

Q&A DAVID ROBERTSON

# Little ideas unlock business innovation



**CONVENTIONAL WISDOM SAYS** companies innovate in one of two ways. They either make incremental improvements to current products or they pursue radical, disruptive innovation. But there is a third way, according to David Robertson, professor of practice at the University of Pennsylvania's Wharton School. His forthcoming book, *The Power of Little Ideas*, shows how many well-known companies have successfully used a strategy that is neither incremental nor radical.

### How does the third way work?

The goal is to make a product attractive by surrounding it with a portfolio of complementary innovations – think of the Apple Mac and how its appeal was enhanced by the iPod and other innovations. You must choose a product worth investing in and work out its promise – what customers want from it – before generating ideas for new ways of fulfilling that promise. You then have to set up roles and processes to deliver those innovations.

### What does this mean for a company's people?

To develop complementary innovations, companies need to bring in people from business functions that aren't usually expected to innovate. Company lawyers, for example, might be asked to come up with a new legal approach that increases a product's appeal, with similar challenges for procurement, finance and other functions. This requires a new type of leader. Businesses often give product managers responsibility for developing new products. But you need a solutions integrator – someone with the skills and authority to manage people from different business areas.

### How can top managers help their teams find third-way success?

Understand that you need to be humble about your ability to predict innovation success. Push your team to do small, cheap experiments to test your innovation ideas. As you start to see success for a specific product, spread the lessons around the company, and roll out the approach to more products.

### Is this approach right for every company in trouble?

No. It wouldn't, for example, have helped Kodak respond to the threat of digital photography. This is one tool in the innovator's tool belt. But for some companies at certain times, it can be the best approach to innovation.



## The perils of the 'echo chamber'

**IT'S TAKEN** MINISTERS months to begin explaining Brexit, and a clear definition remains elusive. Meanwhile, business leaders have begun shaping the post-Brexit world, revealing themselves to be more strategic thinkers than politicians, according to Michael Smets. He points out that some banks are already preparing to move jobs from London to mainland Europe, creating facts on the ground that will have to be taken into account in negotiations.

Operating at the intersection between business and politics, leaders of major companies have much to teach politicians, says Smets, co-author with Timothy Morris of *The CEO Report*. The biggest lesson may be the need to view doubt as a positive that contributes to good decision-making. As one of 150 CEOs interviewed put it: "If you don't doubt yourself in a constructive, positive way, you are borderline dangerous for your company."

Doubt, says Smets, is the antidote to life in an 'echo chamber', where the only voices are those who share your views. Brexit underlines the importance of bringing a diversity of thought into any debate on important issues. "That's relevant to CEOs," says Smets, "and also to politicians."

Smets is associate professor in management and organisation at Said Business School

Words: Anat Arkin



## Candour is key to long-term success

**GIVING GUIDANCE** is the most important part of managing people, in Kim Scott's opinion. But she also believes guidance will only help employees develop their skills and achieve better results if managers demonstrate 'radical candour'.

This shouldn't be confused with rudeness or unkindness. "Radical candour happens when you care personally at the same time as you challenge directly," Scott explains. "It demonstrates concern for the other person's wellbeing, both their feelings and their long-term success."

By contrast, "obnoxious aggression" occurs when you challenge people without caring about them, while "ruinous empathy" results in criticism so sugar-coated and fuzzy that employees don't know where they went wrong.

But doesn't saying what you think risk giving offence and damaging workplace relationships? "Sometimes you may have to say something that stings a little bit in the short run in service to the person's long-term success," replies Scott, author of *Radical Candor*.

You may have the best intentions, she continues, "but if you can't make those clear to the other person then it's up to you to figure out a better way to get through".

Scott is a writer and co-founder of Candor, Inc



# Are employers ready to manage four generations?

As skills shortages, pension deficits and demographic change lead people to work longer, it's becoming commonplace for members of three or even four generations to work side by side. But what are the challenges of age diversity, and how much difference does when you were born make to your success at work?



### FLORIAN KUNZE

Chair for organisational studies, University of Konstanz

Young people promoted into supervisory roles are increasingly likely to find themselves managing older employees. But while age diversity issues are now receiving more attention from employers, strategies for dealing with the young boss-older subordinates scenario are rarely included in leadership development programmes.

A recent study (*Younger supervisors, older subordinates: An organizational-level study of age differences, emotions and performance* by Kunze and Jochen Menges) found inverse age differences have the potential to create negative feelings. If such feelings are widespread, company performance can suffer. Age-inverse leadership relationships go against common norms that equate seniority with age.

To avoid these problems, businesses should regularly assess employees' emotional states.

They should also invest in training to help upcoming leaders deal with situations where they are managing older people. Research has shown that young managers are most successful if they maintain a professional distance from older subordinates and provide them with autonomy. Beyond that, companies need to encourage positive attitudes. Only if different age groups value their mutual differences and strengths will they be able to work productively together.



### LYNDA GRATTON

Professor of management practice, London Business School

Generational differences are overdone. Most people want interesting work and some autonomy – whatever their age. It's been a mistake to put people into superficial categories, and expect baby boomers, for example, to be less willing to invest in their own development than millennials. There's little evidence behind these categories, or the idea that different generations can't work together. Some studies even suggest mixed-age teams are more productive than those made up of just one age group.

Instead of tailoring people management practices to the supposed needs of different generations, employers should stop assuming employees' lives will fall into the traditional stages of education, work and retirement.

They need to recognise that, as life expectancy rises, our lives will increasingly follow more varied patterns, and build greater flexibility into the way we all work.

Employers should also rethink retirement. People have to be encouraged and supported to work longer than they used to, and organisations can do that by dropping their tendency to stereotype employees on the basis of age. Age stereotyping is worse than gender stereotyping right now, but it is being challenged by the growing number of role models showing they are perfectly capable of doing big jobs in their 60s, 70s and 80s.