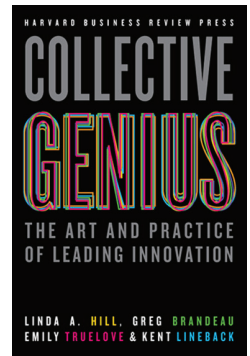# Collective Genius
The Art and Practice of Leading Innovation

A book excerpt by Mobius Friends, Harvard Business School Professor Linda Hill, Greg Brandeau, Emily Truelove and Kent Lineback

Why does the world need yet another book on innovation or leadership? Haven't both been studied in great depth?

Our answer is simple: it needs this book precisely because it's not another book on either of those familiar topics. It is, instead, a book about a topic much less discussed or understood — leadership *and* innovation, or the role of the leader in creating a more innovative organization.

Search the literature and you'll discover what we found — volumes of research on innovation and as many or more on leadership, but almost nothing on the connection between the two. Why is this so? Perhaps practicing leaders and management thinkers have simply assumed a "good" leader in all other respects would be an effective leader of innovation as well. If that's the case, however, we must report it's a deeply flawed and even dangerous assumption. Leading innovation and what is widely considered good leadership, are not the same.

We know this because for more than a decade we've been studying leaders who were proven masters at fostering organizational innovation. The people they led, from small teams to vast enterprises, were able to produce innovative solutions again and again.

To understand what they did, how they thought, and who they were, we sought them out, from Silicon Valley to Europe to the United Arab Emirates to India and Korea, and we explored businesses as diverse as filmmaking, e-commerce, auto manufacturing, professional services, high-tech, and luxury goods. We spent hundreds of hours in total with them and their colleagues. In the end, we interviewed and observed sixteen and studied twelve in depth who included talented women and men of seven nationalities serving different functions at different levels in their organizations. All this research, of course, was built on the foundation of the thousands of leaders and organizations the four of us have experienced, observed, and studied in our varied individual careers.

> **"It's tempting to believe that people and organizations are naturally eager to create something new and useful, when, in fact, they often are not."**

What we found in our research — confirmed, actually — was the critical role of the leader. That leadership matters to innovation should come as no surprise. Look beneath the surface of almost anything produced by an organization that is new, useful, and even moderately complex, and you'll almost certainly discover it came from multiple hands, not the genius of some solitary inventor. Innovation is a "team sport," as one leader told us, in which individual effort becomes something more. Somehow, in the language we've come to use, truly innovative groups are consistently able to elicit and then combine members' separate slices of genius into a single work of collective genius. Creating and sustaining an organization capable of doing that again and again is what we saw our leaders do.

They understood the nature of innovation and how it worked, and so they fully appreciated that they could not force it to happen or get it done on their own. Consequently, they saw themselves and their role differently. They focused their time and attention on different areas and activities. They made different choices when faced with the difficult trade-offs leadership constantly required of them. In studying these leaders, we found, above all, that leadership as it's widely understood and practiced today isn't what these leaders of innovation were doing.

The source of this discrepancy, we suspect, is that over the past few decades, the leader's role has become equated with setting out a vision and inspiring people to follow. This conception of the leader's role can work well when the solution to a problem is known and straightforward, but is counterproductive when it's not. If a problem calls for a truly original response, no one can know in advance what that response should be. By definition, then, leading innovation cannot be about creating and selling a vision to people who are somehow inspired to execute that vision. So common is this notion of the leader as visionary that many of those we studied had to rethink and recast their roles before their organizations could become truly and consistently innovative.

What we observed across all the diverse individuals and organizations we studied was a surprisingly consistent view of the leader's role in innovation, which can be expressed this way: Instead of trying to come up with a vision and make innovation happen themselves, a leader of innovation creates a place — a context, an environment — where people are willing and able to do the hard work that innovative problem solving requires.

One of the leaders we studied neatly summed this up by repeating a line he had heard from a CEO he admired. "My job," he said, "is to set the stage, not to perform on it."

Based on what we saw in our research, we present in *Collective Genius* a framework that you and other practicing leaders can apply to "set the stage"-that is, to create a place where people are willing and able to innovate time and again. That framework is reflected in the flow of chapters ahead.

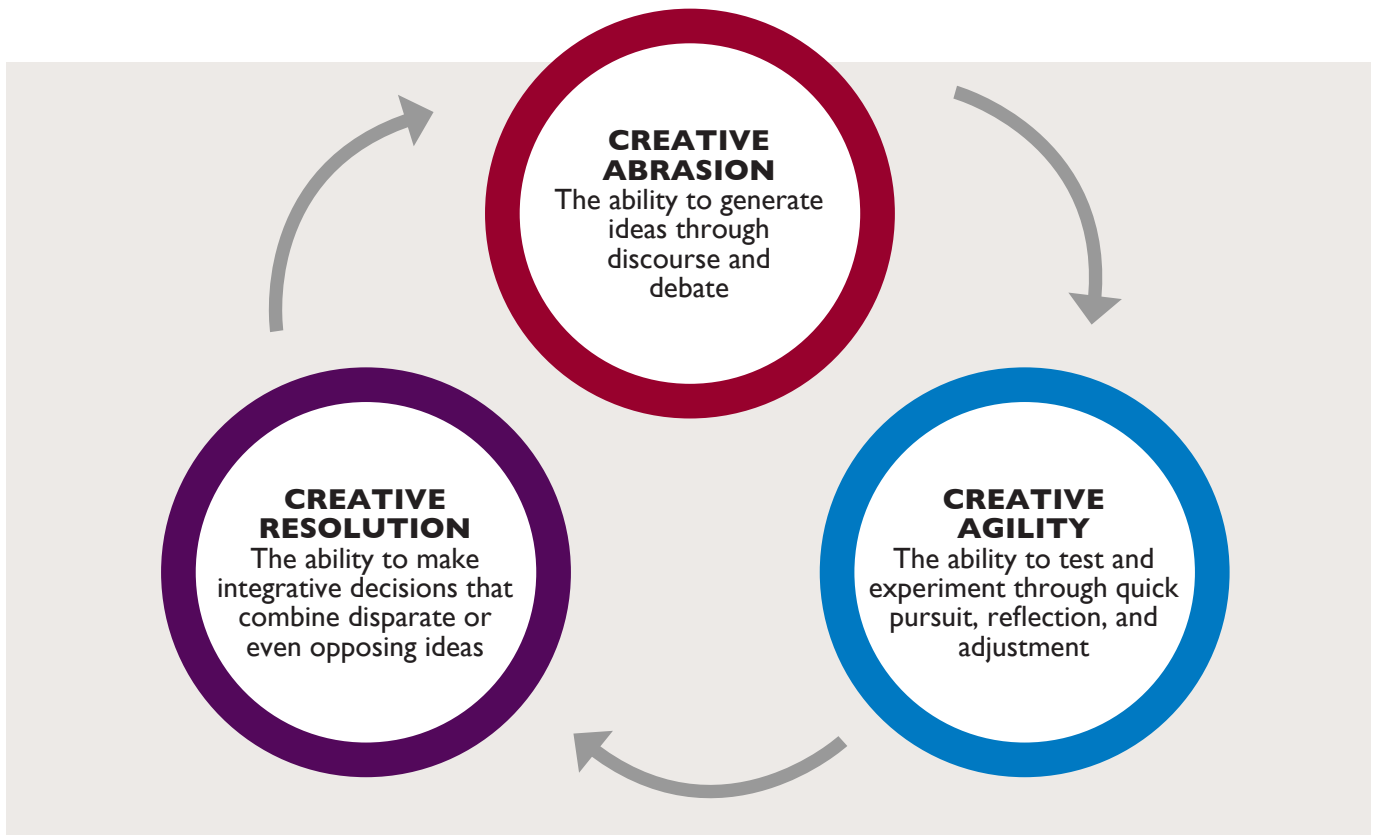## Why Innovation Requires a Different Kind of Leader

The first three chapters open by looking in depth at Pixar Animation Studios, a company with a formidable innovation track record. During the period we studied, Pixar was able to produce hit film after hit film, each one an innovative tour de force. Because its work is so widely known, Pixar is an ideal choice for showing what's required to transform the individual efforts of hundreds of people — all those slices of genius — into a single, coherent work of collective genius. In chapter 2, we explore the unavoidable tensions and conflicts built into the innovation process, which explain both why innovation is so rare and difficult and why it requires leadership. But what kind of leadership? In chapter 3, we paint a detailed portrait of a CEO who went far beyond the conventions of "good leadership" to turn a declining Indian computer company into an international dynamo of IT innovation.

The chapters that follow focus on what leaders of innovation actually do to foster creative genius. They are organized around the two great tasks we saw our leaders perform. In part I, chapters 4 and 5, we show

> **"Instead of trying to come up with a vision and make innovation happen themselves, a leader of innovation creates a place — a context, an environment."**

CREATIVE ABRASION
The ability to generate ideas through discourse and debate

CREATIVE RESOLUTION
The ability to make integrative decisions that combine disparate or even opposing ideas

CREATIVE AGILITY
The ability to test and experiment through quick pursuit, reflection, and adjustment

what they did to create organizations *willing* to innovate. In part II, chapters 6 through 8, we show how they created organizations *able* to innovate.

Leaders Create Organizations *Willing* to Innovate

It's tempting to believe that people and organizations are naturally eager to create something new and useful, when, in fact, they often are not. The diversity innovation thrives on, the conflict of ideas and options it requires, the patience it needs to test and learn from multiple approaches, and the courage it demands to hold options open until possibilities can be integrated in new and creative ways — all these things can make innovative problem solving feel awkward, stressful, and even unnatural. Without leadership, internal forces common to virtually all groups will stifle and discourage innovation, in spite of everyone's rhetoric about how much they want it. In part I, we show how our leaders overcame these destructive forces by creating communities whose members were bound by common purpose, shared values, and mutual rules of engagement.

Leaders Create Organizations *Able* to Innovate

The organizational ability to innovate is equally important and, unfortunately, equally difficult. In part II, we show how the leaders we studied focused on three key aspects of the innovation process: collaboration, discovery-driven learning, and integrative decision making. Each of these aspects has already been identified and studied by others, though typically in isolation from each other. Our contribution is to show how effective leaders actually build a key organizational capability in each of these areas — *creative abrasion* for collaboration, *creative agility* for learning through discovery, and *creative resolution* for integrative decision making. These are difficult for organizations to acquire, exercise, and maintain. They require leaders who can constantly balance the tensions and paradoxes built into the innovation process.

The final section of *Collective Genius* examines two forward-looking aspects of leading innovation. In chapter 9, we outline the leadership challenge of an increasingly common approach today — the innovation ecosystem, which comprises disparate organizations and sometimes even competitors that join together for the

purpose of developing something new. Given how hard innovation is within the same organization, it's easy to appreciate the supreme difficulty of crossing boundaries and getting diverse groups to collaborate creatively. In the epilogue, we look briefly at three organizations that have found effective ways of identifying and developing the leaders of innovation they will need tomorrow.

Because our goal is to provide practical and concrete guidance, we not only describe what leaders of innovation do, but we show it as well. Every chapter in *Collective Genius*, save one, is written around an in-depth portrait of one or more of the leaders we studied. In these stories and descriptions, we present both the art and practice of leading innovation by showing our leaders in action. Unless otherwise indicated, all quotations are based on our primary research, and because our leaders all believed that rhetoric matters, we have quoted them extensively. In this way, we hope to help practicing leaders bridge the knowing-doing gap between conceptual knowledge and an ability to apply that knowledge in everyday settings.

Some of our leaders worked in organizations widely considered hotbeds of innovation; others ran parts of firms rarely associated with the cutting edge. Some led start-ups; some led well-established companies trying to figure out how to sustain success, while others took over organizations that had lost their way and desperately needed rejuvenation. The innovations produced by their groups ran the gamut from new products and services to business processes, organizational structures, business models, and social enterprises. What their experience can teach us applies to organizations of all types and sizes and to leaders at all levels and in all functions. Watching them at work, we hope, will not only inform but intrigue, challenge, and inspire you as well. These people are far from perfect and they would be the first

to admit it. But they have mastered a difficult art and their examples can be highly instructive. We hope you will learn from them. We don't claim to have cracked the code for leading innovation. But we're convinced any leader can apply the lessons drawn from the experience of these accomplished leaders to make his or her group more innovative.

When it comes to innovation, leadership matters, and it's not leadership as commonly conceived today.

Every person in your group, whether that's a small team or a large corporation, contains a slice of genius. Your task as leader is to create a place where all those slices can be elicited, combined, and converted into collective genius. Our goal in *Collective Genius* is to provide the insights, guidance, and real-life examples you need to do that. ∎

LINDA A. HILL is the Wallace Brett Donham Professor of Business Administration at Harvard Business School and faculty chair of the Leadership Initiative. She is the author of *Becoming a Manager* and co-author of B*eing the Boss.* She was named by Thinkers50 as one of the top ten management thinkers in the world.

Greg Brandeau, long-time head of technology at Pixar Animation Studios, is a former EVP and CTO for The Walt Disney Studios.

Emily Truelove is a researcher and PhD candidate at the MIT Sloan School of Management.

Kent Lineback has spent more than twenty-five years as a manager and executive and, before that, several years as a consultant and a creator of management development programs. He has collaborated on several books, including *Being the Boss.*

> " *The price of our vitality is the sum of all our fears* "
>
> – DAVID WHYTE