

One of the Best Places to Work

Innovation Success, Strategy, and Systems
for a Better Place to Work.

Greg Lemmon

Eureka! Ranch International

Innovation Engineering Institute

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ABSTRACT

This paper explores the psychology and environment within a company as it relates to how they rate the company as a place to work. We interviewed 122 companies about characteristics of their company based on theories of innovation and creativity. The strongest positive correlation of responses to a question about being one of the best places to work is talents being used well followed by quality of work and respect for leadership. The strongest negative correlations were declining on the business life cycle curve and innovation strategy of preferring to follow others when approaching new ideas.

Author Keywords

Employee Retention, Innovation; Business; Strategy

ACM Classification Keywords

Surveys and overviews; empirical studies.

INTRODUCTION

Innovation is a more profitable strategy for growth when compared to popular alternatives such as 'voice of the customer', 'quality', 'quick delivery' and especially 'low cost'. But how does innovation relate to the companies culture and employee retainment. This paper explores the relationship between companies that are 'best places to work' and the company's culture, strategy, systems, and success with innovation.

METHOD

Sample size is 557 assessments from 122 companies. Assessments were completed between 2016-2021.

The variable of interest in the correlation analysis is How would you rate your company as a place to work compared to other companies? 0 being One of the Worst and 10 being One of the Best

Using the average responses for each company. We did a correlation analysis between the above question and the other 34 questions.

RESULTS

Table 1 summarizes the correlation coefficients for each question and if it is significant at the $p < .05$ level. Table 2 summarizes the descriptive statistics for the success with innovation questions for the bottom, middle and top thirds for places to work. Showing that companies in the top third for place to work both feel like they are more successful with innovation and have more sales from new products and customers. Table 3 summarizes the relationship between focusing on proactively leading with radical ideas versus reactively following and place to work. The top third places to work are leading with radical ideas more than following while the bottom and middle thirds are following twice as much as leading. All three groups are focused on style #2 incremental ideas, about the same. Table 4 summarizes the descriptive statistics for the 5 innovation sub-systems, alignment, collaboration, research, education and patents (each measured with 3 questions) for the bottom, middle and top thirds for places to work.

CONCLUSIONS

Companies who are still growing and have success with innovation are also considered better places to work. Doing more radical ideas over following the market is the best strategy for a better place to work. The question is do employees consider

their company one of the best places to work, because they are working on more proactive, radical ideas or does working on more proactive radical ideas lead to success and growth, which then makes the company a better place to work. Either way companies looking to improve their culture and employee engagement should look at their success with innovation and consider prioritizing more radical ideas over reactive ideas.

In order to be successful with innovation, systems are needed to bring ideas to reality and impact the company. Companies looking to be one of the best places to work should start with alignment by clearly communicating their strategy for innovation, making sure projects match the strategy and have support and resources.

Next enable collaboration. Most companies have employees who cooperate with each other, but the best places to work allow collaboration outside the company. Working with other companies also helps them advance more radical ideas and reduces the need and stresses of employees trying to advance radical innovation on top of their current roles in the company.

Rapid research and experimentation is critical for creating and commercializing radical innovations, but requires courage to fail repeatedly. It is interesting that the best places to work are doing more experiments and market research. Showing testing ideas and getting more feedback from customers overall makes for a better place to work despite most likely failing more often.

Education also correlates with place to work. While most companies value education, the best places to work also capture what they learn and make it available for others in the organization. So while investing in training and continuous education for employees is clearly valuable, capturing and sharing learning is a new opportunity for most companies to improve their place of work. Education is also a good way of increasing confidence in leading teams to create, communicate, and commercialize meaningfully unique ideas; which all correlates with place to work.

Patents are an outcome of innovation and radical ideas. Having one's name on a patent application typically results in more pride of work, however that did not appear in this dataset where there was not a significant correlation between any of the patent questions and place to work. Based on this, patents are less important to improving place of work, but also consider that the companies in this sample all averaged lower scores on the patent questions implying they all need help with patents and these workers may have never experienced working with patents.

In addition to patents, the other questions that did not correlate with place to work were agreement to innovate, urgency for innovation and Style #2, doing incremental

ideas. Overall companies agreed with the need to innovate and had urgency. So while agreement and urgency are a good mindset to have for innovation, they alone will not likely impact place to work. Working on incremental ideas to improve products and services is a popular approach to new ideas. Companies looking to improve their place to work should only do more incremental ideas if that strategy also reduces the reactive, idea follower approach. Before increasing the incremental improvement approach, companies should look to increase more radical ideas that could lead the marketplace.

Table 1**Predicting: Place to Work: one of the best (significant* p < . 05)**

Question	Correlation
My talents are used well in the workplace.	0.6228*
How would you rate the overall quality of work done by your company?	0.6188*
I have a high level of respect for my company's senior leaders.	0.5938*
Confront Reality - Where is your organization on the business life cycle. (Growing, Peak, Declining)	-0.5765*
Our organization or team has adopted processes to allow for frequent experiments (or pilots) of new ideas in search of new innovations.	0.5083*
There is top management commitment and support for innovation.	0.4868*
The people I work with cooperate to get the job done	0.477*
Are you PESSIMISTIC or OPTIMISTIC about your company taking action on accelerating innovations that are meaningfully unique versus competition?	0.459*
There is a clear link between the innovation projects we carry out and the overall strategy of the business.	0.4526*
What is the organization's attitude towards taking action on new innovations	0.4522*
I have sufficient resources (for example: people, materials, budget) to get the job done.	0.4522*
Overall how SUCCESSFUL do you feel your organization has been with innovations?	0.4377*
Is creativity and innovation rewarded at your company?	0.4118*
We are good at capturing what we have learned so that others in the organization can make use of it.	0.3745*
How confident are you in the reliability of your organization's system for creating and executing more profitable products, services, customers and or markets?	0.372*
Our organization makes it easy and encourages other organizations to approach us with new ideas, potential solutions or new opportunities.	0.3714*
Style #1 Idea Follower: We prefer to copy what others have proven to be successful.	-0.3624*
Our organization or team has instituted formal processes to network outside the company to find new ideas for processes or products	0.3615*
Approximately what percentage of your company's sales today are in services or products your company didn't offer 3 years ago?	0.3484*
The basic values of this organization include learning as key to improvement.	0.3369*
Our innovation strategy is clearly communicated so everyone knows the targets for improvement.	0.3185*
Managers basically agree that our organization's ability to learn is the key to our competitive advantage.	0.2983*
In this organization, we do a lot of quick informal market research.	0.2937*
Style #3 Radical Ideas: We prefer to lead our marketplace creating radically new ideas, categories and customer opportunities.	0.2749*

How confident are you in your ability to lead a team in CREATING meaningfully unique ideas?	0.2747*
How confident are you in your ability to lead a team in COMMUNICATING meaningfully unique ideas?	0.2501*
Approximately what percentage of your company's sales today are to customers that your company didn't sell to 3 years ago?	0.2277*
How confident are you in your ability to lead a team in COMMERCIALIZING meaningfully unique ideas?	0.2252*
Our organization proactively encourages internal use of existing patents and outside licensing of our patents and technologies.	0.1243
Style #2 Incremental Ideas: We constantly seek to make incremental improvements to our products/services.	0.0942
Our organization supports employees quickly filing provisional patents for new innovations for work systems and or customer offerings.	0.0849
How URGENT is it for your organization to take action on accelerating innovations that are meaningfully unique versus competition?	-0.0713
Do you PERSONALLY agree that your organization needs to accelerate innovations that are meaningfully unique versus competition?	0.061
Patents are very important to our organization.	0.0364

Table 2
Place to Work Verses Success with Innovation

	Bottom Third (n=41)	Middle Third (n=41)	Top Third (n=40)
Success with Innovation (0-10 scale)	4.69	5.22	6.28
Approximately what percentage of your company's sales today are to customers that your company didn't sell to 3 years ago.	22%	18%	32%
Approximately what percentage of your company's sales today are in services or products your company didn't offer 3 years ago.	17%	19%	25%

Table 3
Place to Work Verses Strategy

	Bottom Third (n=41)	Middle Third (n=41)	Top Third (n=40)
Style #1 Idea Follower: We prefer to copy what others have proven to be successful.	43.03	41.88	29.27
Style #2 Incremental Ideas: We constantly seek to make incremental improvements to our products/ services.	41.48	40.66	43.15
Style #3 Radical Ideas: We prefer to lead our marketplace creating radically new ideas, categories and customer opportunities.	19.57	23.02	31.39

Table 4
Place to Work Verses Innovation Sub-Systems

Sub-System	Question	Bottom Third (n=41)	Middle Third (n=41)	Top Third (n=40)
Alignment	Our innovation strategy is clearly communicated so everyone knows the targets for improvement.	4.58	4.94	6.03
	There is a clear link between the innovation projects we carry out and the overall strategy of the business.	5.58	5.93	7.28
	There is top management commitment and support for innovation.	6.56	6.99	8.42
Collaboration	Our organization or team has instituted formal processes to network outside the company to find new ideas for processes or products.	4.36	4.94	6.06
	Our organization makes it easy and encourages other organizations to approach us with new ideas, potential solutions or new opportunities.	4.70	5.20	6.35
	The people I work with cooperate to get the job done.	6.95	7.41	8.71
Research (Fail Fast, Fail Cheap)	Our organization or team has adopted processes to allow for frequent experiments (or pilots) of new ideas in search of new innovations.	5.15	5.51	7.07
	What is the organization's ATTITUDE towards taking action on new innovations?	5.21	5.69	6.99
	In this organization, we do a lot of quick informal market research.	4.43	4.94	5.73
Education	Managers basically agree that our organization's ability to learn is the key to our competitive advantage.	6.67	6.80	7.33
	The basic values of this organization include learning as key to improvement.	6.14	7.11	7.63
	We are good at capturing what we have learned so that others in the organization can make use of it.	4.46	4.89	6.04
Patents	Patents are very important to our organization. Patents Important.	4.04	4.57	4.42
	Our organization proactively encourages internal use of existing patents and outside licensing of our patents and technologies.	3.21	4.14	4.04
	Our organization supports employees quickly filing provisional patents for new innovations for work systems and or customer offerings.	3.48	4.07	4.10