***BOOK EXCERPT from***

***RESET: A Leader’s Guide to Work in an Age of Upheaval***

By Johnny C. Taylor, Jr., President & CEO, SHRM

**THE HUMAN CORE OF INNOVATION from Chapter 2**

You might not think of innovation as something that happens regularly in HR. But it does, and it should. Working with the C-suite and leadership, there are three areas where HR can innovate and test those innovations: the work, the worker, and the workplace. We define a worker, whether it’s a gig worker or a fifty-year employee. We define the work, whether it’s a job, a career, or a role. And we define the workplace, whether it’s a physical plant or a remote office at home. All of those things bring us to this: innovation happens in the people business. This is where the muscle behind innovation lives—people.

The key is to always be evolving, making progress, right? People drive that progress. It’s the job of HR and business leaders to facilitate, nurture, pay the right talent, and promote the right people who see what others don’t. Who are your strategic visionaries? For example, at Google they had talent who looked ahead at online marketing and met that challenge with AdWords, and the revolution was on. Not every new concept changes the world, however. We need inventive facilitators, too. So who are your best organizers? Some talent can be very ideation-centric, and those idea people are valuable, but it also takes a different kind of visionary to see how an idea can be implemented. Promoting the right people has to be holistic to your progress.

As you evolve, People Managers become the critical linchpins for strategies. Their ability to clearly communicate the culture, build positive workplaces by listening, and implement accountability by setting expectations is vital to your success. We know what failure of management looks like. In a 2019 SHRM report on toxic workplace culture, we discovered that 58 percent of employees who quit their jobs due to workplace culture blamed their

People Manager. In that same study, one in three employees said their manager didn’t know how to lead.

There is a price to pay if your People Managers are miscast and out of sync with your culture of innovation. The cost of turnover? About $223 billion over a five-year period, according to SHRM’s research. The investment in strong management—your key decision makers in the hiring of talent and your essential point people to execute your culture—is a down payment on progress.

What core values do innovators have in common? We can look back at 2008 for some lessons about today. Judy Estrin, author of *Closing the Innovation Gap: Reigniting the Spark of Creativity in a Global Economy*, has written extensively about this subject from her point of view as an entrepreneur, and chief technology officer from 1998 to 2000 at Cisco Systems. During the economic disaster, Estrin provided a road map for managers to consider when hiring, as she detailed some core principles that foster creative solutions:

* Curiosity and a natural ability to question the status quo.
* Risk-taking and a willingness to learn from failure.
* Openness—organizations with strong silos tend to be less innovative.
* Patience, tenacity, and the sense of giving an idea a chance to grow.
* Trust, underpinning the other values.

Determining whether you have the right people to innovate is essential. One key question always comes to my mind: Do I have people who are willing to try things, or do I have people who *say* they’re willing to try things.

I can speak from my own experience. Many years ago, I worked at IAC (InterActiveCorp), here Barry Diller was the CEO. We had a culture club, a group to align values and vision. I had been brought in to be part of the culture club, probably because I was young, early in my career, and brought a fresh perspective to the room.

Diller used to ask us, “Who’s really engaging in innovation? Who’s thinking big but running into resistance within the organization?” Out of those conversations we began wrapping our minds

around where IAC was headed as a company, which, at the time, was on a buying spree, snapping up companies big and small, such as Ticketmaster and Home Shopping Network. We knew one of the reasons the smaller companies were doing so well was because they were flexible and agile, able to turn on a dime. As a company and as part of the culture club, we asked ourselves, “How do we keep that entrepreneurial spirit when folding these nimble companies into a huge, global organization?”

At the time, Jack Welch had retired as CEO of General Electric and was a key adviser for IAC. I’ll never forget what he told me— the very thing that made a company attractive to you as an acquisition target is the very thing you have to continue encouraging by letting it exist and flourish within your environment. That’s the culture need: room to be you, room to innovate.

So often, big-company bureaucracy can have a chilling effect on the innovation of a small-company acquisition. Our goal was to not let that happen. We wanted to give these companies access to capital, access to the best and brightest minds a big organization could provide,

while making sure they maintained that small-company edge, that start-up spirit of invention. We wanted the best of both worlds.

Then there was the second tier question the culture club asked: When we provide the best and brightest leaders to a small company, how do we convince those executives this is not a step back? The feedback we received was clear: Okay, how do you compensate individuals who are leaving a big job at a big place for a critical position at a smaller one?

Basically, this was the bigger-is-better conundrum. How do you deconstruct that mindset?

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