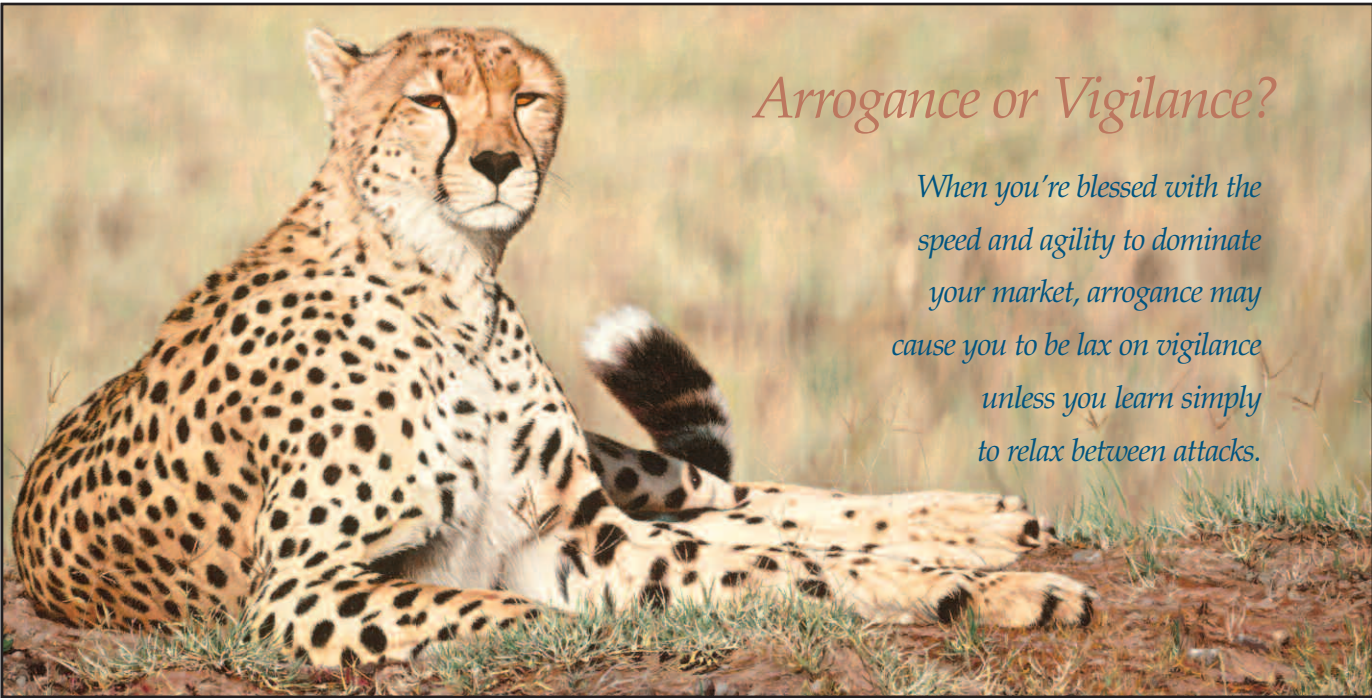


# LEADERSHIP Excellence

*Warren Bennis*



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## *Arrogance or Vigilance?*

*When you're blessed with the speed and agility to dominate your market, arrogance may cause you to be lax on vigilance unless you learn simply to relax between attacks.*

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# Fostering Innovation

*Doing right by doing wrong!*



by Abhay Padgaonkar

RECENTLY, I ATTENDED an improvisation workshop for 10-year-olds at a piano camp. The clinician was teaching children that the only rule was that there were no rules! The children were asked to play in a given rhythm (“ostinato”), but the notes, order, and even the octave didn’t matter. They could “just make it up.”

A look of horror came on the faces of these talented youngsters. After encouragement by the teacher, however, they made some beautiful music together. Picasso once said, “All children are artists. The problem is how to remain artists once they grow up.”

That’s the dilemma companies have when it comes to innovation.

As children, we are told: “Do the right thing. Color inside the lines. Show good manners. Use correct grammar.” We earn good grades by making fewer mistakes. We learn to avoid mistakes, and made to feel ashamed, embarrassed, apologetic, and guilty when we “screw up.” The result? We fear failure.

When we grow up and gain experience, we re-learn what Charles F. Kettering discovered: “You’ll never stub your toe standing still. The faster you go, the more chance there is of stubbing your toe, but the more chance you have of getting somewhere.”

Mistakes are part of learning and innovation. Mistakes are better teachers. “Success is a lousy teacher,” notes Bill Gates. “It seduces smart people into thinking they can’t lose.”

## The Comedy of Errors

According to Atul Gawande, “When things go wrong, it is usually because a series of failures conspires to produce a disaster.” For example, an investigation into the fatal truck bomb strike on the U.N. headquarters in Iraq indicated a lack of clear leadership, deliberate defiance of regulations and recommendations, turf battles, dysfunctional systems, and bureaucratic procedures.

As organizations increase in scope and size, they become more bureaucratic, internally focused, intolerant of

mistakes, and incapable of learning from them. Yet, they aspire to retain the spirit of innovation.

Large organizations comprise a complex system of people, structures, products, processes, and technologies. According to James Reason, “latent errors pose the greatest threat to the safety of a complex system.” He defines active errors as those committed by the front-line operators. Latent errors “are likely to be spawned by those whose activities are removed from the direct control interface.”

Organizations have a typical response when there is a failure: denial, deflection, blame-game, fault-finding mission, search for scapegoats, and punishment of innocents.

This response emanates from the fact that we are trained to fear failure. Paul C. Nutt writes: “Debacles highlight blunders.” He traces the failures to the actions of decision-makers and notes: “Blunders that lead to failure stem from using failure-prone practices, making premature commitments, and spending time and money on the wrong things.”

Rather than playing the blame-game, leaders need to encourage honesty and openness.

Consultant W. Edwards Deming’s advice was to drive out fear: “Many people are afraid to ask questions, even when they do not understand what the job is or what is right or wrong. So they continue to do things the wrong way, or not do them at all. To improve quality and productivity, people need to feel secure.”

Simply beating people on the head does not eliminate the latent root causes of failures. Leaders need to look in the mirror to see how the decisions they make may introduce latent errors upstream that set people up for failure downstream. They need to overcome the resistance among management to hold themselves up for scrutiny.

## Making Deliberate Mistakes

While executives “know” what needs to happen for innovation to

occur—flexibility, decisiveness, risk-taking—“doing” it is a whole other proposition. Paul J.H. Schoemaker and Robert E. Gunther note: “Although people need to make mistakes in order to improve, they go to great lengths to avoid anything resembling an error. In most companies, mistakes are seen as defects.” This mode of thinking goes to the core of a culture.

A culture of innovation nurtures fearlessness. Leaders need to drive out fear, accepting that experimentation will lead to errors and that errors are learning experiences. Rules and regulations may enable smooth operations, but become constraints and obstacles that choke off innovation. To encourage innovation, leaders must identify, call out, and root out the innovation-busters in the culture. They should challenge “common wisdom,” set the tone, and reward those who challenge long-held, rigid assumptions in a constructive and systematic way.

Paul J.H. Schoemaker and Robert E. Gunther extol the virtues of making *deliberate* mistakes: “Managers need to make mistakes *knowingly* when the potential gain greatly outweighs the cost, when the same decision is made repeatedly, when the competitive environment has changed, or when there are many



solutions to a complex problem.” You can decide between smart mistakes and dumb ones by identifying assumptions, selecting assumptions for testing, ranking the assumptions, executing the mistake, and learning from the process. When innovation is a high priority, leaders need to instigate learning by making deliberate mistakes.

In August 2006, NASA picked two companies, both recovering from failures, to develop a new commercial spaceship that would resupply the International Space Station. Scott Horowitz, NASA’s exploration chief, said, “In some cases, failure is good thing to have on your record because that learning is behind you.”

Innovation begins with creating a culture that encourages making deliberate mistakes—and then learning from them.

LE

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**ACTION: Heed the lessons of failure.**