



# 5 Steps to Building An Innovation Culture



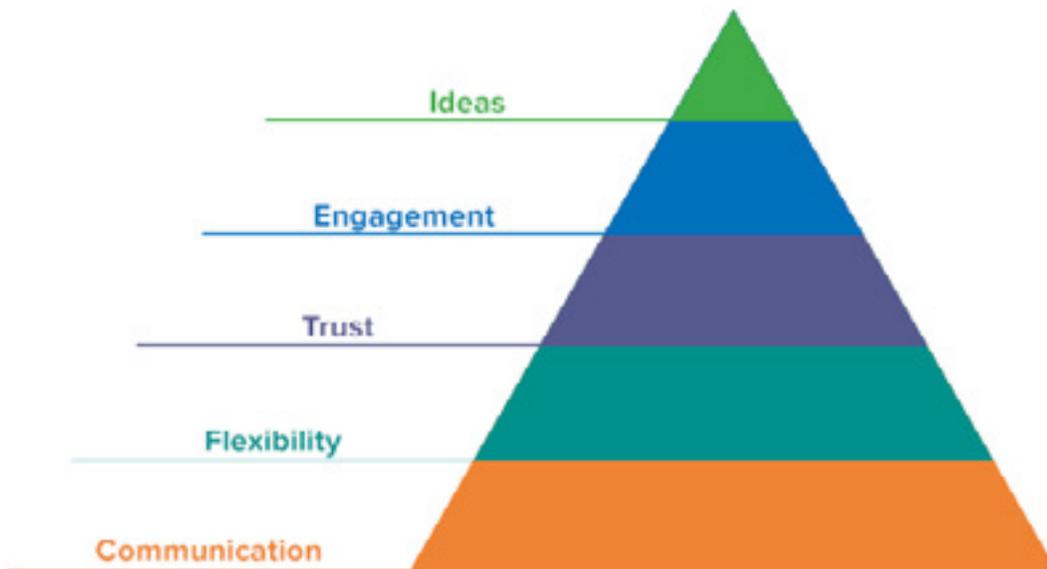
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# Introduction

If you've ever taken an intro to psychology course, you've probably heard of Abraham Maslow, or more specifically Maslow's Hierarchy of Needs. Maslow was a psychologist in the 20th Century who realized that humans must have certain needs met before they can attempt to strive for more more. For instance, basic physiological needs like breathing, being clothed and sleeping need to be met before a person can achieve confidence, creativity and have a sense of purpose.

This concept of meeting basic milestones before climbing to higher levels of success holds true not only in psychology, but in business as well (though the pyramid obviously looks very different).



At the bottom is the basic need that all companies must have met – and the one that many struggle with the most – **effective horizontal and vertical communication**. At the very top of the pyramid is the final need to achieving an innovative team - **capturing new ideas**.

# Introduction

Our new clients often ask, “Why is it so hard to get my people to be innovative? They’re creative and motivated, but we just can’t seem to get to full-blown innovation success.”

Among other reasons, innovation does not happen overnight. Like Maslow’s final stage (self-actualization), it can only be reached when your employees feel like they can communicate openly, are able to be flexible and adapt, have a shared vision, and can be fully engaged in their jobs.

Lucky for you, with the right talent and these five ingredients, an innovative team is within arms reach.



*Step 1:*

**Building Effective  
Vertical & Horizontal  
Communication**

## Step 1: Building Effective Vertical and Horizontal Communication

No matter how cohesive your team is, **communication** is always going to be important to your company's success. And one of the biggest struggles that you'll face is finding the best way to communicate with their employees. Consider the latest findings on the cost of ineffective communication:

- **\$26,041** is the average amount lost per worker every year due to lost productivity from communication barriers.
- A 100 person company spends approximately **884 hours** per year clarifying communication.
- Disengaged employees cost the USA about **\$500,000,000,000** a year. That's billions!



So, how does your team make the leap from bad to good internal communications?

As organizations grow, communication often gets cluttered because workers are siloed away from one another. Instead of working jointly, everyone focuses on individual responsibilities and are clueless to what other people are working on.

This siloing is a loss because each individual and every department's unique viewpoint has value to the whole process. Marketing may have design insight that would make the product a winner, just as design may have ideas on how to save money that would be of value to the accounting department. Many businesses have tried to correct this problem by encouraging more emails, meetings and phone calls between departments and this is where things get messy...

## Step 1: Building Effective Vertical and Horizontal Communication

Rather than increasing the quantity of information, companies would benefit more by fixating on increasing the quality of meetings and communication.

Social media platforms like Facebook, Twitter and Reddit have revolutionized the way we communicate and relay information to others. From these platforms we can give approval and feedback to an idea, and keep information moving seamlessly without setting a specific meeting time or picking up the phone.

**“Communication is always going to be important to your company’s success.”**

So, if this works for the social realm, why not your organization? Employee suggestion programs (like [Vocoli](#)) work in much the same way - gathering ideas, creating a transparent and easy platform for collaboration, and promoting an effective way to present on-demand information to your team.



*Step 2:*

**Maintaining  
Flexibility & Having  
the Information  
to Adapt**

## Step 2: Maintaining Flexibility & Having the Information to Adapt

Companies often struggle with creating innovative teams once they've reached the second step: **maintaining flexibility and having the information to adapt**. This is because some teams feel more secure maintaining the status quo, which is the complete opposite of being innovative. A great way to help your team become more flexible, and have the information needed to adapt, is by rethinking the way your organization conducts employee evaluations.

Employee evaluations were a very hot topic last year. Many companies have changed gears to focus more on **ongoing** or **quarterly evaluations**. This is because regular discussions with your employees about goals, performance and career pathing encourages teams to be flexible, candid and tracks performance better than the tired annual reviews of before.

### Tip #1

#### **Performance doesn't happen once a year:**

Evaluating employees only once per year does a disservice to your team and your business. Many employers choose to set all employees to be reviewed at the same time every year - a daunting task for a boss as it means having to look at every person on your team - new people, tenured employees, over-achievers, struggling employees, in a vacuum. This can lead to comparing employees to one another, instead of tracking an employee's individual successes or failures from the review period.

**“Don't  
compare  
employees,  
track  
individual  
employee's  
successes.”**

### Tip #2

**Setting goals leads to success:** Odds are better than not that a goal you and your employee set from last year was probably long forgotten before his/her next review. Rather than setting goals annually, upping **evaluations** and **goal reviews** to quarterly gives your team more opportunities to achieve, as well as helps you better track their individual progress.

### Tip #3

**Keeping your finger on the pulse:** The pulse of your business is a lot like your physical pulse - it's a decent barometer indicating the current state of your health. Ignoring your business' pulse can lead to just as devastating effects as ignoring your own pulse. Small grumblings of employee agitation and frustration can quickly become big waves of resentment and turnover. Tools like Vocoli's weekly **1-question pulse survey** can aggregate anonymous data on your company's culture and keep you in the know on the health of your business' pulse.



*Step 3:*

**Having a  
Unified Vision  
&  
Shared Trust**

## Step 3: Having A Unified Vision & Shared Trust

So, for someone with a role in management, this one might seem like a no-brainer. . . and yet, fewer employees understand, or are even aware of their company's vision and values. It's a leader's responsibility to make sure each employee understands the company's "why," the goals of the business and how they intend to get there. As a part of this, having trust within the organization's leaders, management and employees, is crucial. But, with today's very diverse workforce, managing individual employees as one team can be very challenging.

Management is **no longer just about motivating**, instructing and keeping a sector of your business running smoothly, it also takes a whole new level of one skill: **adaptation**. Great managers have always known the importance of adapting to their people and meeting them where they are. However, today's managers have to adapt their leadership styles to an ever-changing and far more diverse workforce. Managing a Millennial employee is not the same as managing a Baby Boomer, and in order to be successful, leaders will need to continue adapting their leadership style to their workforce.

Before we discuss some of the differences in adapting management style to suit a new, more diverse workforce, we need to discuss a management style that no employees prefer: micromanagement.

## How Micromanagement Destroys Teams

There are few things as destructive to productivity as [micromanagement](#). Managers do serious harm to employee morale when they meddle in their reports' work and immerse themselves in the details of every project. This distrust kills employee initiative and increases [turnover](#).

### Step 3: Having A Unified Vision & Shared Trust

It's also harmful to the company's bottom line. Managers are in a leadership position to survey the bigger picture and not concern themselves with every little detail. It is a waste of a manager's talents to focus on easy tasks their reports are fully capable of handling.

Unfortunately, the last person to know about micromanaging is usually the person doing it. If you are a manager who is concerned about your performance, it's important to look for these **warning signs in your behavior**:

- Never being satisfied with deliverables.
- Feeling frustrated that reports are doing things differently than how you would have done them.
- Focusing on details and making multiple corrections.
- Always wanting to know where people stand and what they are working on.
- Insisting on being cc'ed on emails.

While paying attention to details is important, it is destructive when applied without being warranted. Managers have to strike a **balance** between **being hands-off** and **staying involved** in the day-to-day.

So, if you answered yes to the warning signs listed above, it may be time to reflect on how your team performs when you're away. Often unlocking the value in most employees is giving them quick guidelines and turning them loose to see what success they will create. Good managers know not to focus on every step of the path, but rather the goal achieved at the destination.

Now, even if you're not the type of leader who practices in the destructive realm of micromanagement, there's still a pretty good chance that you might need to reevaluate your management practices.

## Turnover Can Be Your Friend

More seasoned leadership might find this to be a rather shocking title, especially those with a Baby Boomer-heavy workforce.

But, contrary to popular belief - employee turnover can be very healthy for your business. The real struggle is finding the balance of the right amount of turnover to keep your team running smoothly.

**“Turnover can be very healthy for your business.”**

Where Baby Boomers found comfort in staying with the same company for most of their career, Millennials have an average of just two years spent at a given employer.

Understanding the reason why your employees stay or go can help you to better manage your turnover.

The Baby Boomer generation comes with a feeling of loyalty toward their employer, and a desire to have stability and security until it is time to retire. Millennials value having a greater mission or purpose in the work they do every day, so if your company fails to provide a greater “why” for the work that you do, it may be hard to retain younger talent.

### Step 3: Having A Unified Vision & Shared Trust

If the idea of turnover has you losing sleep at night, consider a few benefits to normal attrition in your company:

- Having new employees offers an opportunity for gaining insights and a point of view from someone with a fresh perspective.
- New people want to prove themselves, and can add a healthy level of competition to (what could be) a stale team.
- Turnover can cost you money, but it can also save you money. Millennial employees are far more purpose-driven than financially motivated. This means that replacing a tenured employee with a fresh face may save you some salary negotiation time.
- Millennials are also motivated by opportunity. With the promise of advancement, you can tame the turnover beast. Taking the time to sit down with your employees and map out their career path can provide them with an incentive to stay put while still gaining new opportunity.

*Step 4:*

**Motivating  
&  
Engaging  
Employees**

## Step 4: Motivating & Engaging Employees

Maybe you're half-way through this "path to an innovative team" and you've mastered how to communicate, how to teach flexibility and how to adapt, heck, even creating a shared vision and instilling trust doesn't intimidate you – that's great! But, **motivating** today's **workforce** is a beast in and of itself.

Some employees are only in it for the paycheck, others want to put blood, sweat and tears into your business, while others still are using your company as a stepping stone until something better comes along.

### So, how do you motivate a group with such vastly different desires?

- Understand the facts - that Gallup poll that everyone references up one side and down the other? Sadly, it paints a very bleak picture of the workforce - **almost 90% of us are doing work we don't enjoy at places we don't like.**
- Consider objectively the standard employment experience: hired for job, negotiate salary, begin job, receive annual review to discuss successes and (mostly) failures and (maybe) receive a 5% raise (if you're lucky). What about this process seems motivating?
- Be the boss you'd like to have. Most **employees value transparency** - a boss who not only explains what is expected of the employee, but of the boss as well. Take the time to meet with your team and employees individually to keep them in the loop, this will reduce resentment and hostility if things like an annual raise can't be afforded by the company.

## Step 4: Motivating & Engaging Employees

- Give your employees a higher purpose. Everyone wants to feel value in the work that they do every day, and no matter what industry you're in, your business provides something beyond just the basic product or service you are offering. Consider Nike, while Nike does sell athletic apparel, that is not what Nike employees are taught. Nike employees are equipping athletes to perform better, they are a part of the success of those athletes. This has a far more meaningful impact than just selling sneakers and yoga pants.
- Diversify your benefits to suit your employees needs. As the workforce gets more diverse, so too do the wants and needs of your employees. Some employees will be motivated by long-term incentives, like 401K matching or more vacation time, while others will care more about immediate rewards like tuition reimbursement or paying for their cell phone bill. When meeting with your employees, ask them what is more valuable to them and **provide** them options for a **benefits package** that suits their lifestyle.



*Step 5:*

**Capturing  
New Ideas**

## Step 5: Capturing New Ideas

Companies large and small have become obsessed with the concept of Innovation. Undoubtedly, it sits comfortably at the top of the “Business Buzzwords” list. Well-known brands like Google, Apple and Amazon have been touted as innovation leaders and they have worked very hard to get there.

However, some heated press for Amazon over the course of 2015 showed that pushing for Innovation while neglecting other concepts that we’ve discussed in this ebook, can quickly land your business in a PR nightmare.

Trying to force employees who aren’t motivated, don’t understand the company’s vision, are not flexible or communicated with to be innovative is not only shortsighted, but highly ineffective. This is why we’ve chosen to save capturing new ideas for last, so don’t jump full-force onto the innovation bandwagon until you are certain that your team is good and ready for it. But, when you are here are a few steps to get you on a clear path to **capturing new ideas**:

### Tip #1

**Challenge your team** - One of the reasons why Facebook and Apple are so successful is that they are always asking their people how they can do something better or differently. Leaders in companies like these have no qualms with outlining problems in the business, and challenging their people to come up with solutions. Not every solution will be great - but that’s okay, because out of the not so hot ideas, brilliance can happen.

### Tip #2

**Get people talking** - Companies that have department-only meetings and segregated teams stunt their own growth. Encourage people from different departments to meet and brainstorm ideas, this can lead to creative solutions and better products.

### Tip #3

**Get over size, it really doesn't matter** - Let's be honest, not every company will have a mammoth-sized "iPhone" caliber idea. And if you are waiting around for your employees to create a Goliath like that, you just might wait forever. But, creating a space for continuous improvement where smaller, more incremental wins are also rewarded can help launch your innovative culture from the platform.

### Tip #4

**Let being wrong be okay** - Again, not every idea is going to be a million dollar one. Encourage employees to share every idea they have, even if they seem silly. The best way to get to that right idea, is having lots of ideas to choose from.

### Tip #5

**Reward and recognize** - Give your employees the chance to shine in front of their peers. This will create healthy competition, and give everyone something bigger to work towards beyond just the daily duties of their role.

### Tip #6

**Make it Easy** - If all of this seems like an awful lot of work just to hit the pinnacle of Innovation, then get help. Innovation Management Platforms (like Vocoli) make it easy for your team to collaborate on ideas, contribute new ideas, and track the progress of their projects.

# Conclusion

Now that you're equipped with all the tools necessary to take your team from effective communication, to capturing new ideas, there's nothing stopping you from becoming successful innovators.

But, bear in mind, that just like all other skills and talents, all of these traits must be nurtured. If you choose to neglect one of these areas (let's say motivation), you may quickly find your team slipping from the top of the innovation pyramid back to the bottom.

Best Wishes for Innovative Success,

**The Vocoli Team**



Vocoli can help you to better engage your employees, encourage innovation, provide feedback and build a more successful organization.

Contact us today at [sales@vocoli.com](mailto:sales@vocoli.com) to learn more and get a free demo of the Vocoli platform.

For more information visit: [www.vocoli.com](http://www.vocoli.com) or call us at 888-919-5300.