Management Resistance to Innovation

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It is often management that is the greatest barrier to innovation and change in organizations. We consider the situation where non-management personnel are eager to innovate but management does not support and encourage innovation, and even discourages it. Even when upper management supports innovation, middle management and first-line supervision can thwart the organization's efforts to innovate. We evaluate this situation and provide suggestions on how upper management can ensure that all levels of management support and encourage innovation.

BACKGROUND

Prior research (McGourty, Tarshis, & Dominick, 1996) found that companies and managers who encourage innovation demonstrate four specific behaviors. These organizations and managers are inquisitive, advocative, collaborative, and goal-oriented. Furthermore, McGourty, Tarshis, and Dominick found that innovative companies are deliberate about fostering these behaviors, and usually use programs or activities designed to bolster actions that are inquisitive, advocative, collaborative, and goal-oriented.

It was found that leadership and vision, not just technical competency, helped managers cultivate innovation (McAdam, Keogh, Reid, & Mitchell, 2007). McAdam, et al. noted that having leadership support innovation was a driving force behind successful innovation in small and medium-sized enterprises. Managers must not only support innovation, but understand that a commitment to innovation is a long-term project. The understanding that implementing innovation in the short-term may lead to decreased efficiency is key, and managers must have a future oriented mindset to reap the full benefits of innovation (Klein & Knight, 2005).

Developing a clear and concise definition of what comprises innovation is key, given that innovation can mean a variety of things to different individuals. If managers are to cultivate innovation within their organization there must also be commitment from upper level management to support innovation programs (Oke, 2002). Developing a set process for employees to express ideas is of great importance. Following up on each idea can help keep employees motivated and ensure that ideas are not forgotten about (van Dijk & van den Ende, 2002). Klein and Sorra (1996) list a climate for implementation, the fit between innovation and values, and the effectiveness of innovation and implementation as key aspects of an organization's innovative effectiveness.

Other organizational constructs such as regularly scheduled meetings to share ideas, innovation education sessions, and clear recognition or rewards for innovation, help to create an environment that

fosters innovation (Tushman & Nadler, 1986). Alternatively, the lack of effective innovation measures makes managing innovation difficult. Getting the support of upper level management may also hinder managers trying to foster innovation. A lack of employee acceptance was also seen as an obstacle (Oke, 2004).

However, when employee acceptance is achieved, it can be a powerful motivator for innovation. That being said, acceptance must be companywide, from top to bottom (Campbell-Allen, Houston, & Mann, 2008). Celebrating successes was also found to be a key motivator for innovation (Campbell-Allen, Houston, & Mann, 2008).

Along the same lines as upper-level management support, Bjorn found that employees must believe their company truly wants them to be innovative. When employees think that their company expects them to innovate, they are inclined to think of ways to improve the products, processes, and operations of the company (Bjorn, 2006).

Innovation may also be tied to the extent to which employees feel supported by their company. When employees feel truly valued and cared for by their company, they are more likely to perform their routine job responsibilities, be engaged in the company, and generate ideas for company improvement without the use of rewards (Eisenberger, Fasolo, & Davis-LaMastro, 1990).

The sense of value and support that Eisenberger, Fasolo, and Davis-LaMastro stressed can also be referred to as psychological safety, and it was the centerpiece in Baer and Frese's research. If a company wants to realize the greatest benefits from innovation and boost its profitability, it must also establish climates of psychological safety and initiative (Baer & Frese, 2003). Bolstering the amount of resources, personnel, and management concentration on innovation may also help to ensure that innovation is a successful part of the organization (Repenning, 2002).

Innovation and the management of innovation may also depend on the type of job one holds. When a person's job is relatively secluded, specialized, and steady, the person may have difficulty understanding the importance of innovation (Van de Ven, 1986).

METHODOLOGY

Our research was conducted at a large utility company. We scheduled interviews with employees and asked them questions regarding the culture of innovation, motivation for innovation, their direct manager's ability to manage innovation, etc.

The company established an email address for employees to submit their ideas, which we input into an Excel spreadsheet. Our objective was to determine key factors affecting the value of ideas submitted. Ideas were split into various functional groups based on whether they pertained to administration, safety, human resources, etc. From there, the ideas were discussed and approved or disapproved by a team made up of various departmental employees. The team was also asked to rate each idea based on the initial estimates of cost savings or potential profits.

RESISTANCE TO INNOVATION

Resistance to innovation by management generally occurs in two ways. It may be in the resistance to ideas and their approval, or it may be through resistance to the implementation of approved ideas. Resistance to the introduction of ideas may not be detected since the ideas will be deterred before they have a chance to blossom. Resistance to implementation or ineptitude in the management of change will eventually become evident in a low percentage of successful implementations.

It is our belief that the innovation process is inherently positive and we are reluctant to dwell on negative factors. However, that said, we have found that the resistance to innovation by managers is a critical barrier. Often this barrier obstructs the positive actions of well meaning and creative members of the organization. This paper addresses that problem and recommends solutions.

RESISTANCE TO IDEAS

The reasons for management resistance to ideas are numerous. When managers resist ideas they will discourage the suggestion of ideas or find ways to block the approval of ideas. This may be due to a general resistance to change on the part of managers.

Some of the common reasons for resistance to change by managers, based on our interviews and observations, are presented below:

Bosses Are Supposed to Have All of the Ideas

Even in this era of employee empowerment, there are managers who have been taught that they are expected to have all of the answers and all of the ideas. They feel threatened by the ideas of employees, and may even see the submitters as rivals. Managers will feel especially threatened by the more prolific idea generators.

If There Were Any Good Ideas, I Would Have Already Had Them

In time, people become habituated to the status quo. Managers who have been in their positions for a long time are especially prone to this habit. Ego and defensiveness also may cause resistance to ideas suggested by subordinates. An innovative culture encourages ideas, and a sure sign of a culture lacking in innovation is when managers state that there are no ideas to be suggested.

Ideas Are Usually Self-Serving and Are a Nuisance

It is often true that many ideas suggested early on in an innovation program are for the convenience and comfort of the suggesters. This is not necessarily bad, however, as these ideas may also improve productivity or safety. It is essential that managers feel free to reject ideas that are not in the interest of the organization. As a result, they will not be entered into the innovation system and management need not worry about approval of inappropriate ideas.

I'm Too Busy to Deal with Ideas

Managers may have a short-term perspective that considers ideas to be a time consuming intrusion in their daily routine. Ideas should benefit the organization and be an eventual saver of time. When a new idea involves a growth opportunity, the organization should provide the necessary resources to expand the business.

Innovation Is a Fad. I'll Wait and It'll Pass Like Many Other Programs Have

Innovation programs that are not supported can fail and may be viewed as fads. An innovation program that is run properly has little danger of becoming a fad since an organization's survival is dependent on consistent innovation. Managers who do not engage in the innovation process will find their departments failing to keep pace with the competition. It is essential that managers at all levels have a strong commitment to an innovation program. When programs are introduced but not well supported, their lack of success will result in a lack of confidence and even cynicism toward future program introductions.

What's in It for Me?

Motivation is based on some return. If managers do not recognize any benefit from supporting an innovation program, they will be unlikely to enthusiastically support it. The program has to reward managers whose departments are innovative. Managers need to have the perception that it is in their interest to support innovation.

It's Better to Do Nothing Than to Risk a Public Failure

Fear of failure can be a powerful disincentive, given that public humiliation is not something that most people handle well. It is necessary to change a culture that is too critical of failure. Failures are a real

part of innovation. It is typical of the scientific method to try something repeatedly until a way is found that works. Successive tries should be viewed as experiments, not failures. The organization should reward trying and create a culture that encourages experimentation and experimenters. They are the lifeblood of innovation.

Where in My Job Description Does It Say I'm Supposed to be Innovative?

The organization should expect every member to be engaged in innovation. Managers especially should encourage innovation in their departments. They should be measured on this dimension of their management ability and their promotions, raises, and bonuses should be significantly dependent upon it.

I'm Not Sure the Company Really Supports Innovation

There is no doubt that a lack of support for innovation from upper level management can have serious detrimental effects on how middle and first line managers perceive innovation. Perception is often reality, so top management must demonstrate their support for ideas and innovation.

A lot of Ideas Suggested by Others Are Just Plain Dumb

It is rare that an idea is really dumb. Many ideas that aren't accepted at first come back with modifications and are accepted. It is a manager's job to provide encouragement and support for idea generation, and to help those who are struggling to come up with ideas. Innovation is an iterative process.

Management Is Too Committed to the Status Quo

People at all levels of the organization can become habituated to the way things have always been. They resist change because they see no reason to abandon a system that has rewarded them and seems to be working. It is necessary to call attention to the possibility of obsolescence and to learn the discipline of creative destruction.

Managers May Subtly Resist Creative Changes

People who have advanced in management education and experience frequently have a bias toward linear and logical thinking. They may avoid creative activity because it is not their strength and is not in their comfort zone. They are better and therefore more comfortable performing more traditional management activities such as implementation. It is important for managers to have a balance of skills and abilities including imagination and creativity. The absence of these skills will lead to a hidebound organization.

STEPS IN OVERCOMING MANAGEMENT RESISTANCE TO IDEAS

We believe that the ten steps to overcoming managerial resistance to ideas shown in Exhibit 1 will reduce much of resistance caused by the reasons discussed above.

EXHIBIT 1
OVERCOMING MANAGERIAL RESISTANCE TO IDEAS

•Managers should be rated on innovation by the value of the ideas that are generated by the people in their departments.
•Create an idea review process that gives constructive criticism to ideas that are not accepted.
•Ideas that involve growth should be supported by appropriate resources to avoid straining the personnel and facilities of the organization.
•Managers who have innovative departments should be rewarded appropriately with salary increases, bonuses, and promotions.
•Create a culture that does not fear failure and rewards reasonable risk taking in the pursuit of innovation.
•Make it clear that innovation is part of everyone's job.

•Top management must promote innovation and then "walk the talk."
•Make the innovation process exciting with contests and recognition.
•Impress managers with the necessity of continuous change just to keep up with the competition.
•Hire and promote balanced managers who are both creative thinkers and competent implementers.

RESISTANCE TO IMPLEMENTATION

Innovation is a dyad that includes both ideation and implementation. Ideas are terrific but they must be implemented to create an innovation. Many organizations have no problem getting ideas but they stall during the implementation process. We found that the implementation process can be a graveyard for ideas. In some organizations, most of the effort on innovation is focused on how to get more ideas. Then once the ideas have been accepted and pass through the various testing stages and economic analyses, their implementation should be a routine management effort. They require change and that can be challenging, but the implementation process is generally a project management effort. Thus, when implementation fails, it is a management failure and responsibility should lie with the manager who was assigned responsibility for the implementation.

Implementation failure was common during our field research. Five common reasons are listed below:

We're Too Busy to Implement Ideas

This might be a reasonable explanation for a delay, but we found that often the delays were indefinite. If there is a seasonal aspect of the department's work, then delaying makes sense but if the busyness is perpetual, it is procrastination or avoidance. Frequently, a disproportionate number of projects are assigned to a few departments. A good project scheduling process will identify which managers are bottlenecks and alert the organization to the need to reschedule projects to other managers.

Unforeseen Problems Delay or Derail Projects

All projects have an element of uncertainty, and it is expected that challenges will emerge at points during implementation that will threaten the success of the project. A good project management planning system will anticipate and control idea implementation projects and handle the predicable occasional turbulence.

Technical or Economic Surprises Arise During Implementation

When there is a pattern of repeated cost overruns and technical glitches, it is evidence that the necessary testing and economic analyses were probably not sufficiently thorough. Increase the effort on piloting, modeling, and testing. Depending on the type and scale of idea, it may be necessary to run more tests before implementation begins. Make sure that the economic analyses include sensitivity analyses and contingency plans, if needed.

A Manager's Implementation Projects Often Encounter Resistance to Change

Implementation projects, especially large scale ones, must deal with organizational resistance to change. Some organizations, especially larger ones, will have a large amount of institutionalized resistance to change. Resistance to change is a normal occurrence, and good execution requires skill in handling it during the implementation of ideas. When a manager has a succession of delayed or failed implementation projects, it may indicate a need for some management development.

Managers View Implementation Projects as Optional Activities

Some managers may consider an innovation program as an elective activity. Since managers are responsible for implementation projects, they have the fate of the ideas of others in their hands. If they do not have a sense of urgency about implementation, it can be demoralizing to the suggesters of ideas and others who are interested in the innovations. Managers should promote a culture of creativity and

innovation throughout the organization. They must be engaged in innovation. Often a project champion is necessary to sustain momentum during the inevitable slowdowns and over occasional speed bumps that occur in all projects, especially larger ones.

STEPS IN OVERCOMING MANAGEMENT RESISTANCE TO IMPLEMENTATION

We present six steps to overcoming manager resistance to implementation in Exhibit 2 that will overcome much of resistance caused by the five reasons for implementation failure shown above.

EXHIBIT 2
OVERCOMING MANAGER RESISTANCE TO IMPLEMENTATION

•Schedule implementation projects with finite completion dates. Don't just place the ideas in a hopper without any prioritization. They will languish in limbo.
•Avoid overburdening one manager with too many implementation projects. Assign small projects to upcoming managers and use them as a way of developing managerial talent.
•Use a good project management planning system. Break large projects into more manageable parts or phases.
•When there are technical failures and cost overruns, increase the effort for testing and piloting ideas and cost-benefit analyses.
•Provide training in change management to managers who fail with implementation projects.
•Make sure managers are supportive of innovation. It should be part of the organization's culture. Managers control the resources that are necessary for the implementation of ideas. If they are not motivated to implement ideas in a timely way, it will be extremely demotivating for an innovation program.

CONCLUSIONS

Ideas are needed to advance innovation; however, a more systematic approach is needed in many companies to stimulate innovation. In our research there was much discussion of innovation by top management, but it did not result in significant idea implementations. Employees had ideas but they were not making it through the system to become innovations. This contradiction could be explained by a failure at the middle and lower levels of management.

Our research showed that, although input from all employees is necessary, management performance is the critical variable in achieving high levels of innovation. Top management must, of course, be supportive of innovation. However, without commitment and action on the part of middle management and first-line supervision, an innovation program is not likely to succeed.

We looked at key resistance factors of managers in both the ideation and the implementation stages of innovation. There were frequent failures of idea creation and implementation in our study that could be corrected by proper management action. Employees responded well to a manager that was supportive of innovation and competent in generating and implementing ideas in their departments. We recommend some solutions to overcome key resistance factors of managers that should allow for a high innovation level in their organizations.

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