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Assessing the Climate for Innovation

This briefing describes the approach used by Zeisler Associates, Inc. in assessing an organization's Climate for Innovation. It contains background information on climate and the diagnostic tool we use to assess it.

Research clearly demonstrates that companies that can consistently and successfully innovate have significant differences in nine dimensions of Climate than those companies that have a poorer track record of innovation. The questionnaire, with thirty years of research and validation behind it, examines the relationship between an organization's climate and its ability to effectively bring new products, marketing concepts, solutions and services to the marketplace where they meet or exceed commercial success goals.

WHAT IS "CLIMATE FOR INNOVATION"?

What do we mean when we say "Climate for Innovation"?

The answer is really quite simple. Think about the last time you had a really great idea or breakthrough thought for a challenge or opportunity you were facing - or when you were prepared and ready for major change. Can you describe the important characteristics or aspects of that situation? What was going on around you? What were you feeling? How did those around you behave? We often ask this question to large groups of people and when they begin to explain why their ideas or readiness for change seem to come better in one place over another or in certain circumstances, they are talking about the climate for innovation.

CLIMATE VS. CULTURE

It is important for us to distinguish between organizational climate and culture. An organization's culture concerns the values, beliefs, history, traditions, etc., reflecting the deeper foundations of the organization. The culture is long-standing, deeply rooted, and usually slow to change. The organization's climate, however, refers to the **recurring patterns of behavior exhibited in the day-to-day environment of the organization as experienced, understood, and interpreted by the individuals within the organization.** This difference is important for many reasons, not the least of which is that climate can vary widely within an organization even though the culture is stable and shared.

It is peoples' perceptions of these behaviors that influence their attitudes at work as well as their levels of performance and resulting productivity. As Dr. Göran Ekvall, noted Swedish organizational climate researcher at the University of Lund states:

"Climate affects organizational and psychological processes such as communication, problem solving, decision making, conflict handling, learning and motivation, and thus exerts an influence on the efficiency and productivity of the organization, on its ability to innovate, and on the job satisfaction and well-being that its

members can enjoy. The individual organization member is affected by the climate as a whole, by the general psychological atmosphere, which is relatively stable over time. No single separate event produces this more lasting influence on behavior and feelings; it is the daily exposure to a particular psychological atmosphere."

FACTORS THAT CONTRIBUTE TO CLIMATE

There are multiple factors that influence people's perceptions of the working climate. These variables include:

- Leadership.
- The organizational vision, mission, goals and strategies.
- The amount of available resources.
- Personnel policies (particularly rewards and promotions).
- The behaviors of the people in the organization.
- The beliefs and values of the organization.
- The organizational structures and systems.
- Concern for profits and losses.
- Levels of job satisfaction.

All of these variables have an impact on how people view the climate in which they work. However, organizational climate research suggests that *the most influential variable on this list is Leadership*, affecting up to 70% of the climate as perceived by the people in their organization.

THE SITUATIONAL OUTLOOK QUESTIONNAIRE (SOQ)

Zeisler Associates measures the climate for innovation using the *Situational Outlook Questionnaire (SOQ)*. English and other language versions of the questionnaire are made available to us following rigorous certification at Buffalo State College in New York. The SOQ and certification stem from the original work of Dr. Göran Ekvall of the Swedish Council on Work Life Issues in Stockholm now Professor Emeritus at Sweden's University of Lund.

The SOQ examines psychological aspects of the work environment - the "organizational climate" as described above, and its influence on an organization's ability to innovate successfully. We use the SOQ to help people develop a better understanding of the perceptions they have of the environment in which they work; assist them develop strategies and actions to make positive contributions to it; and raise the successful rate of innovation of the organization.

THE LINK BETWEEN CLIMATE AND SUCCESSFUL INNOVATION

The power behind the SOQ is that the original Swedish instrument and the dimensions it measures have been validated against measures of business innovation. Ekvall conducted research within Swedish organizations to examine the relationship between people's perception of the organizational climate and the organizations' abilities to develop original products, solutions, marketing approaches, and services, to rapidly deliver

these products to market, and to have these products and services achieve commercial originality and financial success.

Ekvall and his colleagues were able to distinguish between innovative, average and stagnated organizations based on their business performance and the perceptions people had of the organizational climate. Innovative organizations developed new products, solutions and services and got them to the marketplace quickly and successfully. Stagnated organizations were unable to handle the development of new products or services effectively.

NINE DIMENSIONS OF CLIMATE FOR INNOVATION

The SOQ measures the climate for innovation in the following nine dimensions:

Challenge/ Involvement	<i>The degree to which members of the organization are involved in its daily operations and long-term goals.</i>
Freedom	<i>The independence in behavior exerted by the people in the organization.</i>
Trust/Openness	<i>The emotional safety in relationships.</i>
Idea Time	<i>The amount of time people can use (and do use) for elaborating new ideas.</i>
Playfulness/ Humor	<i>The spontaneity and ease displayed within the workplace.</i>
Conflicts	<i>The presence of personal and emotional tensions in the organization. This is the only "negative" dimension and can be contrasted with idea tensions described in the dimension of Debate.</i>
Debates	<i>The occurrence of encounters and disagreements between viewpoints, ideas, and differing experiences and knowledge.</i>
Idea Support	<i>The ways new ideas are treated.</i>
Risk-Taking	<i>The tolerance of uncertainty and ambiguity exposed in the workplace.</i>

As a result of the original research and ongoing validation, the SOQ provides a highly accurate "snapshot" of people's perceptions of the working climate and offers comparisons to other organizations.

The scores represent people's perceptions of the extent to which the behaviors described by the dimensions are present in the climate. These perceptions are compared to measures of innovation and productivity at the organizational level. The scale ranges from 0-300. A significant or

important difference between two scores is 25 points. The scores below show the differences they found between Innovative, Average and Stagnated organizations on the nine dimensions.

RESULTS FROM THE SOQ

DIMENSION	INNOVATIVE	AVG.	STAGNATED
# organizations in original study	(N=10)	(N=15)	(N=5)
Challenge/Involvement	238	190	163
Freedom	210	174	153
Trust/Openness	178	160	128
Idea Time	148	111	97
Playfulness/Humor	230	169	140
Conflicts	78	88	140
Idea Support	183	164	108
Debates	158	128	105
Risk-Taking	195	112	53

These data demonstrate how people in innovative organizations differ in their perception of the working climate from those in stagnated organizations. Of the innovative organizations examined in the 1980's, all but one are still in business. Of the stagnated organizations, four out of five closed their doors within a few years of the study and the fifth survived through significant government support.

In addition to the original studies, ongoing research in the U.S. and Europe supports the original data. Scores of companies throughout the world, in a variety of settings - from banking to chemicals and from consumer products to academics - have successfully used the SOQ to develop an accurate picture of the innovation capabilities of their organizations, and to plan efforts to take them to the next level of success.

WHAT THE SOQ CAN PROVIDE

The SOQ used by Zeisler Associates has two parts - although the specific needs of the client organization ultimately determine which parts are used. Part A contains 53 questions that provide quantitative scores on the nine climate dimensions. Results from Part A include:

- Scores on the nine dimensions including means, standard deviations, ranges, frequency and item distribution for each group assessed. Data can also be presented in radar chart format.
- Climate scores compared to other U.S. and international organizations (anonymously) for comparison purposes. Results can also be compared to previous data collection conducted within the same organization.

DELIVERABLES FROM A CLIMATE ASSESSMENT

Part B of the questionnaire contains three short-answer questions. These questions provide participants an opportunity to elaborate on their perceptions of the climate. They are asked to identify specific factors in the environment which both support and hinder their innovation and creativity, as well as what they might do to improve the climate for innovation. The data is analyzed using a qualitative research methodology called constant comparison. Optional results from Part B include:

- The participant's verbatim responses on the three questions.
- Level I Analysis - The key themes among the participants identifying factors in the environment supporting and inhibiting innovation and creativity.
- Level II Analysis - Specific recommendations made by the participants for improving the climate for innovation.
- Level III Analysis - Specific examples of the SOQ dimensions present within the environment as described by the participants.

Part B of the SOQ may also be modified to include a larger number of questions based upon your needs.

It is also possible to compare people's perceptions of the climate with a variety of other factors including their orientation to creativity; their perceptions of the creative products they produce; and the characteristics of the thinking processes they use when identifying and developing innovations. Additional information is available about these measures upon request.

BENEFITS OF UNDERSTANDING CLIMATE FOR INNOVATION

When you conduct a climate assessment using the SOQ, there are a number of possible deliverables. These outcomes include any of the following:

- A comprehensive report of findings and key recommendations for improving the Climate for Innovation.
- Personal feedback on the results of the climate assessment provided to participants completing the questionnaire.
- Presentation of climate results and recommendations to internal management team.
- Training and Consultation to identify and implement innovation improvement efforts.

For the Organization:

- Helps to determine the appropriateness of the climate to the success of the organization in its operating environment. (How well does the climate fit the tasks or purposes of the organization?)
- Helps to determine the appropriateness of the climate to the well-being of the people of the organization. (How well does the climate match the needs of the human resources of the organization?)

- May allow the organization to better structure itself to allow a more productive workplace; building upon those structures that seem to be working well and modifying others. (What structures may help promote creativity and better meet the needs of the organization?)

For the Team or Work Unit:

- Helps to promote honest communication among team members.
- May uncover previously unknown, unappreciated or unproductive perceptions of team members and promote effective problem solving to overcome these obstacles to productive group functioning.
- May uncover some previously unknown or unexpected strengths upon which a team can build.

For the Individual:

- Helps me to understand more clearly how I perceive the environment ... it makes the invisible a little more visible.
- May help me to identify and become more involved in shaping the climate within which I work.
- As a result of this improved understanding, I may be able to reduce certain negative aspects and focus upon the more positive aspects of my perceptions of working climate.

NEXT STEPS

Zeisler Associates has helped a variety of organizations around the world achieve improved business and organizational success by examining creativity and innovation, identifying critical climate issues, and developing action plans to enhance the leadership, team, creativity and innovation skills often lying dormant and untapped.

We have used the SOQ in support of these efforts with companies and organizations around the world including Alcoa, Ball State University, DuPont, the Indiana Labor and Management Council, Nestlé and the US Army War College.

To learn more about our work, the SOQ, and how we can be used to help your organization unleash its potential for creativity and innovation, contact;

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