Why We Need to Think Differently About Leadership in the Innovation Age

The concept of leadership is going through a fundamental redesign at the moment. That is because we are living in the Innovation Age and it requires a new style of leader. One that understands the importance of creating workplaces that are vibrant and future-focused, filled with people who are adaptive, life-long learners eager to participate in the innovation imperative.

Future Skills

By 2020 technical knowledge will be doubling every 73 days and by 2030 40% of current jobs will be lost to automation. The 2016 World Economic Forum report The Future of Jobs: Employment, Skills and Workforce Strategy for the Fourth Industrial Revolution suggests that by 2020, “more than a third of the desired core skill sets of most occupations will be comprised of skills that are not yet considered crucial to the job today.”

In a world that is changing so quickly, leaders need new skills to ensure the success and ongoing relevance of their organisations. But leadership development is historically not done well in Australia. A major research project undertaken at the University of Melbourne in 2016 called the Study of Australian Leadership found that people are often promoted into management roles based on their technical skills but have no idea how to be good leaders. Especially the kinds of leaders that can affect transformational change to create a culture of innovation. Leadership development in Australia has fallen behind the times.

The VUCA Effect

Research done by global consulting firm DDI and reported in their Global Leadership Forecast 2014/2015 showed that VUCA (Volatile Uncertain Complex Ambiguous) capability in leaders was directly linked to an organisation’s performance. VUCA is the new normal! The pace of change today is ruthlessly separating the organisations that can adapt and stay relevant from those that can’t. The constantly changing landscape of the 21st century is challenging all organisations (no matter what sector they operate in) to do differently.

The key to achieving robust success in this new environment is to have leaders who understand how to lead in the Innovation Age. Such leaders are able to unlock the talent within their teams; help people to feel safe while navigating disruption and empower people

to be successful life-long learners. Such leaders create vibrant future-ready workplaces that can rise to the challenges of the Innovation Age.

Without good leaders at all levels, organisations are in danger! They won’t just be poor performers, much worse, they’ll become irrelevant. And then it’s just a short step to extinction.

**The Challenges for Leaders in the Innovation Age**

Part of a leader’s responsibilities is to show people that the world has radically shifted and that business-as-usual is dangerous. Innovation is the new safety net and the riskiest course of action is to NOT innovate. What are some common challenges facing leaders today?

**Developing Entrepreneurial Thinking**

People who think and act like entrepreneurs inside large organisations are called Intrapreneurs. If leaders are able to bring out the entrepreneurial spirit in team members, they will be much more successful at bringing projects to fruition with higher levels of innovation. However, the challenge is that historically, employees in organisations and businesses have not been given such opportunities in the past and so need to develop their skills in this new way of thinking, doing and working.

**Democratising Leadership**

Democratising leadership recognises that everyone on the team can play a leadership role, help make decisions, offer valuable contributions, advance the cause, proffer insights and drive innovative outcomes. It is not just up to the designated leader to shoulder all the responsibility for achieving the required results and making the decisions along the way to bring them to fruition. However, this kind of leadership asks the leader to share and even relinquish control on occasions. Some leaders are uncomfortable with this for a number of reasons. Some may feel that it is an abdication of their responsibilities; others because it does not bring enough personal ‘glory’; yet others may be afraid that chaos will reign.

Leaders of the future will be comfortable inviting deeper involvement and participation in decision making, seeing it as a powerful people development tool rather an abdication of a leader’s responsibilities.

**Harnessing and Utilising Potential**

Inevitably in every team there are untapped, latent skills and talents that are not being utilised. The challenge for leaders is to unearth these potentially valuable resources. However, this can be a time-consuming process and requires the leader to be prepared to
spend time with team members to uncover the skills, knowledge and experience that resides there.

**Thinking Creatively**

The 2016 GE *Global Innovation Barometer*[^4] showed that problem-solving skills and creativity (beyond the necessary technical qualifications for a job) are now the top two most highly desired workplace skills globally. *Creativity has emerged as the new essential skill for the innovation age. Creative teams are more engaged and more productive delivering better outcomes. However, this is another area in which there is a huge skills gap within many organisations as there has typically been limited opportunities for this sort of development in the past.*

The challenge for leaders is to demystify creativity and encourage people to persist with the job of generating new ideas to problems; embracing uncertainty and ambiguity; looking for ways of combining different ideas that produce creative outcomes; and giving their people ‘permission’, encouragement and reassurance that creative thinking is important.

**Being Adaptable**

It is easy to get stuck in a default mode of thought when we are busy and overloaded. Under such circumstances, it is much easier to do something in a ‘tried and true way’ rather than look for new and better ways of solving problems. Innovation Age leaders face the challenge of avoiding default thinking so they can be flexible in rising to the demands of the innovation age.

**Thinking Strategically**

One of the greatest challenges for leaders at all levels is to avoid becoming mired in the quicksand of operational thinking and ‘short-termism’. They need big picture thinking. This requires knowledge of local trends as well as the broader global megatrends that will inevitably wash across the organisation. The only way an organisation will be buoyant in such an environment is if the leaders are looking up from their day to day activities.

**Engaging People**

Engaged employees are more productive, innovative and satisfied. Organisations with engaged employees are more profitable and effective. Engaged people give more discretionary effort, are more loyal and deliver higher levels of customer service. Engagement levels are an accurate predictor of organisational success. Yet research from around the world suggests that in most organisations less than 30% of employees are actively engaged! Engaging their people is one of the greatest and most pervasive challenges for leaders.

Levels of Innovative Leadership

Organisations have leaders at different levels of readiness and ability to lead for high-performance, change and innovation. The next few years will make unprecedented demands on leaders as the world of work undergoes a seismic shift.

Workplaces need to prepare leaders today. Having great technical skills and basic managerial skills is just not enough anymore. Leaders need to move beyond doing a good job of solving existing problems in routine ways or maintaining existing procedures and processes that preserve the status quo. Innovation age leaders now need to be able to adapt themselves and their teams effectively to new circumstances and to use their knowledge in new ways to problem-solve creatively so that they can be future-ready. Yet even that is not enough. For genuine sustainability and longevity, leaders need to go beyond being future-ready to being future-focused. This is where they are prepared and able to proactively reinvent themselves, their professional practice and their teams - to bring transformation.

Harvard’s 2018 State of Leadership Development Report claims that in today’s world, “transformation has become the new normal for organisations seeking to adapt and excel in the face of ever-accelerating change.” The research showed that organisations that viewed learning and development as critical to business success were the top performers. Effective leadership development therefore is a business critical activity.

The three levels of the leadership journey are described below.

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LEVEL 1 THE WAY FOLLOWER

The Way Follower is the competent leader who can be relied on to do a reasonable job of maintaining the status quo. They have learnt particular ways of solving problems that have worked well in the past so they fall back on these consistently to deliver predictable results.

Way Followers know how to use their existing body of knowledge and skills effectively but tend not to experiment with new applications of their expertise, in new ways to solve new challenges. This would take them out of their comfort zone and they are not prepared to go there. These are often the people who have been promoted into leadership roles based on their technical expertise but have not subsequently challenged themselves to expand their skillset for the more complex task of leading, engaging and inspiring people.

To use the analogy of a road, we’d say that Way Followers like to stay to the ‘road well travelled’. The hard work and heavy lifting have been done by others. It is the route that is safe, well built and well paved but completely predictable in where it leads with no chance of influencing the destination.

Way followers operate in their comfort zone

The comfort zone represents stability, predictability and safety. Leaders who live in the comfort zone have reached a certain level of competence and are happy to stay at that level without challenging or extending their skills. They are happy to reproduce existing procedures without looking for new ways of doing things or different ways of striving for better outcomes. Consequently, knowledge and skill sets remain relatively static and wedded to rigid mental models that are likely to be out dated. They focus on the past and present rather than the future.

LEVEL 2 THE WAY FORGER

The Way Forger is the skilled leader who is looking to grow and adapt their skills even further. They want to go from competence to mastery. That evolution only happens by solving progressively more difficult problems, using existing knowledge in new ways, learning from the outcomes and transferring that learning to different contexts of ever increasing complexity. Hence the Way Forger regularly seeks to step out of their comfort zone into their learning zone because they know that is where worthwhile, satisfying, personal and professional growth take place.

The Way Forger takes the ‘road less travelled’ and widens it, smooths it and builds it, to make it easier for others to follow into new territory.

Way forgers operate in their learning zone

Beyond the comfort zone is the learning zone where people are growing, extending and reshaping skills and experience to take them to a higher level of performance. Leaders at this stage see their knowledge base as malleable not rigid and are prepared to do differently to improve performance. They are adept at helping their teams to be change ready.

LEVEL 3 THE WAY FINDER

The Way Finder is the visionary leader who looks ahead for opportunities to set direction into the future. These highly committed leaders welcome the difficult task of solving problems creatively, taking calculated risks and experimenting with new ideas and approaches in order to find a better way forward.
Way Finders leverage their extensive body of knowledge by collaborating with people beyond their area, crossing knowledge boundaries to draw on insights from outside their field of expertise and are brave enough to take the inevitable criticisms their actions will attract from less pioneering mindsets. As such they operate in the innovation zone catalysing change and transformation.

The Way Finder is up for the hard work of leading into virgin territory, ‘greenfield sites’ where progress can be slow and frustrating. But these are the leaders who shape and create the future.

**Way finders operate in their innovation zone**

Leaders who operate in the innovation zone are not just reshaping their skill set; they are transforming it to leverage knowledge in new ways. This requires them to be flexible thinkers who are mentally agile with a preparedness to reinvent themselves and their teams. What’s more they can do it *proactively* because they keep a close eye on future trends. Consequently, they prevent their teams from becoming mired in reactive responses, living in ‘Groundhog Day’ and using up valuable time and energy just putting out bush fires rather than positioning themselves for the future.

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**“If the rate of change on the outside exceeds the rate of change on the inside, the end is near.”** Jack Welch.

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**How to Lead in the Innovation Age**

When leaders deliberately cultivate within themselves and their team members the three characteristic drivers of innovation age leadership (as presented in the model) they help create an adaptable organisation that is relevant to their customers and clients, operating at the highest level of contribution to their industry and the world. The iterative adoption of these drivers helps to move leaders up the levels outlined in the previous section.

*Shift mindset* refers to a preparedness to think differently and to constantly look for new ideas and opportunities for creating value.

*Evolve practice* refers to the preparedness to take action on new ideas to produce outcomes that continuously move the organisation forward either in small steps or large leaps.

*Create engagement* refers to the necessity to take everyone on the journey so that the entire team feels like they all have a stake in the success of the team and the organisation.
The 9-Step Process to Creating Innovation Age Leaders

Learning to be a leader for the Innovation Age is a journey. The table below provides a roadmap to assist with facilitating that journey. The steps in each stage help to transition leaders to higher levels of performance.

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**STAGE 1 WAY FOLLOWERS**

**STEP 1 READY**

To become leaders who are adept at leading innovation and taking their teams on that journey with them, leaders need to be READY to take the next steps to change their thinking and practices. It requires acceptance and acknowledgement that current practices are not
serving as well as they once did. The necessity to change has a more powerful pull than the fear or discomfort of stepping out of the comfort zone. If leaders reach this realisation, then they are prepared to do what it takes to migrate to the next step. If they don’t, they will stagnate and end up frustrating or infuriating the people in their teams who want to evolve and develop.

STEP 2 IMPROVEMENT

A genuine desire to bring Improvement to their work practices and outcomes is an essential pre-cursor to leaders at this stage moving through the steps to the higher levels of leadership performance. Unless they are prepared to eschew the status quo, they will not be able to engage in the kinds of thinking, deciding and acting that will result in enhanced outcomes.

STEP 3 ACKNOWLEDGEMENT

Acknowledging that everyone has a role to play in progressing the team and the organisation is essential for setting direction and expectations for the future. This provides the spring board into a new direction that will take the leader and their team on the path to high performance. Transitioning leaders often need some assistance and guidance with finding this new direction and mapping out what needs to happen next and what tools are useful. It is important that this scaffold is provided as otherwise they can end up feeling lost and it will be harder to motivate them down the track.

STAGE 2 WAY FORGERS

STEP 4 EMBRACE

Once people have negotiated Stage 1 successfully they are ready for Stage 2 which starts with a preparedness to embrace change. By this stage, they have moved beyond seeing it as a necessary evil and only reluctantly engaging in it - to realising that there is a wealth of opportunity in the change that comes through leading for innovation. By being excited and enthusiastic about these opportunities they are able to influence others more effectively and consequently see their efforts gain traction. This builds confidence and motivation and provides the fuel to continue the journey. If this step is not successfully negotiated it can result in someone becoming disillusioned and slipping into apathy.

STEP 5 ADAPTATION

The outcome of embracing change is a preparedness to examine existing processes and practices to see which ones need adaptation in order to produce better results. Adaptation by its nature is about small to medium size evolutionary modifications and variations rather than transformative, revolutionary outcomes. People often need to build their confidence in smaller ventures before tackling major ones. If adaptation is done well it creates a leader and a team that starts to become future-ready, if not it ends in irrelevance with people feeling like they wasted their efforts. Experienced mentoring is therefore important at this
stage to help leaders who are on this journey to make good decisions about what kinds of projects and initiatives to pursue and how – so that they succeed in their efforts.

**STEP 6 INVOLVEMENT**

At this stage leaders have the skills to be able to engage and inspire team members in a way that will create excitement about being involved in change and innovation. In other words, they have mastered sufficient innovation skills and leadership qualities to be confident about leading people through less well known territory in ways that enable them to feel safe. They are encouraging and supporting their team members to experiment with new ways of solving problems. Because leaders at this level are now comfortable with stepping out of their comfort zone, they can lead by example and encourage their team members to do so as well. Consequently, their teams go on an accelerated growth and development journey.

However even at this level it is important to support the development of the Way Forg leader – the main reason being that they have stepped up into a much higher space of thinking and responsibility. They are conscious that others are looking to them for direction and guidance and don’t want to disappoint them. They have responsibility for major initiatives and projects. Consequently, if not supported well they can lapse into a sense of being overwhelmed which can undo the hard work that has got them to this stage.

**STAGE 3 WAY FINDERS**

**STEP 7 INITIATE**

Beyond being ready for change and embracing change, the way finding leader drives and initiates it. The initiation may come directly from the leader themselves or it can bubble up from all around her or him because this leader creates an environment within their team or their space of influence that is conducive to others stepping up to drive change and innovation. In other words they have created a culture of innovation within their team. This leader is now going beyond leading innovation and now leads for innovation where everyone sees that it is their role to contribute to positive change.

Done well, this step is will shift people and performance into high gear with exponential outcomes. Done poorly it results in frustration – knowing what could have been possible, but not quite getting there.

**STEP 8 REINVENTION**

If a leader succeeds in creating a culture of innovation in their area, then they have created an environment which is highly flexible, adaptable and open to constant improvement. Default thinking and business-as-usual are the enemy. This is the context where it becomes possible to reinvent business processes and procedures and create new modus operandi. Reinvention goes beyond adaptation. It represents a significantly different way of doing
something rather than just a small improvement. This is the realm of disruptive rather than incremental change.

Reinvention is pursued by leaders with eyes on the future rather than the present. They are looking at where the ball will be a year or many years down the track - not tomorrow. Done well, these leaders create a future-focussed workplace that is strategically positioned to take advantage of emerging technologies and changing trends. Done poorly, thinking defaults to present-focus, short-termism and operational thinking.

STEP 9 OWNERSHIP

At this point way finding leaders have grown the maturity of their teams to the extent that team members feel encouraged and supported to take ownership of their ideas and to progress them effectively.

Leaders who are Way Finders have learnt how to navigate the dual responsibilities of paying attention to day to day exigencies and priorities yet without being pulled into the quicksand of day-to-day operational thinking so that they can still think big and dream big on behalf of their organisation. Their most important role is to inspire others to pursue that future vision. If they can do so - they will facilitate transformation as others will be enthused and motivated to take up the challenge of positioning the organisation for future success. If not, they will be constrained in what they could potentially contribute and achieve for the organisation.

Conclusion

The success of any organisation is dependent on the quality of the leadership within the organisation. Organisations that allow their leadership development to become out-of-date will struggle to be agile and relevant in a fast moving world. Research is suggesting that leadership training in Australia has fallen behind the times. Not only that – but when it is done it is usually only targeted to people who are already in senior leadership positions.

In a world that is changing so fast, ALL layers of the organisation need to be given the opportunity to grow a variety of skills in a variety of ways so they can develop learning agility, increase learning velocity and identify themselves as life-long learners and positive change makers.

Bring your leadership training up to date by expanding the repertoire of skills you are developing in leaders, emerging leaders and aspiring leaders. Include innovation, creativity, collaboration, strategic thinking, problem-solving and enterprise skills in amongst the usual mix of communication, presentation, DISC, technological, digital and domain-specific technical skills. All of these contribute to leadership development in different ways to build essential leadership capital to create a responsive, vibrant, future-ready organisation.
I’ve been working in the areas of innovation and creativity since before they were identified as the new essential skills for the future. My PhD was in how people gain expertise in solving complex, ill-defined problems in creative ways. Creative problem solving is the precursor to innovation. My entire working life has been dedicated to the development of human potential – just in different contexts. Today I work as a corporate educator, speaker and mentor.

The thing that really lights me up is seeing people liberate their creativity and leadership talent to solve problems and achieve outcomes they never thought possible. I think of myself as the catalyst that helps to facilitate even more brilliant outcomes for smart leaders.

What differentiates me is my unique skillset. I have the depth of academic knowledge, the skills of an educator as well as the real-world experience of an entrepreneur with a long and exemplary track record of helping leaders and emerging leaders achieve remarkable results.

Talk to me if:

- You have leaders whose potential is currently underutilised
- Your leaders want to drive innovation but are not sure how
- Your key people have the appetite and the desire to innovate and be creative but are unsure where to start or how to make it happen.

In my experience, some common challenges in organisations are that they want to:

- Create an innovative workplace but have too many barriers
- Do things differently to stay relevant but keep defaulting to existing solutions
- Inspire their people to get excited about change but everyone is too busy
- Create a future-ready workforce but people are mired in operational thinking.

I have a suite of programs that helps leaders, emerging leaders, supervisors, key influencers and managers to become confident with leading, driving and implementing innovation and
creative problem-solving with their teams so your organisation can deliver at the highest level on your mission and purpose and create even more value for your customers.

Next Steps

Contact me if you would like more information about my Leading in the Innovation Age workshops and/or extended leadership development programs. I would love to speak with you about your leadership development needs.

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Visit www.drirenayashinshaw.com to view my client list and the wealth of testimonials from the many organisations, leaders, emerging leaders and aspiring leaders I’ve worked with over the years. There are also a number of free resources and other books that might serve you and your team.

How to purchase Leading in the Innovation Age

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