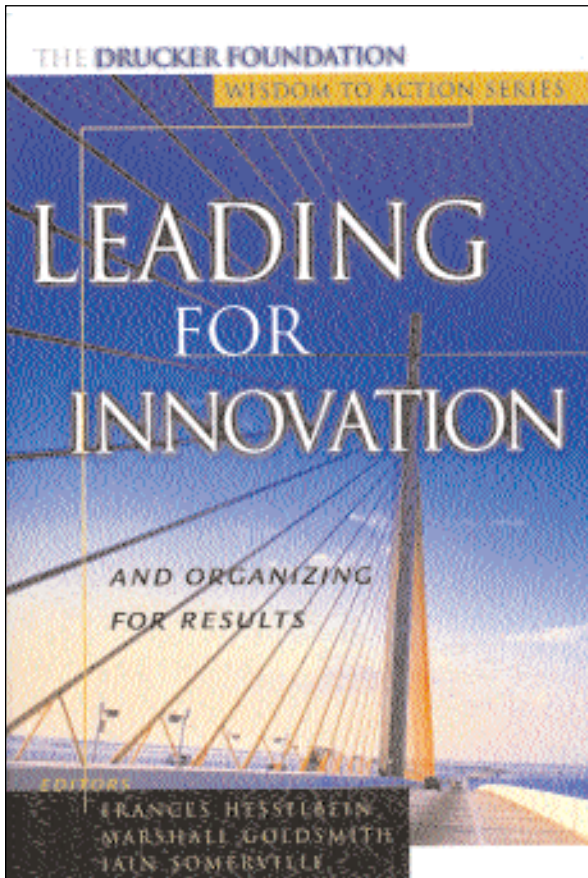


BOOKS



Leading for Innovation

Reviewed by Alice Waagen

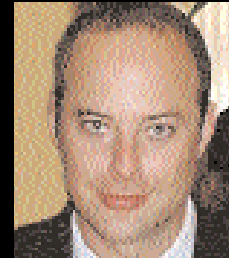
I find that reading business books can be a real chore. New titles come out daily, yet rarely does the plethora produce any truly new thoughts.

Not so with the current volume from the Drucker Foundation's Wisdom to Action Series, *Leading for Innovation*. Edited by Frances Hesselbein, Marshall Goldsmith, and Iain Somerville, this compendium of expert critical thinkers from the world of leadership and organizational research is a delight to read. The series is the brainchild of the Drucker Foundation, which also produced the *Business Week* bestseller, *The Leader of the Future*.

The book's premise is simple: Peter Drucker believes that successful businesses have two basic functions: marketing and innovation. Drucker defines innovation as "change that creates a new dimension of performance." To help business leaders understand how to lead for innovation, this book offers a collection of essays on innovation leadership under four main headings: Leading the People Who Make Innovation Happen, Creating an Environment That Encourages Innovation, Changing How You Think About Leadership and Innovation, and The Practice of Innovation. Each essay is short, concise, and designed to provoke thought.

ON THE NIGHT STAND

By Milo T. Sindell



Because I read in bed, my litmus test for the worth of a business book is that it keeps my eyes open for longer

than 20 minutes. If a book can keep me awake, it keeps its place in my three-book rotation. Three books that have not only made it through my rotation, but also that I continue to reference as part of my work as a trainer and consultant are

- *Wisdom of Teams* by Jon R. Katzenbach and Douglas K. Smith. This classic guides readers through practical examples and case studies, and clearly outlines when teams are necessary and when teams is simply a buzzword you shouldn't use.

- *Organizational Transitions: Managing Complex Change* by Richard Beckhard and Reuben T. Harris. This simple and straightforward classic presents the foundation of change management. Informative and well written, it provides advice that you can actually apply.

- *Red Zone Management* by Dutch Holland. The writing style of this recently published but sure to be a classic book reflects its topic: managing with speed and flexibility. The pace is fast and the words insightful. Readers can choose from different tracks to guide them through the book.

Happy reading!

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Each reader will find his or her favorites in the collection, but I was especially taken by the comments of Marshall Goldsmith in the essay "Changing the Behavior of Successful People." Goldsmith, considered one of the top executive coaches in the United States, discusses the challenge of coaching successful individuals to greater levels of performance through changed behavior.

One of the greatest impediments to change for executives, according to Goldsmith, is that they're extremely busy and that the prosperity of economic expansion caused many of them to be "over-committed because they were drowning in a sea of opportunity." Generally, successful people tend to be unflappably optimistic about how much they can accomplish and find every new opportunity a challenge to take on, which often results in staff burnout and high turnover. Goldsmith delineates how to encourage change and innovation in successful leaders through a thoughtful program of feedback and behavior change.

David S. Pottruck, president and CEO of the Charles Schwab Corporation, claims in "How Company Culture Encourages Innovation" that "we live in one of the most innovative ages in history." He writes, "I believe that despite the ups and downs of many Internet firms, technology and the Internet have helped to create the most competitive business arena that has ever existed." Emphasizing that the most vital challenge facing leaders is to create an environment that nourishes innovation, Pottruck focuses on creating innovation through a company's people and its culture. He stresses the critical role top leadership plays in creating the culture by living the essential corporate beliefs and values.

"When a leader creates the right culture," writes Goldsmith, "he or she gives an organization a lasting competitive advantage. Having a culture that promotes high performance and innovation

at all levels is ultimately more essential than any single business plan, which is often quickly forgotten or, even more often, quickly outdated by changes in the marketplace."

I found Pottruck's words meaningful in this era of dot-bombs. Despite the new glitter of the Internet and technology-based firms, the foundation of company values and culture is the ultimate measure of business staying power and success.

In "The Ultimate Creation," Jim Collins challenges the assertion that innovative products, services, and technologies separate great organizations from mediocre ones. I found this statement particularly interesting: "Great organizations do not necessarily make innovation a central part of their vision or strategy. They are just as likely to be followers as they are to be leaders with pioneering products and leading-edge services." Collins, a former faculty member of the Stanford University Graduate School of Business, operates a management research laboratory, where he recently completed a five-year study to answer the question, "Can a good company become a great company and, if so, how?"

Collins's research reveals that "of 1,435 companies that appeared on the *Fortune* 500 from 1965 to 1995, only 11 demonstrated a verifiable shift from sustained mediocrity to sustained excellence, defined by performance relative to the general market." In studying those 11 organizations by systematically comparing them to a set of companies that failed to shift from good to great, leading-edge innovation doesn't show up as a distinguishing variable.

Collins further illustrates his thesis with examples of companies that pioneered innovative products that are no longer around as well as ones that currently excel. Based on his research, he posits that product, service, technology, or *thing* innovation isn't what leads to success but what does is "the most pow-

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erful and profound form of innovation: social innovation.”

When leaders focus on the human organization of their enterprises, they leverage the most powerful business tool in their arsenal for sustained change. Collins illustrates: “Leaders should be more like William McKnight of 3M or George Merck of Merck—leaders who never came up with a single product innovation themselves but instead created perpetual motion machines, fueled by social inventions (like ‘bootleg time,’ wherein 3Mers get 15 percent free time to tinker around).”

A cautionary note: If you’re looking for complete and detailed solutions to leading for innovation in business, you won’t find them here. Rather, like eating at a good buffet, you can sample small portions of a wide variety of thought. Once you’ve discovered an author or two who intrigues you, you can read further.

I highly recommend this book to any practitioner in the t&d or OD field. It’s an engrossing read. The authors’ comments are timely and up-to-date, ranging from academic to pragmatic. Readers can sample the writings of a number of critical business thinkers without having to purchase and read a lot of books. The 23 essays by various practitioners, consultants, and researchers guarantee that any reader will find a nugget to provoke thought and actions.

Leading for Innovation: And Organizing for Results, edited by Frances Hesselbein, Marshall Goldsmith, and Iain Somerville. San Francisco: Jossey-Bass; www.josseybass.com. 299 pp. US\$27.95

Circle 290 on reader service card.

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