation process, take initiative, manage implementation projects, embrace versatility, communicate, collaborate, and optimize innovative teamwork. Each of these has methods, models, tools, and processes that first require “learning your instrument,” then “practice, practice, practice,” and finally “express yourself boldly.”

That work is never done. Even the highest-ranking golfers, tennis players, and swimmers have coaches. They are always refining their game, never resting on their laurels. As the game of innovation continues to evolve, the demands are the same: continue learning, refining, evolving – sometimes even changing in dramatic ways to stay ahead.

There is another lesson from sports that punctuates this competency of disciplined freedom: “know your strengths and play within yourself.” We see this in basketball players. They may be great at some aspects of the game and not so much at others, and the coaching they get is, “Don’t try to do things you aren’t good at when there are others who can. Play to the strengths of *your* game.” With innovation, the same holds true: for innovative thinking, innovation process, and other skill areas, the coaching is to play to your strengths while developing the versatility to recognize and elicit the strengths of others.

This requires a good dose of humility, trust, and accountability – a sober self-assessment along with the self-discipline of not trying to be the do-it-all superhero. All this leads to the freedom to be at our best, while collaborating and supporting others to be at their best.

Synergy

The practice of synergy sustains a positive team climate for innovative collaboration and versatility.

What happens if a musical group plays a favorite piece fully aligned – on the same page, at the same beat, each person coming in on cue – but their instruments are not in tune with each other? A “great” performance turns into a “hold your ears” disappointment.

The same is true for teams. They may work to “align” their efforts: being “on the same page” with their goals, acting “at the same beat” to coordinate their activities, and “coming in on cue” by clearly defining their roles. But if they do not “attune” to each other’s individual purpose, values, and approaches to innovating, their work together could also turn into a “hold your breath” struggle.

Alignment has been the rage for decades now: “We’ve got to be aligned!”

- In 1990 the Harvard Business Review published articles on corporate change with conclusions like, “*We believe that an approach to change based on task alignment. . . is the most effective way to achieve enduring organizational change*” (Eisenstat et al. 1990).
- In 2008 Oracle issued a white paper entitled “The Challenge of Strategic Alignment” which stated, “*The number one purpose of strategy is alignment; it’s really to get all the people in the organization making good choices*” (Oracle FSN 2012).
- In 2014 a Forbes article had the title, “*Employee Alignment: The Secret Sauce to Success*” (Harrison 2015).

Alignment alone is not enough to sustain a positive team climate for innovative collaboration. Both alignment and “attunement” are required for healthy, productive, innovative teams.

Using this knowledge and awareness, we can build synergistic teams using two different strategies: alignment first or attunement first, also known as task-oriented or relationship-oriented. Based on the ground-breaking work of Blake and Mouton in the 1970s (Blake and Mouton 1972), the distinction between “task orientation” and “relationship orientation” has proven itself to be universally practical in developing strong work teams.

Task orientation means “achieving the team mission and goals,” while relationship orientation means “cultivating synergistic relationships.” Both are necessary for a team to function with integrity to produce meaningful outcomes. From the standpoint of innovation, task orientation increases diversity and originality of thinking, along with dynamic alignment for achieving the team’s goals. Relationship orientation fosters increased harmony and synergy, along with sustained attunement to personal values and differences.

To stimulate the task orientation, a team can use questions based in human values, such as:

- How can we best serve others with the work we are doing?
- How can we be disciplined in finding and implementing innovative solutions?

- How can we foster curiosity, honest debate, open-mindedness, optimism, conscious risk-taking, keeping promises, valuing time, and making wise use of resources?

To stimulate the relationship orientation, a team can also use questions based in human values, such as:

- How can we tap into personal and team values for meaning and motivation?
- How can we develop a nurturing and inspiring work climate?
- How can we foster cooperation, commitment, courage, harmony, respect, trust, patience, tolerance, and honesty?

Putting the task and relationship orientations together can give you the experience that a senior manager had after one of our workshops:

Previously, I directed the team about what I and the customer needed – I pushed my thought onto the team. Now I allow team members to offer ideas for the best way to do things. I get their input and they are starting to speak up for themselves. They are showing their skills and are feeling very good about it. There is a stronger relationship and more trust happening.

Versatility is also a valuable skill for synergistic teams. It contributes to both alignment and attunement, and thus to both task orientation and relationship orientation. Versatility is a value to be embraced by innovative teams, with six skills:

1. Recognize the dynamics of characteristics, preferences, and styles opposite from your own
2. Find the “value” in those opposites
3. Recognize the limitations of your own characteristics, preferences, and styles
4. Be patient and tolerant with differences
5. Expand yourself to “try on” the opposite characteristics, preferences, and styles
6. Continue to practice your own strengths and build new strengths

When we add the dimension of human values to both our tasks and relationships, we tap into our deepest yearning to give our best. They bond us *across our differences* as we strive to *make a difference*. Human values form the basis for us to act in unity with our teammates while taking advantage of our diversity. They help us to create true synergy, which is *having our energy together*.

Summoning the Culture

The practice of summoning the culture invigorates and institutionalizes the norms, values, policies, and practices for enabling innovation with human values.

The purpose of business and leadership is markedly different in each of the three versions of Innovation Enablement. It may be an oversimplification – but not far off

– to say that IE 1.0 asks, *What's in it for our shareholders?* IE 2.0 asks, *What's in it for our shareholders and employees?* IE 3.0 asks, *What's in it for all of our stakeholders?*

This is the time of the global village, the internet, and cooperation, where we are moving from a hierarchical structure with command and control leadership to a flatter organizational structure where leaders coordinate activities based on shared vision and values. This movement towards global interdependence is quite pronounced and unfolding ever so rapidly. Any organization whose culture holds on for dear life to Innovation Enablement 1.0, even Innovation Enablement 2.0, as the only way to innovate will eventually trail the Innovation Enablement 3.0 organizations.

Co-creating the future can assume three degrees of culture change:

- *Developmental*: Incremental, from a given base
- *Transitional*: Going from an old state to a known new state
- *Transformational*: Going through a paradigm shift while heading towards an unknown future

We are concerned here with summoning a *transformation* towards a *culture for enabling innovation with human values*. This is where specialists in Organizational Transformation (OT) can play a critical role. OT can bring a boldness to fuel Innovation Enablement 3.0 by facilitating a tipping point of substantive change. OT often directly challenges the assumptions behind the organization's goals and means as it moves towards a future it cannot predefine.

OT is related to, yet different from, Organizational Development (OD). OD deals with making an organization better at what it does, and helping it make transitions from a present state to a known desired future state. By contrast, OT often starts with the premise that the future is unknown and can only be created by forging ahead with the intent to discover it.

That means summoning the transformative values and wisdom from within each and every person, while supporting senior leaders to consciously align, attune, and promote:

1. The values, attitudes, and behaviors that enable innovation
2. Specific innovation-enabling conversations between senior leaders and those who work for them
3. The effectiveness of management policies, practices, and systems that enable people to be, think, and act innovatively, and produce innovations in their everyday work

In carrying out this agenda for summoning a culture for innovation, one of the most vital human values is the unity of thought, word, and action. When leaders are guided by human values, where they “talk the thought” and “walk the talk,” they exemplify the wholeness and oneness of personal integrity.

This internal and external unity leads to trust, a core component of successful culture transformation. We have to trust even as we expand our worldview and move

towards an unknown end-state. We have to trust each other to stick together as drivers of change. We have to trust ourselves to remain centered, wise, and accountable in our actions. We have to trust ourselves and others to ride into the unknown future without trying to tightly control the change process.

With trust as a foundation, OT professionals can lead the following disciplines of organization transformation:

- Correctly position the effort within all of the organization's priorities
- Identify the best leverage points for mobilizing action toward the future
- Engage all stakeholders in the emergent design of the future state and its implementation
- Clarify comprehensive change infrastructures and leadership roles
- Create effective acceleration strategies and conditions
- Set a realistic pace for the transformation

There is also an art to successful OT. The art not only engages all stakeholders in the emergent design, it does so in a way that prompts the internal transformation of each participant: shifts in beliefs, attitudes, mindset, and behaviors – while evoking human values as a natural way of being.

So the cultural transformation is a mirror of our internal transformation. We are innovating our own ability to innovate with human values. Then, even when we do not know where we are going to end up, we have faith in ourselves, faith in each other, faith in the future.

The Bigger Picture

The Urgency for Enabling Innovation

The scope for transformation stretches beyond ourselves and our organizations.

Throughout this chapter, we have focused on transformation at the individual, team, and organizational levels. But that is not the limit of the potential scope and impact of Innovation Enablement 3.0. To fully understand and appreciate what is at stake – the potential consequences of success or failure of this transformation – we need to consider a bigger picture and the urgency that brings.

That bigger picture and urgency are related to the social, economic, political, and environmental impact that even a few people, in a few companies, can have quite quickly. Recall how in 2008 some well-positioned people, in less than a dozen financial institutions, developed and marketed innovative financial products (“collateralized debt obligations” and “credit default swaps”) that brought the US economy to the brink of a major economic depression, and the global economy along with it.

A year later, researchers at IBM initiated more than 1,500 face-to-face conversations with CEOs around the world, asking them, “What is the biggest challenge you face in running your company?” The CEOs did not focus on the specific financial

challenges they faced. Instead, they spoke to the bigger picture: *the rapid escalation and acceleration of complexity*, due to living in a world with unparalleled interconnection and interdependency, a global system of systems that can be subject to system-level failures. That gave rise to the title of the 2010 IBM report, *Capitalizing on Complexity* (IBM et al. 2010).

When the executives were then asked, “What is the single most important leadership competency needed to seek a path through this complexity?” Sixty percent of the 1,500 executives selected *creativity* out of a long list. The next quality nearly matched that rating: 52% selected *integrity*. The third quality was *global thinking* with 35%.

What strikes us in reading the IBM report is that the executives’ formula for leadership encompassed the *antidote* for the mindset and behaviors that had triggered the global financial turmoil: namely, that the people and institutions who innovated the new financial products were operating to maximize their own company profits (and their personal bonuses), without empathy and consideration for the high-risk impact it could have on families, communities, and institutions around the world.

The IBM study brings to the foreground the triple formula for Innovation Enablement 3.0: the focus on creativity and innovation, based in human values (such as integrity), and holistic thinking. While the potential, transformative impact of Innovation Enablement 3.0 is certainly urgent for individuals and organizations, we need to remember that it can, and must, extend beyond our individual and corporate concerns.

As Buckminster Fuller once said, we live on a Spaceship Earth, and how we live and work necessarily impacts the planet and all the future generations who will live on it. Our impact on the lives of others can be great, and it is urgent that we tap into our own greatness to take proper responsibility for that.

Our traditional understanding of the purpose of business needs a dramatic update.

To succeed in this journey of transformation, we also need to seriously re-examine the bigger picture of what we have been taught about the nature of business itself – teachings that shape and mold how we think, speak, and act with regards to innovation, integrity, and global thinking.

For example, universities have taught for decades the writings of Adam Smith, the eighteenth century Scottish author of *The Wealth of Nations*, in which he wrote (Smith 1991):

As every individual endeavors as much as he can to employ his capital in the support of domestic industry. . . [he] necessarily labors to render the annual revenue of the society as great as he can. He intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention.

This has often been interpreted that each business should focus solely on creating wealth for its owners/shareholders, and then the greatest overall prosperity of society will automatically be achieved through an “invisible hand.” Nobel Laureate

economist Milton Friedman endorsed this viewpoint when he wrote in 1962 (Friedman 1962):

Few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible.

When we look closely, however, we see that this “make as much money as possible” mentality was what precipitated the financial debacle of 2008. Friedman and others have taken the notion of “invisible hand” way out of context, leading to a dichotomy between being motivated by greed versus good.

When we examine Adam Smith’s work more closely, we see that he was not just an author on economics; he was a moral philosopher who contextualized his writings on capitalism with the need to have that “invisible hand” be guided by our *moral faculties*, instead of an “all for ourselves” mentality and runaway greed.

In his *Theory of Moral Sentiments*, Smith gave us the guidelines needed for capitalism to work. Our economic and business decisions must be based on our highest moral values (Smith 2000):

By acting according to the dictates of our moral faculties, we necessarily pursue the most effectual means for promoting the happiness of mankind, and may therefore be said, in some sense, to co-operate with the Deity. [These moral faculties] were plainly intended to be the governing principles of human nature. They were set up within us to be the supreme arbiters of all our actions, to control all our senses, passions, and appetites, and to judge how far each of them was either to be indulged or restrained.

Dr. J. J. Irani, head of business ethics and quality management for the Tata Group of companies in India, speaks to being successful in the corporate world while drawing upon human values and promoting the happiness of mankind. In an interview with us, he said:

Business must benefit society; there is no question about it. You cannot be a spike of prosperity in a sea of poverty. Wealth creation is not the major goal; it is how we can serve the community. But unless you create wealth, you cannot share it. If you want something good to be distributed – better housing, better facilities – then you must have something in your pockets. (Global Dharma Center 2005)

Dr. Irani’s statements well reflect the purpose of business for Innovation Enablement 3.0. That purpose includes yet goes beyond wealth-creation for shareholders and employees, to encompass the *well-being* of all stakeholders (such as customers, community, vendors, academics, society, and the natural environment).

Not everyone believes that this purpose of business is practical and possible. They might read all of this and feel it is just a fantasy wish – a nice one, but still far off from reality. Yet our experience is that it is already happening, and can proceed faster than we might believe. We have met dozens, and heard about thousands, of leaders who think, speak, and act like Dr. Irani.

Further, we have met hundreds, and read about millions, of people around the world who are demanding innovation, integrity, and global thinking from the companies they do business with. Mike Clasper, President of Business Development for Procter and Gamble Europe, expresses this clearly (Murthy 2009):

People are going to want, and be able, to find out about the citizenship of a brand, [and] whether it is doing the right things socially, economically and environmentally.

One of our favorite sayings is to “ride the horse in the direction that it is already galloping.” As we watch the trends of this evolution towards Innovation Enablement 3.0, it becomes more and more clear that having human values as the basis for enabling innovation is simply the direction that things are going.

Whole Innovation

Reaching the Full Potential of Innovation Enablement 3.0

Some organizations are already providing a role model for Innovation Enablement 3.0.

When this recipe for transformation is fully prepared and served, what does it look like and taste like? That is, what do you see and experience when Innovation Enablement 3.0 with human values comes alive in an organization?

We are always on the lookout to find organizations that are models of this evolution. They will not be perfect, but they are sincere in their aspirations and actualization of the ingredients – the principles and practices – that make up this dish.

One such company in our sights is Unilever – a huge organization with 170,000 employees, headquartered in Rotterdam, The Netherlands. Their nutrition, hygiene, and personal care products are used by an average of 2 *billion* people each day around the world. How can such an enormous organization be in the midst of the transformation we have described in this chapter?

Consistent with Innovation Enablement 3.0, Unilever has defined the purpose of its business and innovation as the well-being of all its stakeholders. Its triple-bottom-line business model is well explained on their website (Unilever 2016):

At Unilever we have been asking ourselves how we can make a transformational difference to those big issues that matter most to our business and to the world. Through the Unilever Sustainable Living Plan, we have set a bold ambition to achieve change within our own company – through our brands, innovation, sourcing and operations.

Our Unilever Sustainable Living Plan (USLP) is central to our business model. It sets out how we are growing our business, whilst reducing our environmental footprint and increasing our positive social impact. Our USLP has three big goals:

- Help more than a billion people to improve their health and wellbeing.
- Halve the environmental footprint of our products.

- Source 100% of our agricultural raw materials sustainably and enhance the livelihoods of people across our value chain.

But we are only one company among many and the change needed to tackle the world's major social, environmental and economic issues is big – and urgent. What is really needed is fundamental change to the broader systems of which we are a part – whether that is in countering climate change, achieving food security or improving health.

We are focusing in three areas where we have the scale, influence and resources to make a big difference:

- Eliminating deforestation from commodity supply chains by 2020, to help combat the threat from climate change.
- Making sustainable agriculture the mainstream, and so increase food yields and enhance the livelihoods of smallholder farmers.
- Working towards universal access to safe drinking water, sanitation and hygiene.

We want our business to grow but we recognize that growth at the expense of people or the environment is both unacceptable and commercially unsustainable. Sustainable growth is the only acceptable model for our business.

Paul Polman, CEO since 2009, is leading this transformation by keeping the company's sights on the long term while assertively growing the business. In this regard, he stopped the practice of reporting Unilever's quarterly profits, and the company resists giving financial analysts guidance on earnings. Polman ties his own compensation to how well the company is on track against its long-range sustainability metrics.

But to be truly transformative, human values must play a definitive role. For Unilever, its four core values are *integrity*, *responsibility*, *respect*, and *pioneering*. Polman takes the lead in articulating the primary role of such values. In 2014, when the *Guardian* honored him as the "Sustainable Business Leader of the Year," he remarked ([Guardian 2016](#)):

I always say first and foremost that leadership is about being a human being. The future world will be much more purpose and values driven, so we want leaders that clearly understand this. All the normal skills of leadership will always be there but you now need that higher level of integrity and need to understand what we call systemic thinking. A little bit more humility would also be very good in my opinion.

Finding that sense of purpose and humility is part of what Unilever aims for in its leadership training programs, which focus on helping employees find their own "inner compass." With this combination of purpose and values, Unilever has become a magnet for talent to join the company. It has been recognized as the employer of choice in at least 34 countries around the world. In 2015, *Fortune Magazine* reported on LinkedIn's survey of the most sought-after employers in the world; Unilever came in 3rd, right after Apple and Google ([Wartzman 2015](#)).

We do not expect that Unilever, in all its scope and size, to be the perfect model. There is no such perfection, only aspiration backed by sincere effort. But this is one company that deserves to be watched and learned from.

The Quadruple Bottom Line

The full expression of enabling innovation with human values will be Whole Innovation.

Expanding from the specific (Unilever) to the general, we see that a transformational organization, based on Innovation Enablement 3.0 with human values, will *naturally result* in sustainable, “quadruple bottom line” benefits to an organization and its stakeholders. This quadruple bottom line expands upon the triple bottom line “sustainability” reporting of “People-Planet-Profits,” currently being promoted by the Global Reporting Initiative (GRI 2016) and others.

We call this transformative state “Whole Innovation.” Its characteristics include:

- Whole Prosperity
 - Offering products and services that meet customers’ true needs in a sustainable fashion
 - Marketing, advertising, and selling in a way that demonstrates trustworthiness and integrity
 - Developing brand reputation based on sincere values
 - Implementing work processes that make jobs more meaningful as well as effective and efficient
 - Demonstrating wisdom about expenditures and the use of resources
- Whole Persons
 - Fostering a healthy workplace that brings out the talent and wisdom of employees
 - Finding effective ways to create and share new knowledge
 - Developing talent in alignment with personal values and a balanced lifestyle
 - Engaging each person’s physical, mental, emotional, and spiritual capacities
- Whole Planet
 - Producing impacts that naturally support the viability and sustainability of the planet
 - Sustaining natural resources while fostering beauty and balance in the ecosystem
 - Uplifting the economic, health, and educational well-being of local communities and society
 - Promoting the well-being of all stakeholders, including customers, academics, suppliers, government, NGOs, society, and the natural environment
- Whole Principles
 - Fostering meaningful innovation with high ethical standards
 - Integrating human values (good character, moral virtues) into the organization culture
 - Developing leaders (leadership) based on wisdom from both the East and West
 - Instituting business models that serve the true needs of constituents with a symmetry of benefits

As we spoke about in the section on the principle of *True Wealth*, the measures of corporate performance are broadening beyond traditional bottom line profitability and market share to include measures of intellectual capital (intangible assets). Intellectual capital measures include growth capital, process capital, human capital, organizational capital, and relationship capital. These are key indicators of how well an organization is building its capability to proactively, consciously innovate its future with Whole Innovation.

- Whole Prosperity
 - *Growth Capital* focuses on building and measuring the future capability to develop new products, services, and brand experiences.
 - *Process Capital* focuses on building and measuring the future capability to embed wisdom and innovation into everyday work processes.
- Whole Persons
 - *Human Capital* focuses on building and measuring the future capability to create and share new knowledge and to attract/develop/retain talented, whole persons.
- Whole Planet
 - *Relationship Capital* focuses on building and measuring the future capability to create synergistic relations with customers, suppliers, society, academics, and other stakeholders.
- Whole Principles
 - *Organization Capital* focuses on building and measuring the future capability to create new business models, organizational design and culture to align everyone with purpose and higher values.

Whole Innovation is the manifested outcome of enabling innovation with human values. It is born of the symbiotic relationship between personal transformation and organizational transformation. Whole Innovation naturally results in sustainable, “whole bottom line” benefits – whole prosperity, whole persons, whole planet, and whole principles – whereby the game changer of Innovation Enablement 3.0 can fast become a transformative force in the world.

While teaching at the Motorola University’s Vice President Institute, William once heard Bob Galvin, then chairman of the executive committee on Motorola’s board of directors, describe the primary job of leaders as: “*Inspiring acts of faith (things are do-able that are not necessarily provable), spreading hope, and building trust.*”

When a VP asked how these values relate to the “real world of business,” Galvin replied that executives must develop strong character in themselves and others, not just good technical or financial skills. Then he concluded: “*Faith, hope, and trust... Theology is very practical business.*”

We would add that enabling innovation with human values is also *very practical business*.

Voila!

Cross-References

- ▶ [A Quest for Twenty-First Century Exemplarity: Virtue Ethics as Transformation for Leaders and Organizations](#)
- ▶ [Activating the Corporate Soul](#)
- ▶ [Creating a Flow Organization to Lead into the Future](#)
- ▶ [Leadership Convergence: The Dawn of Practical Wisdom](#)
- ▶ [The Neurobiology of Personal Transformation](#)
- ▶ [The Role of Improvisation in Organizational Transformation](#)
- ▶ [Transformation](#)
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