

Gartner®

Measure and Influence Innovation Climate at Your Organization



Overview

Employees' innovation values and beliefs are significantly shaped by their shared perceptions of how innovation happens at their organization. To change their culture, R&D leaders must first measure this "innovation climate." We show how organizations can then achieve the desired cultural and behavioral changes by consistently modelling the right behaviors, and setting and communicating an effective innovation vision.

R&D teams should use tools to measure their organization's innovation climate strength, and R&D leaders should use that analysis to develop a plan to strengthen it.

Establish a strong culture of innovation:





Understand Climate, Culture and Behaviors

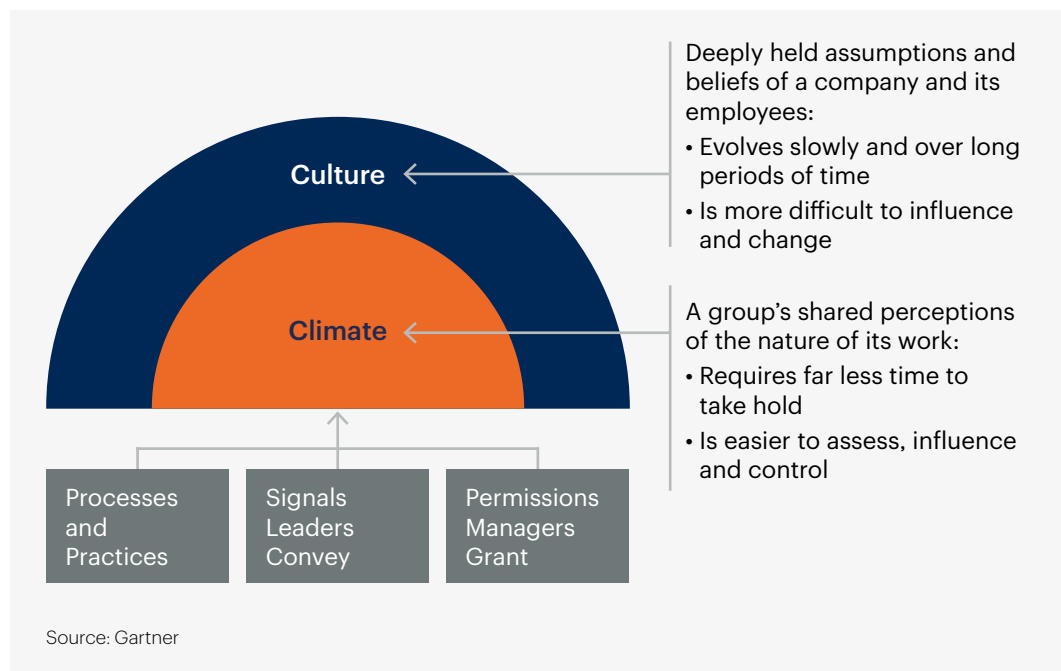
Make sure your stakeholders clearly understand the nuances of innovation climate, culture and behaviors.

Innovation Culture: The deeply held assumptions, beliefs, and values with respect to innovation shared by an organization's employees, culture and behaviors.

Innovation Climate: The shared perceptions of an organization's employees about innovation.

To better understand the important relationship between the innovation climate, culture, and behaviors in an organization, see figure 1.

Figure 1. Definitions of Culture and Climate



- The signals leaders convey, the permissions managers grant, and the processes and practices of an organization shape employees' shared perceptions (innovation climate) on innovation.
- Employees' shared perceptions shape values and beliefs (innovation culture).
- Employees' shared values and beliefs shape their behaviors.

Organizations serious about influencing their innovation culture (and subsequently behaviors), **should measure and seek to influence their innovation climate**, because it's easier to observe, measure and influence than innovation culture.



Measure Innovation Climate

Surveys are commonly used to gather employee perceptions on innovation climate.

At the most fundamental level, **measuring innovation climate means measuring employees' shared perceptions on innovation**. Climate measurement, therefore, involves either interviewing or surveying employees to understand how they view innovation in their work environment. **A good innovation** climate is where employees collectively perceive innovation as integral to their work environment — where they can hear, see, and feel that their leaders and peers are invested in innovation.

Psychometric questionnaires deployed through surveys (whether online or on paper) are the most popular instruments for gathering employee perceptions. These involve translating what we might expect to see in a strong innovation climate (e.g. Senior leaders prioritize resourcing innovation projects) into survey questions for employees. The sum total of the survey responses then serves as the shared perception of a representative sample of employees of how innovative their organization is.

Our Approach

We undertook extensive research to develop a survey that assesses which factors have the greatest effect on innovation climate.

As part of our climate survey, we crafted an innovation climate index to assess and understand which factors best strengthen innovation climate. Based on the above research, **the innovation climate index comprises six drivers:**

- Surfacing high-quality ideas
- Delivering innovative products/services
- Retaining best people
- Continuously innovating
- Believing to deliver
- Assessing if company's innovation culture is strong

Together, these six outcomes define an innovation climate. The innovation climate index is scored on a 7-point scale (strongly disagree to strongly agree). A high score (6 or 7) indicates a strong innovation climate, and a low score (1, 2 or 3) indicates a weaker innovation climate. Figure 2 provides a partial list of the 80 drivers we tested against our innovation climate index.

Figure 2. Factors and Representative Drivers of Innovation Climate

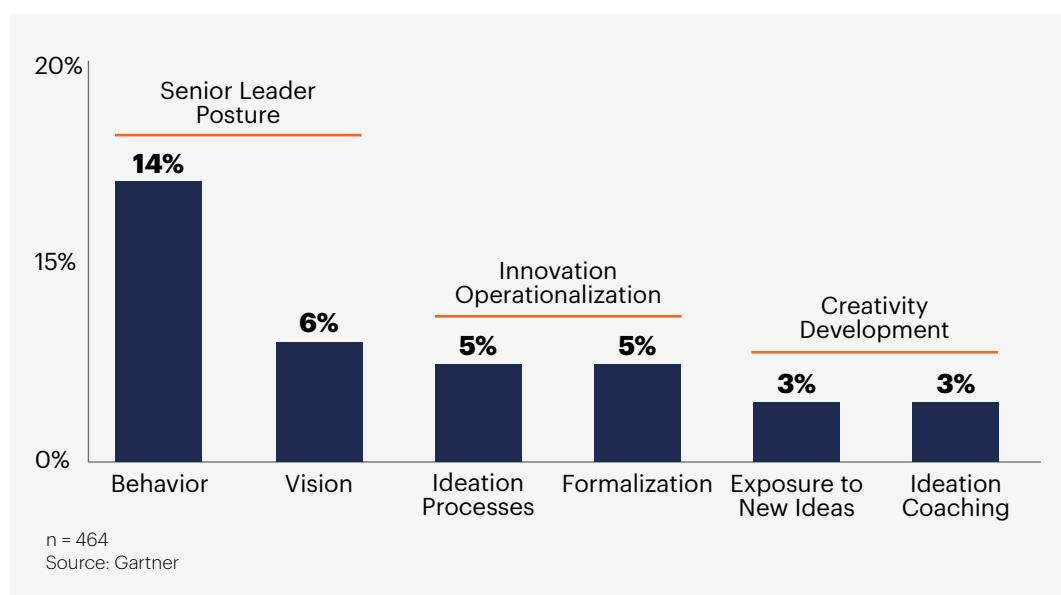
Senior Leadership Behaviors • Senior leaders prioritize resourcing innovation projects. • Senior leaders are open to suggestions and new ways of working. • Senior leaders emphasize the value of learning.	Exposure • I am exposed to ideas outside my industry. • I am exposed to new technology. • I am exposed to a continuous stream of ideas.
Manager Behaviors • My manager helps me explore problems. • My manager helps pressure test my ideas. • My manager is open to new perspectives.	Ideation Processes • Ideas are evaluated fairly and objectively. • We have a codified process for moving ideas forward. • Individuals know how to move ideas forward.
Teammate Behaviors • My teammates are committed to innovation. • My teammates provide constructive feedback on my ideas. • My teammates are open to new ideas and ways of thinking.	Formalization • Our leaders measure our innovation output. • Innovation is one of our corporate values. • Our company offers formal rewards for new ideas or innovations.
Vision • Senior leaders consistently communicate the importance of innovation. • Our company leadership has a vision for how innovation leads to growth. • I believe my company is interested in being innovative.	Collaboration Support • Our company establishes incubator groups to take on innovation projects. • Our company has a designated fund for new ideas. • I receive help finding potential partners for collaboration.
Failure Tolerance • My manager prioritizes results over all else • I believe that I would be punished for failing • My teammates react negatively when ideas or projects fail.	Role Design • Day-to-day projects provide opportunity for innovation. • I have time to explore ideas that fall outside of daily tasks. • Our workspace enables creativity and collaboration.
Expectations • Part of my job is to generate new ideas. • I am expected to help my company generate new ideas. • I am challenged to come up with solutions to hard problems.	

Influence Innovation Climate

To most improve innovation climate strength, R&D leaders need to consistently model the right behavior, and set and communicate an innovation vision.

Of the 80 drivers we tested, three things, when done well, will result in stronger innovation climates: senior leader posture, innovation operationalization, and creativity development.

Figure 3. Impact of Drivers on Innovation Climate Strength



Innovation operationalization, which includes ideation processes and formalization, and creativity development, or employees' exposure to new ideas and ideation coaching, were both found to significantly affect innovation climate. Of all other factors that result in stronger innovation climates, however, **senior leader posture is the most impactful**. To make the biggest improvement to innovation climate strength, R&D leaders need to consistently model the right behavior, and set and communicate an innovation vision.

Model the Right Behaviors

Senior leader behavior is defined in terms of:

- Prioritizing innovation
- Showing continuous interest in new ideas
- Consistently pushing the status quo
- Emphasizing the value of learning

Our research shows doing these things well demonstrates leaders' commitment to innovation, and has the biggest impact on driving climate strength. The actions of senior leaders speak louder than their words—by prioritizing innovation, showing continuous interest in new ideas, and consistently looking to disrupt the status quo, leaders create an innovation climate. To compel leaders to consistently prioritize innovation, organizations should build incentives that hold leaders accountable to specific innovation goals. Senior leaders must also consider their own blind spots, i.e., behaviors they demonstrate that inadvertently signal disinterest in innovation, and actively resolve them.

Set and Communicate the Innovation Vision

Senior leaders' vision is defined by the following drivers:

- Continuously referencing innovation
- Consistently communicating the importance of innovation
- Having a vision for how innovation leads to growth
- Inspiring a belief in staff that the company is interested in being innovative

To effectively communicate an innovation vision, leaders must be precise about what they mean by innovation and concise about how they aim to drive innovation. High performers will seek to publish their innovation vision broadly, provide opportunities for teams to engage with that vision, ask questions, and provide feedback.

In sum, the tone leaders set, how they comport themselves, and how they consistently prioritize innovation significantly impacts the strength of their organization's innovation climate.

Conclusion

R&D teams should use tools to measure their organization's innovation climate strength, and R&D leaders should use that analysis to develop a plan to strengthen it.

While measuring and improving innovation culture might seem daunting, it is easier to assess the innovation climate in an organization — the shared perceptions of employees with respect to innovation — than innovation culture. Our research found that consistently modelling the right behaviors, and setting and communicating an innovation vision made the greatest difference to innovation climate.

Our climate assessment provides R&D teams with a baseline measurement of the innovation climate at their organization. R&D can then work with their leadership teams to understand which areas of their innovation climate deserve most attention, and focus their initiatives (messaging, training, incentives, etc.) towards those development areas.

About This Research

To help R&D leaders better understand how to influence and strengthen innovation climate, we deployed a multi-pronged approach:

- We interviewed **over 100 R&D leaders** and conducted a thorough literature review of academic papers, popular books and articles.
- We deployed an extensive survey on innovation climate to **over 450 R&D staff members representing 91 companies**. The staff/companies in the survey set span a range of industries and revenue sizes.
- We tested **over 80 variables** and conducted a factor analysis to sort the variables into groups, and then a regression analysis to see which drivers truly impact innovation climate.

Build Tomorrow's R&D Organization: Innovate and Mature Your R&D Function

At Gartner for R&D, we provide insights, advice and tools to help R&D leaders like you excel against your mission-critical priorities and position your organization for growth. This includes emerging technology trends, uncertainty — and opportunity. Build a world-class R&D organization: identify crucial R&D activities, prioritize with confidence and master organizational execution.



Position yourself and your R&D organization for success

Discover how you can initiate innovative behaviors to drive business growth