

*IRI Research:*

# The Role of Leadership In Innovation

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# The Role of Leadership in Innovation

- **Hypothesis:**
  - *“there is not just one set of cultural elements that is optimal for any given organization, but R&E organizations can be segmented into groups with similar values, beliefs, and attitudes”*
- **ROR team to:**
  - define different attitudinal/behavioral segments (not demographic segments) across R&E organizations
  - determine the best practices to enhance innovation within each of the segments.
- **Process was to:**
  - Identify Survey Tool and Complete Statistical Analysis – Johanna Dwyer
  - Identify most important factors and establish best practices – Susan Neylon

# Survey

Partnered with the Center for Creative Leadership and leveraged their KEYS survey

- More than 113,800 individual responses:
  - 61 organization types
  - 6 service age levels
  - 12 job functions
  - 8 organizational levels
  - 188 countries
- Nearly 700 organizations
  - Multiple industry types
  - Primarily R&D sections
- Self-Report Responses:
  - Never, Sometimes, Often, Always

# KEYS – Inputs/Outputs

- Leadership Dimensions \*
  - *Freedom*
  - *Challenging Work*
  - *Managerial Encouragement*
  - *Work Group Support*
  - *Organizational Encouragement*
  - *Lack of Organizational Impediments*
  - *Sufficient Resources*
  - *Realistic Workload Pressure*

\* Shown in previous studies to be related to outcomes

- Outcomes:
  - Creativity
  - Productivity

Each dimension and outcome composed of several questions  
(behaviors)

# Innovation Variable

- Innovation Variable = Creativity + Productivity
- Mean of 12 creativity and productivity criterion questions from KEYS (included in appendix)
- Alpha reliability measure 0.89 (correlation among questions)
- For each of the segmentation questions, the responses were separated into two groups by comparing high responses ( $>1/2$  SD above the mean) to low responses ( $<1/2$  SD below the mean).

**“High”  $>$  mean + SD/2, “Low” = mean – SD/2**

# Analysis Plan

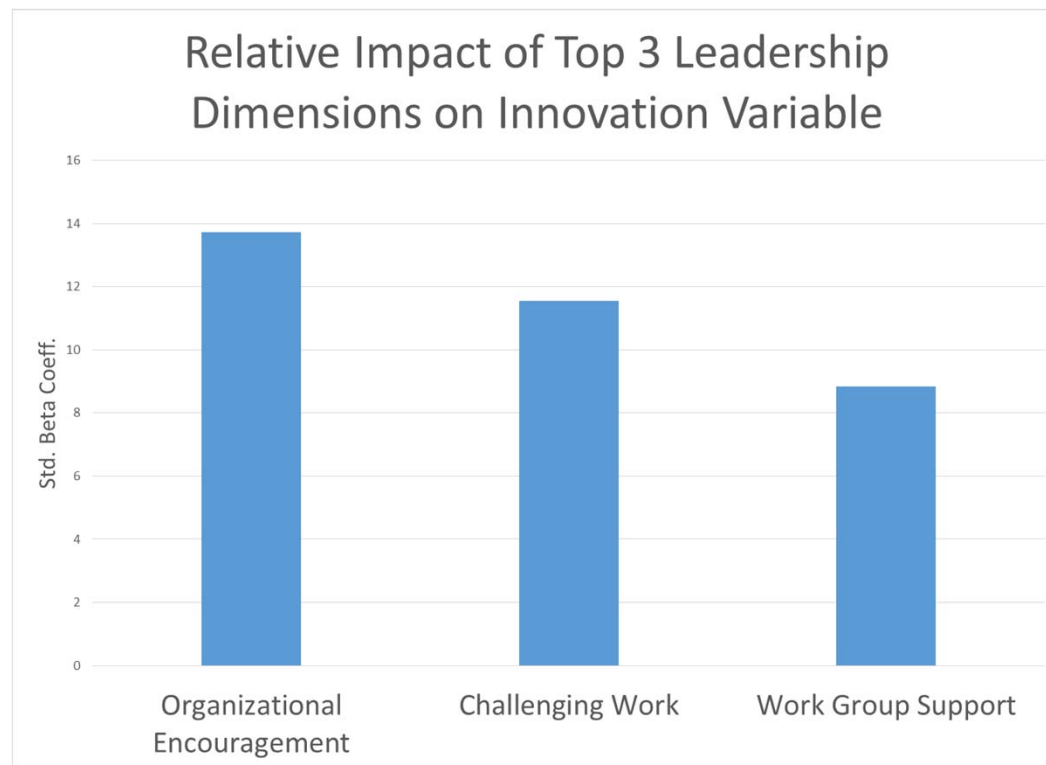
- Examine the relationship between each of the 8 Keys leadership dimensions and the *Innovation Variable*
- A priori segmentation examining impact of specific leadership behaviors
  - Control, Risk Taking, Openness, Support

# Questions?



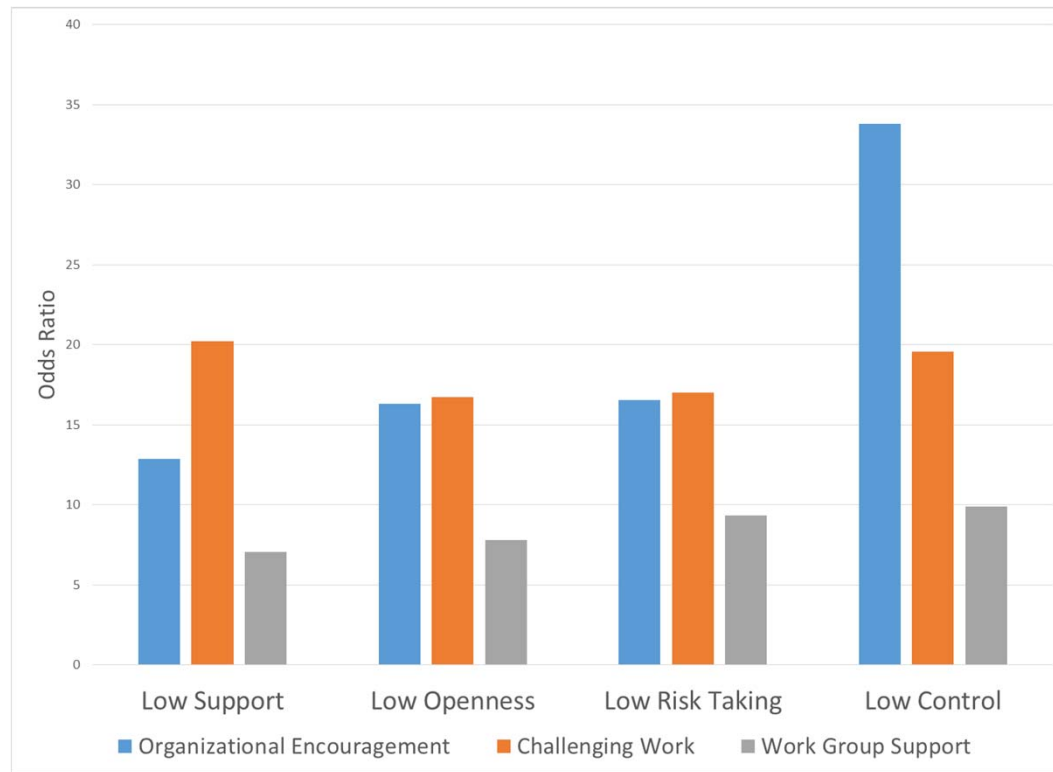
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# Most Impactful Leadership Dimensions – Entire Population





## Impact of Leadership Dimensions across Behavior Segments



- Differences in relative impact of top 3 dimensions

# Key Findings from Segmentation Analysis

- Most impactful Leadership Dimensions remain the same as the entire population:
  - Organizational Encouragement
  - Challenging Work
  - Work Group Support
- Organizational Encouragement dimension more impactful when:
  - Low Control
  - High Support
  - Low Risk Taking
- Challenging Work dimension more impactful when:
  - Low Support

# Benchmark Organizations

- Challenging work
  - Harman International – ½ the price, 1/3 the cost
  - Homestead Air Force Base – dramatically reduce time spent on plane repair
- Organizational Encouragement
  - Google – talk about big failures
  - Atlassian – FedEx Days
- Work Group Support
  - Colgate – wooden nickels
  - Rite Solutions – Idea market

# Questions?



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# Team

- Richard Dodge – Kimberly-Clark (leader)
- Johanna Dwyer – QipWorks (statistics, analysis)
- Susan Neylon – ITECS (background research, benchmarking)
- Sylvester Taylor – Center for Creative Leadership (created the KEYS database)
- Stewart Witzeman – Eastman Chemical (ROR experience, large contributor to the RTM article)

# Lessons Learnt from ROR

- Understand other ROR before yours and leverage what you can from them – CIMS
- Leverage other organizations that might have studied adjacent areas – CIMS and CCL
- Have a good chairman
- Have people on the team with different talents

# Contact information

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