



# THE **INNOVATE** BRIEF

*The anatomy of innovation*

An original research study and book proposal

By

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## ***About the author***

Lesley Crane is a consultant, researcher and author specialising in organizational knowledge, learning and innovation. Her publications include research and position papers in international peer-reviewed journals, and her book “Knowledge and Discourse Matters” is published this year by J Wiley & Sons. She is also the author of a chapter on the study of discourse in a forthcoming definitive text book on market research methods, and is an official reviewer for the Journal of Knowledge Management.

In addition, Lesley contributes to conferences as a keynote speaker: in 2016, she is making presentations at the Knowledge Management Institute’s inaugural accredited knowledge manager’s courses in London, and at the UK Institute of Directors’ conference in Scotland later this year. Her track record as a consultant stretches back more than 20 years. [www.knowing-how.com](http://www.knowing-how.com)



She began her career in the media business during the 1980s, quickly becoming one of the early pioneers of technology supported learning in both private and public sectors, and an EdTech entrepreneur running a number of niche technology innovator companies. In mid-2000, she established a successful consultancy business, and concurrently embarked on what turned out to be a ten-year long learning journey leading to a degree in Psychology followed by a PhD in organizational knowledge and linguistic behaviour.

Lesley combines scientific discipline and intelligence with diverse experience and expertise in practice to support organizations in realising their potential through embedding a culture of learning, knowledge and innovation. Throughout her varied career she has worked with diverse clients on often ground-breaking projects, including the UK’s Department for Education, Ministry of Defence, Environment Agency, several Water plcs, BP, Amoco and Castrol, Sector Skills Councils, various universities and colleges, Cambridge English and the European Commission.

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## **1. Synopsis**

INNOVATE is about innovation in practice.

INNOVATE is an exciting and ground-breaking suite of new and original resources for top executives in organizations, comprising a book, research papers, social media publications, training courses and workshops, and online courses and a self-serve online comparative assessment tool. These products and services will all be based on a substantial new research study which takes as its focus the language-in-action behaviours and practices of top innovators of leading businesses and organizations around the world.

The basic premise of INNOVATE is that much of the contemporary theories, models, frameworks and self-help guides aimed at helping leaders to develop their innovative skills and abilities is based on limiting research methods.

The INNOVATE method is to study how top innovators speak (talk and text) in social interaction with others, based on the conceptualization of innovation as a fabrication that is co-constructed between speakers. The INNOVATE hypothesis is that innovators routinely use distinctive rhetorical practices in social interaction with others and that the study of these practices will uncover the psychology of innovation - the anatomy of innovation as a live, dynamic social accomplishment with a very distinctive thesaurus that is unique to innovators.

## **2. Introduction and background**

*“The purposeful innovation resulting from analysis, system, and hard work is all that can be discussed and presented as the practice of innovation.”*

*Peter Drucker, Principles of Innovation, 2001*

Wherever you look, innovation is the buzzword on everyone’s lips. Organizational innovation has been a primary topic of research and theorising since the 1920s. Today, we see a virtual ‘industry’ around innovation, and not just in terms of academic works: conferences, workshops, webinars and training programmes; self-help books, websites; popular journals, business journals and academic journals. It has probably become one of the most hotly debated topics of any field or discipline. There is still much to understand about innovation.

In stressing the values of ‘purposeful innovation’, Peter Drucker was making the point that the romantic view of innovation - the ‘flash of genius’ or the sporadic ‘innovative opportunity’ – seldom leads to actual innovations<sup>1</sup>. Moreover, miracles of innovation cannot be replicated, taught or even learned. William Starbuck of the Stern Business School, writing in 2002, goes even further in arguing that the very idea of attempting to copy the innovative attributes and characteristics of another firm – as many organizations attempt to do, or are urged to do by innovation gurus – is, frankly, illogical and unlikely to succeed<sup>2</sup>. Firms that are seen as being innovative are, by their very DNA, located far outside of the norm, as so-called ‘outliers’ which buck trends and received wisdom in every way. Gary Pisano, in his argument for an innovation strategy<sup>3</sup>, makes an even simpler case: to copy someone else’s innovation system won’t work! Innovation is, by any measure, something of a Holy Grail. How has this come about?

Innovation is widely considered as the essential factor not just to a firm’s success, but to its very survival. VUCA (volatility, uncertainty, complexity, ambiguity), disruption, change, turbulence, the weight and influence of social media, open source and Big Data, Artificial Intelligence, super masses of free information, Massive Open Online Courses (MOOCs), immediacy of access, changing rules of governance, chronic skills shortages, and on and on it goes. This is the world that the modern firm operates in. It’s messy, often inexplicable, and control is too often delegated to rumour. Some firms are simply sliding into history to end up as a footnote in a management text book. But some are thriving. Why? How?

### ***3. Why a new approach to understanding innovation is needed***

There are lots of studies in the academic and corporate literatures – and a host of ‘how to’ guru books – which claim to offer insights into what makes for an innovative firm, an innovation success story. What they all have in common is a very common-sense conclusion: a firm is only as innovative as its leader. A firm might have an innovative senior management team, or innovative product

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<sup>1</sup> Drucker, P. (2001). Principles of Innovation. In *The Essential Drucker*. London: Routledge

<sup>2</sup> Starbuck, W. (2002). Keeping a butterfly and an elephant in a house of cards. In Choo and Bontis, Eds. *The Strategic Management of Intellectual Capital and Organizational Knowledge*. Oxford: Oxford University Press

<sup>3</sup> Pisano, G. (2015). You need an innovation strategy. *Harvard Business Review*, June 2015

development teams, or even claim a firm-deep innovation culture, but if the leader is not innovative, then innovation is simply not sustainable.

To date, studies have largely focused on two principle questions: what makes for an innovative leader and what do innovative organizations look like? They generally adopt one of two main approaches as the backbone to their investigations and recommendations: surveys (self-report, semi-structured, structured, interview and so forth), and observation (ethnomethodology, for instance). Contextual data might also be drawn from firms' financial performance, sales, stock value, stated values, discussion forums and chat rooms, even social contribution and corporate sustainability.

Typically studies in the popular press use these types of investigations to support new theories or models / frameworks with the promise that these will transform people or organizations, or both, into quintessentially innovative paragons. A mountain of popular training and transformation programs, self-help guides, and role models are built on such approaches. There are, literally, tens of thousands of them.

It would be easy to become side-tracked in simply criticising these research practices, but this would be to pursue a negative and circular argument. Suffice to point to two obvious and common weaknesses in the traditional approaches, from which models of innovation are produced, as testament to why a new approach is needed.

First, there is the time factor. Recall the famous 4-year study by Jim Collins<sup>4</sup> and his colleagues who investigated the drivers of 'good-to-great' transformations. What they found were five levels of leadership, each with distinctive attributes. To be truly great, and by implication to be truly innovative, leaders have to possess the qualities of each level, with Level 5 distinguished by what they describe as a 'paradoxical combination of personal humility and professional will.' However, the leadership consultant, author and academic Robert Allio points out in 2015 that in the years following Collins' work, the companies singled out as being 'great' had in fact drifted into the relative oblivion of the 'good' or less<sup>5</sup>. Time, it seems, is no respecter of sustainable innovation.

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<sup>4</sup> E.g., Collins, J. (2001). Level 5 Leadership: the triumph of humility and fierce resolve. *Harvard Business Review*, January: 66 - 76

<sup>5</sup> Allio, R. (2015). Good strategy makes good leaders. *Strategy & Leadership*, 43, (5): 3 - 9

A second weakness, and very much related to the time factor, is subjective interpretation. That is, the assumption that when people are asked a question, they generally report events as they ‘really are’, as would have been exactly experienced by any other person present at the time; that when investigators observe the actions, behaviours, processes, systems, protocols and so on, which collectively comprise the organizational culture in the broadest sense of its meaning, they are able to report their observations objectively without bias in the same way as a camera would record the scene for a movie. Of course, in both cases, humans cannot avoid sifting what they see, hear and experience through their own complex internal network of subjective filters. That is, in order to make sense of experience and life in general, we need our own internal knowledge – our tacit knowing, if you like – to unlock the code and allow us to make sense of it all. Robots may be able to operate without such subjective filters (for now, anyhow), but at most all humans can do is shift their filters’ focus and emphasis – and that is not easy. McCaffrey and Pearson refer to these filters collectively as ‘functional fixedness’, as biases which get in the way of creativity – innovation thinking<sup>6</sup>. What all this means is that innovation theories, frameworks, ‘essentials’, ‘guides how to’, models and all the rest are based on the researcher/writers/research participants’ interpretive, subjective analysis of what they experience, filtered through their own existing internal knowing. In other words, these are conjured *versions* of reality.

Arguably such studies only scratch the surface of what makes for innovative leaders and organizations. There is a great deal more that could and can be discovered. Accordingly, *INNOVATE* takes a very different approach.

## **4. A rigorous research based study**

### **4.1 The idea**

The alternative to the ‘realist’ approach discussed in the previous section is to accept that when people communicate with one another through talk or even text, what they are doing is constructing versions of events. Think about it. How many times have you told the same story to two different people, in two very different ways? That’s called ‘recipient design’: people generally tell stories, give accounts, make arguments, promises, blamings, predictions and everything else from *a position* in a way that is designed to maximise the response of those that the account is aimed at. That could be to foster agreement, or argument, or friendship and alliance, whatever. The point is that we

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<sup>6</sup> McCaffrey, T. and Pearson, J. (2015). Find innovation where you least expect it. *Harvard Business Review*, December

unconsciously perform actions when we talk, with purpose and consequence. So, what does this have to do with innovation and leadership?

Leadership and innovation do not exist 'out there' as separate entities to be discovered. They are created in social interaction through talk and text. Imagine that you say out loud to a room full of people (or an empty room) 'I am a leader' or 'I am an authority on XYZ', and no-one responds to you. Can you be considered a leader, or an authority? No, you cannot be either on your own. You can only be a leader in the context of followers who acknowledge you as leader in how they interact with and respond to you. A leader who is considered to be an innovator only exists as an innovator in the context – the version of reality - that is co-created with speakers in social interaction. Amongst a different set of people and circumstances, that individual as leader or innovator may not exist. Innovation is, in this sense, the construction or product of social interaction – talk and text. The object or service created by the innovator is only innovative in the eyes of those who 'orient' to it as such.

This approach, which is grounded in more than 50 years' of academic scientific study and research<sup>7</sup>, and which has a substantial body of literature (albeit not quite as substantial as that around 'innovation'!) opens a whole new horizon for investigating and understanding the anatomy of innovation. The idea, then, is to explore, uncover and seek understanding of innovation as it is brought into existence through the discourses of people in social interaction.

## 4.2 Research question – the hypothesis

*INNOVATE* builds on the existing knowledge around the innovation phenomenon by investigating how top leaders pitch themselves as innovative and innovators in their everyday talk and text in interaction with others. In this sense, talk is approached as constructive (utterances are consciously or otherwise constructed with purpose), functional (words accomplish action), consequential (words have consequences for the speaker and recipient – they evoke responses, emotions), and variable (words are recipient-designed – that is, the speaker constructs versions of events to suit the co-speaker and the context within which they speak).

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<sup>7</sup> See for example, Crane, L. (2016). *Knowledge and Discourse Matters: relocating knowledge management's sphere of interest onto language*. New York: J Wiley & Sons; Edwards, D. and Potter, J. (1992). *Discursive Psychology*. London: Sage; Gergen, K (2009). *Relational Being: beyond self and community*. Oxford: Oxford University Press; Clifton, J. (2012b). A discursive approach to leadership: assessments and managing organizational meanings. *Journal of Business Communication*, 49, (2): 148 - 168

*INNOVATE* is based on the idea that the innovative attributes of individuals are fabricated and brought into being in the bi-directional talk (and text) interaction between persons. Innovators emerge as a fabrication of very particular types of speech as a socially constructed accomplishment in the everyday conversations between people in organizations. That is, when an innovator speaks, they perform very particular actions with their words which have equally specific consequences. Moreover, how is it that those around the innovator not only understand this ‘language of innovation’, although they may not speak it themselves, but they also actively construct and orient to the innovator as being innovative in their own talk and text?

The hypothesis is: people who are considered to be innovative are constructed as innovative through how they speak, the linguistic actions and patterns they weave, and the consequences that these have both on the speaker and co-speaker(s). Thus, the study has a far deeper focus than simply what people say: rather the focus is on the psychological actions that are constructed through interactional communications, with the hypothesis proposing that it is at this level that innovation exists as a psychological construct.

Through gaining an understanding and unique insight into how innovation comes into being through talk and text in social interaction, we can develop a far greater knowledge and capability to foster and grow innovation talent. We can explore innovation as language-action with consequences with the potential to create a linguistic thesaurus – the anatomy – of innovation in action.

### ***4.3 Scope and subjects***

For the present project, the only practical limitation is that the subjects who are the focus of study have to be fluent English speakers. Of course, the idea and theory behind *INNOVATE* can be readily applied to any culture and language, but the present researcher is unfortunately only conversant in English! Otherwise, our scope is without border.

The subjects for the research are those men and women who are internationally acknowledged to be masters of innovation. These are the people who lead the world’s most successful and innovative businesses, whatever their size, wherever located, and whatever their business. There are various sources that can be used to identify such individuals. Here are just a few:

- The Forbes list of the World's Most Innovative Companies
- Bloomberg's list of the World's Most Innovative Companies
- The Bloomberg Innovation Index
- INSEAD Knowledge's review of the World's Most Innovative Companies (2013)
- US Today's 'world's most innovative companies'
- Thomson Reuters' Top 100 Global Innovators
- Business Insider's 'The 50 most innovative companies' in the world
- The Fortune 500's list of World's 50 Greatest Leaders
- BCG Perspectives' list of the Most Innovative Companies 2015

The plan is to select 20 individuals who collectively represent a good mix of industry, size, culture and so on. In fact the more diversity we have between the organizations, the better. The hypothesis suggests that the nature of the organization is in fact irrelevant. What is relevant is the actions that people accomplish through which innovation is made live: will these actions be constant across all participants, no matter which organization they lead?

On the issue of participant privacy and confidentiality, the approach is to name the contributors and their organizations as contributors and participants to the study, but to anonymise individual contributions. By this, it is meant that where extracts of dialogue are used in support of the study's findings or references are made to specific behaviours and actions, such extracts and behaviours will not be attributed to specific named individuals.

#### **4.4 Research design**

The proposed study adopts a qualitative methods design focusing on the hypothesis discussed in an earlier section. Data will be gathered through two principle methods: observation and audio recording of everyday meeting talk, conversation and formal/informal written communications (e.g., emails, postings to chat rooms and/or forums etc.). This will essentially involve 'shadowing' the participant over a period of several days (which could be spread over weeks). The objective of the researcher is to be as unobtrusive as possible – so, in recording meetings for instance, the researcher will not be physically present in the meeting room. The study will produce three types of data: audio, textual and observational notes. For each participant, all three types of data will be plotted on a timeline to make any between data connections or relations transparent.

The audio and textual data will be analysed using a form of discourse analysis drawing on Discourse Psychology (an established theory and research paradigm)<sup>8</sup>. The analysis has the aim of identifying patterns, rhetorical practices, construction, evaluation and function as speakers' actions. This will involve the transcription, and use of transcription conventions (such that selected extracts can be presented as representing the actual spoken words including tone, volume and so forth as closely as possible), of selected extracts of interest from the audio data. The textual data does not require such treatment. This is an iterative process through which patterns and deviations emerge through analysis, and which can be compared and triangulated with the observational notes. This type of research analysis is best served through adherence to a four-point validation procedure, which is discussed in the following sub-section.

The study is predicted to uncover the language of innovation – the anatomy of innovation as an accomplishment of linguistic social interaction. In this way, the study will be able to uncover how innovation action works at a far deeper level than previous conventional studies whose boundaries have started and ended at *what people say – the contents of their talk*. Consequently, the outcome of the study is not confined to a vocabulary – a list of commonly used words and phrases, for instance – shared by those identified as being innovative. That would be to suggest that individuals may 'become innovative' by simply copying how acknowledged innovators speak (a potentially flawed enterprise for all of the same reasons that Pisano and Starbuck have already stated in respect of one company copying another). Rather, the study's outcome is a detailed and forensic analysis and description of the psychological actions which underpin the emergence of innovation.

#### 4.5 Quality of research

Arguably, the most obvious and problematic issue concerning qualitative research in general concerns the question of how to measure the quality of qualitative research methodologies. Drawing on noted British scholar Jonathan Potter's 1998<sup>9</sup> work, the research attends to four procedures:

1. Analyst's claims are grounded in the speakers' own understanding as displayed in what they say, and in that of co-speakers (known as the 'next turn proof' procedure);

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<sup>8</sup> See for instance: Edwards, D. and Potter, J. (1992). *Discursive Psychology*. London: Sage

<sup>9</sup> Potter, J. (1998a). Discursive social psychology: from attitudes to evaluative practices. In Stroebe, W. and Hewstone, M. (Eds). *European Review of Social Psychology*.

2. Particular attention is paid to deviant cases – instances of talk which appear to break the patterns identified through analysis – to determine if these strengthen or weaken the analytic claim;
3. Analysis is grounded in existing research;
4. Extracts of verbatim speaker talk are included in the research report in support of analytical claims.

## ***5. Study deliverables***

### ***5.1 The Book – ‘INNOVATE – the anatomy of innovation’***

The most significant tangible deliverable from the study will be an original book based on the research and its findings. The present author already has an established reputation as a published author: her first work, ‘Knowledge and Discourse Matters’ is published this year by J Wiley & Sons, and she has contributed a chapter on Discourse Analysis to a book on advanced methodologies in market research, due to be published this spring by Routledge, London.

It is envisaged that the book will be approximately 150,000 words in length, and comprise around 10 chapters. Included will be a comprehensive introduction to the topic of innovation, and a chapter devoted to contemporary practices, theories and approaches. The majority of the book will be devoted to presenting and discussing the findings of the study, along with their implications and application to innovation practice. A final chapter will translate the findings into an ‘anatomy of innovation’: a thesaurus of linguistic behaviours and actions found to be consistent throughout the individuals making up the study’s cohort of participants. The intention is to create a definitive book on the topic of organizational innovation, but one which takes a radically different yet scientifically robust perspective and approach.

As an established author, identifying a good publisher – most likely a US based publisher – is not considered to be a particular challenge.

### ***5.2 Research papers and other media***

In addition to the book, the plan is to write and publish a number of authoritative research papers in leading international journals – both academic and popular – during the lifetime of the project. These will be used to add gravitas and influence to the project as a whole.

Other media that will be used to disseminate, publicise and promote the project include social media such as online blogs – these can be targeted at both public open forums such as Linked In, as well as articles as a guest blogger for forums including the Drucker Society Forum and the Knowledge Management Institute. Other similar opportunities can be identified.

### ***5.3 Individual participant briefings***

An important part of the project's deliverables, and an incentive to prospective participants, is that individual 'early bird' briefings will be offered to participating organizations. The intention is to give all participants the opportunity to engage with the study's findings prior to their formal publication in book form.

### ***5.4 Conferences, training courses and workshops***

Finally, we see considerable mileage and opportunity in using the project as an experience, and its findings to form the basis of compelling and original contributions to international conferences focusing on the topic of organizational innovation. Extending from this, there are beyond doubt opportunities to generate marketable services including training courses and workshops drawing on the study's findings. To make the most of these particular opportunities, the aim would be to work with an established provider of similar services to 'train the trainers' and to develop a suit of programmes following the strategy of 'develop once, deliver many times'.

It is also possible that online courses could be developed and marketed based on the study's findings.

We also plan the development of an online personal comparative assessment tool which executives would be able to use to determine how they compare with the innovation performance benchmarks demonstrated in the findings.

## ***6. The Market***

The market for these deliverables, given their core subject matter, is substantial and international. One only has to look at how many books, journals, websites, and training and development services that are available to gain an impression of the multi \$ billion size of this particular market.

With the book and conferences, training courses and workshops the target market is C-Suite executives and technology start-ups. Engaging with the academic community through the publication of research papers, whilst not realising any financial revenues, is intended to generate scientific credibility and recognition for the study and its findings.

## ***7. Projected timescales***

It is estimated that the project, as it is currently envisaged, will take around 18 months from start up to delivery of the final project outputs. However, because it is proposed to generate project outputs from the outset – such as blog contributions and research papers – the visibility of the study will not be solely dependent on its final deliverables.

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