

Roundtable

Motivation for Superior Innovation Performance Roundtable Takeaways March 27, 2000

The March 2000 Roundtable was held at Bestfoods in Somerset, NJ. It focused on how organizations are trying to motivate their employees to be more innovative. Facilitators were Leonid Bazilevich of the Howe School of Technology Management at Stevens, Joan McManus-Massey of AT&T Laboratories, Ned Jarmas of Bestfoods, and Ellen Rowe of Bestfoods.

Leonid Bazilevich provided the academic framework, posing a set of questions that should be addressed for a complete understanding of the subject. These questions were:

- What is Superior Performance - outstanding discoveries or stable innovation?
- What are the Differences and/or Similarities between Individual and Team motivators?
- Synergy - how to go from additive to multiplicative effects of motivation.
- Who is the best Project Manager for integrated product development -Ambitious Leader or Great Inventor?

AT&T and Best Foods then discussed their innovation program efforts.

AT&T:

- Has a focused effort to improve innovation in their Research Labs
- Research groups have been directly aligned to business units through specific strategic initiatives
- Still maintains about 30% of research activities unapplied
- Have created Innovation Advisory Board to oversee development from concept to commercialization
Believes inventors are more motivated by peer recognition than by financial remuneration (for patent filing, for example)
Finds that they can no longer focus too extensively on growing new hires from campuses and need to get talent from the market to achieve sustained innovation
- Still hiring very selectively for R&D. They mentor and evaluate students as formal and regular process.
Development, by contrast, does less relationship hiring.

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AT&T Continued

Most effective recruiting tool is employee referral, but believe they must develop other means of recruiting, e.g. Internet

- Finding attrition is a far more serious problem than hiring. Attrition rate is typically 6% but growing to 10% this year (by comparison, Joan says California is 20%)
- For human development, AT&T is continuing to use career ladder approach in R&D.
- Has been applied to the executive level for several years. Bestfoods indicated they have similar program for their technical professionals.
- Invites innovators to participate in training in project management, business management, and leadership
- School of Business has major activity in project management training
- Sponsors innovation forums, twice per year, for people who volunteer presentations of inventions and other business-related ideas to other employees, management and potential customers.
- Because of retention issues, AT&T is working with California-based organizations to try to understand and affect retention issues.
- Learning that employees are more enticed at seeing innovations get to market rapidly and visibly than "get rich" opportunities in ". Com" organizations
Encourages brainstorming sessions on many aspects of laboratory activities
Believes a total body of activities (see presentation slides) drives innovation; need a correct balance
- Monitor innovation culture using internal trend survey

Bestfoods:

- Senior management uses a series of tools to drive entire company to innovation
 - Consumer/technology matrix (balance risk with opportunity)
 - Innovation funnel (business and core technologies)
- Believes they must have an innovative culture to yield innovative results
- Have formal process for sustaining an innovative culture (see presentation materials)
- Objective of efforts is to get people to think innovation and be more collaborative
- One specific activity is formal "Innovation Fairs". Four have been held to date, and the idea and enthusiasm is growing rapidly.
 - Inventor can promote new ideas. Facilitates "pushing" ideas into the organization.
 - Supports the creation of an environment (culture) for innovation
- Judges provide formal feedback to inventors, who are highly motivated by honest dialogue/feedback
- Open to all levels of the organization and teaming is encouraged
- Are intensifying, formalizing and strategizing market hiring and discuss their technology
- As stated by AT&T, believes that people's motivation for participation is that they want to see what will be done with their ideas (desire to see ideas recognized by others)
- Have established an extensive reward structure to recognize winners and participation
- Have established an Innovation Wall of Fame
- As a side benefit, Innovation Fairs connect people to the needs of business.
- Ideas are not limited to food products (e.g. packaging, etc.)

There was so much enthusiasm around the Sponsor presentations that the group decided to continue the discussion by asking other Sponsors to share their program efforts at the next Roundtable, scheduled for 7/31.

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