

# Innovation as a Recipe for Engaging Talent (Transcript)

Chris Congdon: Welcome to Work Better a Steelcase podcast where we think about work and ways to make it better. Business leaders have been trying to crack the code on innovation since the beginning of time. But, today's guest – Dr. Simone Ahuja – has a new take on innovation.

Of course innovation is about filling some unmet need in the market or solving that problem no one has solved yet. But — she says — it's also about engaging and retaining talent.

Simone is CEO of a global innovation strategy firm called Blood Orange. She's a best-selling author. Her latest book is *Disrupt-It-Yourself*.

After we talk to Simone, we will be joined by Amber Mathews, Steelcase director of Workspace Futures research in Asia and Europe. She's spent a lot of time studying innovation within companies and how to support innovative teams. So stick around for that. Simone, thanks for joining us.

Simone Ahuja: Thank you! It's so fun to be here with you.

CC: I'd like to start out just by talking about where your passion about innovation came from and talk a little bit about your research because that is really unique.

SA: Absolutely, my passion for innovation. I'm going to answer that in 2 different ways: the original and then the renewed passion around innovation. So the original passion for innovation came out of research that I was doing in India for Best Buy.

As we were thinking about what is happening in emerging markets, this was back in 2008, 2009, and as I was doing that research what I learned about was something called Jugaad innovation. So as I was researching, we were actually filming, we were making these sort of business case studies vignettes on film for Best Buy and whenever we ran into a problem, you know we were in the deserts, there was a bridge that was out, anything, my teams in India would say well let's do some Jugaad. We'll figure it out. Let's do some Jugaad and I remember thinking, wow, what is that? Let's do it. We have no choice, maybe we're gonna run out of money or run out of water or fuel. Let's figure it out.

What I learned from them was that it was this way to quickly assess resources that you have rather than what I was doing, frankly, which was focusing on what we didn't have and figure out a solution that wasn't always a perfect solution. A little bit of a hack but got us to where we needed to go and I saw them do this over and over and over again. And I realized I learned later that this is a colloquial term in India, Jugaad, and originally it was like a jury-rigged farm vehicle where you'd pull parts from a whole bunch of different vehicles, put it together and then create this vehicle. That may not pass safety inspections in the US. But for small scale farmers, it's all they have and what it does is it plows, you can use it for transporting people, it has multiple uses. So that's the original use of the word Jugaad. Jury-rigged farm vehicle and then it became this colloquial term for jury rigging or hacking a solution in a kind of fast and frugal way. Then what I did with my co-authors as we learned more about this, we realized that large organizations and resource constrained environments like India were doing this too, so we codified it. And we established some principles that we didn't make up. I mean we codified it but people have been doing this for Millennia. That was the most fascinating thing, grassroots entrepreneurs have been doing this forever. They don't have R&D labs, they don't always have formal education but they're still solving really big problems. Pressing problems. So that's the genesis of Jugaad innovation and really the thing about the resources that was so powerful is it's totally democratizing.

Once you get out of the mindset that oh I don't have to have a ton of resources to solve problems, I can rely on what I observe and what I understand. It's a simple process. All of a sudden you start to shift who's in the position to innovate and you might just put yourself in that seat. So that was the one thing I think of my renewed passion for innovation. I realized that innovation principles and innovation practices and methods are so relevant to everything we do. I use it in parenting. I can tell you about that later if you like. You know I use it in business day to day. So there's a high high relevance and efficacy not just in innovation but outside of innovation. Even as we think about things like how do I empower people on my teams? How do I build engagement?

CC: Yeah I do want to talk a little bit more about any form of innovation and parenting. I think we'd all be interested in that. But before we go there, I want to ask about where leaders are at right now. Because we've been talking about innovation since I was in business school a million years ago and leaders right now, I feel like they have so much coming at them. You know they're trying to solve for whole new ways of working and hybrid work and their supply chain disruptions and there's wars and energy issues and climate change and the list is just endless. So like how should they be spending time thinking about innovation when they've got all of these big world problems that they're trying to solve?

SA: Yeah, you bring up something really important Chris about time. So 1 thing when we think about innovation that I always like to share with folks is that innovation, we need to reframe it so innovation, what is it? Innovation is creating new value. So it doesn't have to be a new idea that creates value. It doesn't have to be the big iphone or the next flying car. It's just a new way to add value. So that's one thing about innovation. It can't be thought of as a shiny object. I think we have to reframe it as something that if we have existing business goals or if we have a strategy innovation it's an approach. It's a mindset. It's a methodology that is going to help us advance those goals faster. And better and potentially with fewer resources. So when we think about it that way, because that's true, because we know that organizations simply cannot sustain without innovation then we might start to think about, well do we have the time for this now?

All that to say I want to really acknowledge it is really hard to be a leader or a manager right now and there isn't a lot of time because we're not always focused on the mid to long term. We're often focused on short-term and short-term, the pain, of course, is how do I retain my people? How do I keep them engaged? How do I make this a sandbox that they want to play in? And my answer is entrepreneurship and innovation.

So entrepreneurship is acting like an internal entrepreneur inside of an organization, often times moving the needle on innovation and what I've observed in my own practice over the years and this is where I think I've had a big change in my own thinking, if years ago I was like innovation is the way forward. It's the right thing to do. Everyone should understand innovation because innovation helps you sustain and develop new solutions to advance a society. What I didn't realize then that I know now and see in real time every single day is that innovation and entrepreneurship particularly help drive engagement when you empower people and when they have the trust and they have a simple process and they have a little bit of support. What we also know is that managers and leaders don't have time to go through every single idea with entrepreneurs. That's why we like to give people a really simple framework around it. But when you do that you're creating a culture that people want to be a part of, so engagement and entrepreneurship are inextricably linked. People love solving problems where they can be passionate about what they're doing, design part of the way forward or all of the way forward and feel real progress. Not just the massive mission of we're going to solve massive problem x, but I have this problem I'm working on and I can see how I'm making progress towards that goal every single day. It's really powerful.

CC: So I want to double click on that one a little bit because one of the problems that organizations and leaders are facing right now is talent. You mentioned attracting talent. And one of the things I was really fascinated about in your research is when you found that younger people like recent graduates aren't super excited about going to work for large organizations. Can you talk a little bit about that? What were you looking for and what did you find in that research?

SA: Yeah, so it was an Accenture annual survey, and this was pre pandemic so we imagine the numbers to be lower now, but it was 14% of new graduates who don't want to work in large organizations. Why? They don't feel moved by it. There's a trend towards working in startups or establishing something on your own. There's a trend toward working in highly purpose driven organizations and large organizations. Some of them are getting pretty crisp and clear about what it means to be a purpose driven organization. Very few of them have been in the past and some of them are still trying to figure it out. So what's happening is we're trying to engage people often with an old approach. You know you'll have this job with this job description and make this much money and what a lot of newer grads particularly are looking for is a real purpose.

In innovation we often use this term MTP, massive transformative purpose. It's sort of like it's not a mission. It's an audacious goal that becomes like a north star that people can really rally around and when you start to build something like that whether it's at the macro enterprise level or on the micro level as a leader or manager, and I strongly believe in the power of microcultures, you can really build something where people want to stay on your team. So I think leaders really do have to find the time and maybe not a lot of time to go into every problem with every person but to support innovation and entrepreneurship and provide simple tools like a process through which people can move their ideas. Even just doing little things like building a signal that innovation is important. Because it's a signal of trust, ultimately, we trust that you have good ideas. We trust that you understand what is important and that will advance our business strategy and our goals and we trust that you can take steps forward to figure it out.

CC: Yeah, so you were talking about engagement a minute ago. Do you think that doing innovation work is a way to help create not only greater engagement but just that sense of belonging that people are looking for with their organizations, that sense of community that kind of keeps bringing people back?

SA: Hundred percent and again this is interesting because I may not have answered this the same way 10 or 12 years ago but I'll answer it this way now. Absolutely yes, innovation and entrepreneurship in particular is a way to drive engagement. And it's a way that's not something that's tacked on. It's a way to drive engagement that really benefits the individual right? Its personal development. Its leadership development and then it advances the goals of the organization. Because what we see is that entrepreneurs are really good at co-design. Entrepreneurs are not the Lone Wolf. You know they're not off in a little lab somewhere in their garage tinkering away like we used to maybe think about entrepreneurship or even entrepreneurship. Entrepreneurs are really good at co-design, so you know they build small teams. To help advance their ideas, they help enroll people and enlist them into their process to help them understand why this is important to you and to us and our larger organization. So they create this shared vision.

You know there's this expression we use. It's called the Hipster, the Hacker and the Hustler. The hipster is the person with a big idea. The Hacker is a person with the business or the tech know how and then the hustler is the person who socializes or evangelizes the idea and keeps the energy going so that people are still interested in the idea. Because we know sometimes a problem in innovation is that everything's really hot at the beginning and then things sort of taper out. And most entrepreneurs understand that they don't have all 3 so they've got to build these little teams and what we've seen is that those little teams become like a little family. They are rallied around this shared purpose. They have the vision for their team in terms of this problem. They're solving things that they really care about. And then they love working together every day and sharing what they learn with others and that's how you build the sandbox people want to play in.

CC: Got it, got it. So then it, the way you're describing it, innovators aren't just like these single individuals who are just gifted and brilliant but it sounds like there's a role for more people in the organization to be an entrepreneur.

SA: It's so true. I think if we look at what's happening around us socially, we have to really rethink how we're driving innovation and that's what was interesting to me about Jugaad Innovation. In resource rich environments, innovation was typically R&D driven out of a lab. So really expensive. It was top down. It was insular done by the people whose job it is to innovate like the people in the white coats. Jugaad Innovation, frugal innovation is another word for that, is the opposite of that. It is frugal. It's flexible. It's inclusive both in terms of who's solving problems and who are you solving problems for right? So you're not always just thinking about the upper upper echelons all the time or the most seasoned or the person that went to the ivy leagues. That's not what it's about, it's about people who have great ideas, people who've observed a pain point over and over and over again. Those are the people who need to be a part of this, especially if they want to.

So I'll give you a quick example, we were working with a Fortune 10 organization. One of their biggest touch points with their end users was in a call center. Now a lot of people probably don't think of the folks in their call centers as conduits that help them drive innovation. But in this case they actually are. What we did was build a pipeline to help those folks share the themes that they heard over and over again. So they didn't get diluted by the time they got to that ivory tower back in corporate. So when we think about entrepreneurship you're going to have instead of big pockets, or big ticket innovation, which is not to say that's not important, it certainly is, but you're going to have cells of innovation all over your organization. And you have to have both.

It's a way to move from only innovation elite or only a big moonshot to a portfolio approach. We need cells of innovation to ensure that we are driving innovation every single day. So we're advancing our business more. So we're meeting the needs of our end users more. So we're developing our people, and making them feel good and have better mental health. I mean it really all goes together.

CC: Yeah, it sounds like a much better place to work when you have these small teams, these almost family units the way you describe it, where people are working together to solve an idea. Then, what kind of mistakes do you see organizations make when they're trying to foster innovation? Like what advice would you have for them?

SA: I often joke that when people always say what are the 3 things that leaders ask you about innovation? And the questions I usually get are, "How do we innovate without spending a lot of money?" "How do we build a culture of innovation?" And then the last one is, it's a little bit of a joke because it's kind of the subtext of the question, which is, "How do we change without really changing?" And the reason is not because these folks aren't seasoned leaders or they're not carrying the weight of large organizations, it's just because it's so hard to change.

So I would say the most important thing is maybe don't think of innovation just at a macro enterprise level. Think of it at a micro level. The power of building the interconnected microcultures is keeping it small. And then when you are talking about innovation I would say one of the biggest problems in innovation is, we hear a lot of leaders talking about it, and then we hear feet on the street like "Wow, we're excited about it." But the managers in the middle get stuck. That's why I've actually developed a process called Recontracting where the individuals then can go to their manager and say, "Hey I have this hunch." Think about a problem that is relevant, here's how it connects to our business goals. Here's my plan to take it forward. Here's one specific way I need your help: not can you boil the ocean with me? And here's when I'd like to check back with you. What do you think?

It takes the weight off of the managers and leaders and makes them more likely and able to support innovation. I think it's giving people the tools so they can come in that way. Also I would say if you're looking at it from a little bit more of a macro level, you do have to really start thinking about metrics. Where does it show up? What moves the needle in your organization? If you want more innovation, you're going to have to measure it in some ways. Then, finally, governance. Who's got skin in the game?

CC: That's super interesting. The past couple years have been tough on everybody and in so many different ways. But it's also accelerated innovation in some respects. And at the same time as teams are working differently, particularly where you've got some teams that are coming together in person, which is maybe the way we've thought about innovation happening in the past, now you have a combination of people who are remote and people who are in the office together. How do you build social capital with teams when you've got them distributed if you're trying to build that kind of unit that is going to help support innovation?

SA: When you start to really embody and understand the idea of trust in relationships and psychological safety, when you start to build environments where people do bring their whole selves, so it's not just, we have XY and Z at the table, but XY and Z really feel like they can add in and be a part of a conversation, that is when I think you can start to build social capital. That's much more meaningful than what we have before. Now we're in a hybrid environment of course where some of the conversations are going to happen back at the office and some of the conversations are going to happen in virtual environments. For some people, virtual environments can be a more comfortable one where people can chat in or they can chat directly to someone who can share their answers. So are there all kinds of ways that we can think about building social capital in this new environment. If I think about words that come to mind so that we can just have better workplaces that solve more problems, grow and be the kind of places that people want to spend time in and they're positive so people can then spread that positivity outward. One word is trust and the second is empathy. What does it take for me to help build trust and psychological safety in my group?

CC: So before I let you go, I have to circle back to the conversation about parenting because you said you use some of the things that you've learned in parenting and I just imagine everybody would be fascinated to connect those dots.

SA: Yeah, innovation is full of so many things like, for example, that connect to parenting, relationships with your partner, all kinds of things that I didn't realize probably when I started studying innovation and researching innovation. You know one very quick example, not related to my son specifically, but about how we get things done generally, is something I've developed called the entrepreneur's code and it's a one step process that we use that's been codified from the most successful entrepreneurs in the world. They all generally take the same approach to move from idea to execution and I use it at home as well. When I'm just trying to get things done. It's a really powerful way to move forward and execute. With regard to my son, I think the example that makes me laugh pretty much every day when I think about it was during the pandemic when we were homeschooling. My son was five years old when he was in kindergarten and he did not want to write. He wouldn't practice writing because he didn't want to do it. He didn't want to fill out his worksheets and you know frankly in my purview, maybe this is part of my Indian upbringing, I was like what? You're five years old and you can't write and really I didn't think that was okay. We butted heads and we pushed and pushed and guess what happens when you push people? Nothing they get really well, not nothing actually a big drama right? Five year old drama. It did not work. Did not go well, it was headbutting over and over and over again.

And I remember during those days, we also had an infant at the time. We were so tired. We were both working trying to manage all of this and my son asked me how to spell a couple of let's say unsavory words. I told him because I was so tired. And then the next thing I know, we have signs with those words spelled on every single door in the house. So all of a sudden he's writing. But what I realized, I was like well that was easy and here's where it comes back to innovation. In innovation, we talk about unmet and important needs of our users. What are their functional needs? What do they have to do? What are their emotional needs? How do they have to feel? What are their social needs? How do they want to be perceived? And what I realized is if I had only applied that framework, it would have been so easy. Because I was worried about a milestone I made up in my head, I was worried about potentially how I might be perceived as a parent. I didn't feel good about parenting in the ad hoc way we were doing back then. I was looking for a landmark to say, "Oh I'm a good parent. My kid can write and I'm doing this in the pandemic." But, none of that worked. What worked was his job to be done, his unmet need was having fun, was being a curious five years old who's like pushing the limits a little bit. He's making his parents a little uncomfortable and as soon as that need was met, the job got done. So that is where I realized if only I had applied these principles to my home life earlier, it would have been so much easier. So I try to do that more and more, but that's really the calculus of that story and so I love to share. I'll share with you if you ever see me in action at a keynote, I'll share with you exactly what those posters look like.

CC: Oh well, I would love to see them. But I think just starting to think about those unmet needs, whether it's at work or home, is really an interesting place to start. Simone, it has just been great wonderful having you here with us today. And so I just really want to thank you for joining us and sharing your work with us.

SA: Thank you. It's my pleasure and if anybody who's listening wants to get a copy of that entrepreneur's code, a worksheet that's fillable, a PDF that they can just use on their own or with a small team, they can just go to my website which is [simoneahuja.com](http://simoneahuja.com) and they'll get a pop up. And you can sign up for a newsletter and get the worksheet right away.

CC: Perfect. Thank you so much for sharing.

SA: My pleasure.

CC: Joining us now is Amber Matthews and Amber is the Steelcase director of WorkSpace Futures which is our research organization. She's responsible for research in Asia Pacific, Europe, the Middle East, and Africa. So, welcome Amber. Thanks for joining me today.

Amber Matthews: Thank you very much. It's great to be here.

CC: So I was really struck when Simone was saying that such a large percentage of new college graduates don't want to work in large organizations. We're a larger organization, so you know I thought a lot about that a lot. What I found really interesting was her idea about how we can use the activity of innovation to actually help engage people in their work. I was curious about some of the things that you're seeing living in Asia and also having kind of this global perspective. I was just curious about what you're seeing in terms of the changes that have gone on in terms of innovation and whether you think that could be a path to help engage employees.

AM: Well absolutely Chris. It was really interesting that Simone talked about innovation as an engagement strategy. We were also seeing a trend away from the previous aspirations to work in large multinational companies. Name recognition doesn't seem to hold the same level of prestige for younger workers and we're seeing that priorities are shifting suddenly in a recent survey by KPMG. We saw six cities in Asia Pacific were ranked in the top 10 across the world that industry executives were believing would flourish as technology innovation hubs in the next three to four years. We're seeing Asia Pacific continue to see more unicorns, that is private companies worth more than a billion dollars, emerging across the region. And, in fact, Asia alone accounts for about 40% of worldwide unicorns and talent is attracted to this growth potential. But it's such a tight labor market at the moment. We certainly see that in our own research as well. Others such as PWC say something like 57% of employees are reporting being satisfied with their job. It's a pretty low number and the number who are looking to leave their current employer is particularly high in certain markets like Hong Kong which was 45%, Japan which is 43% and Singapore which is 46%. Singapore is considered one of the startup hubs for the region and so as you can imagine it's pretty big numbers and there should be a wake-up call for companies across the region.

CC: Wow. Yeah, it's really surprising to hear those kinds of numbers and then for that wake up call that you're talking about I think Simone's idea about engaging people in innovation practices and activities. It sounds like a really interesting strategy as you said and she used this terminology where she talked about a hipster and a hacker and a hustler. So you have the person with a big idea, and you have people who have the business or technology knowledge, and you have the hustler who kind of goes out and rallies the troops to get excited about these ideas. I'm curious if your work has shown or given you an indication that the workplace is actually an aid to help support these kinds of microcultures of innovation within an organization? Can the workplace be part of a solution a company should be thinking about?

AM: Well, that's a great question and a very important point from Simone that innovation is a team sport. I think it's imperative to have diverse and overlapping skill sets such as those you just mentioned. And the workplace can be a fantastic place to develop and strengthen those kinds of relationships. I think the inventor and innovator are often conflated but it requires that collaboration piece that you just mentioned to drive ideas to adoption and execution.

So we see that in our work, conversations and collaboration are vehicles for pushing innovation forward. These collaborations best happen in containers for culture such as office environments where teams, whether they are individual contributors becoming temporary teams, or teams who have been together for longer have this space to get work done together, or to socialize to learn from one another, to celebrate together and to become that community of success. I find, as with the previous discussion, people are drawn to that kind of environment because success is infectious so that a culture of innovation is something that people want to be part of.

CC: I like what you just said about a container for culture. I don't know if everybody thinks about their workplace as having that role. You know a lot of times we just think of it as the place where we go to do our work, but not necessarily this place that shapes our culture and our behaviors so much. I also was really intrigued by Simone's point about innovation being something that's very flexible and frugal. I thought that was curious because in a lot of organizations we tend to think about the innovation people as this kind of elite class, or maybe it's a leadership role, but not necessarily something that everybody can participate in. I just wonder what you would think about how we could think about our workplaces, whether it's a container or a vehicle, to help everybody feel like they're part of an innovation process?

AM: Absolutely, I really liked when Simone said innovation can and indeed should be inclusive because I think she's previously written that most western firms have assimilated that idea that an innovation system, like any other industrial system, generates more output in the way of innovations if it's fed more input in the way of resources. So it's extremely structured in that way and therefore very capital intensive which requires this abundant supply of resources and right now we know those are pretty scarce. So, as you described, many people, unless they're employed specifically in research or product development, don't think of themselves as innovators and indeed traditional managers have perhaps discouraged people from inventing new ways of doing things because they want to put them into established guidelines or following procedures. But I think if there's been a shift, and we can see this across the world, for example design-thinking becoming democratized in the same way, this mindset of innovation being part of the fabric of the company is being embraced I think by the more progressive organizations. They're starting to recognize that identifying and solving for real needs is something that has to come from every part of the company and that there's great value in encouraging a spirit of innovation.

CC: Simone's terminology for her book is Jugaad Innovation. That originates from India is that correct?

AM: That's right. It's a great description as an innovative fix for your business. It just basically means an improvised solution born from ingenuity and cleverness. If we think about it, the conditions that make that kind of innovation so worthwhile have been typically more prevalent in Asia Pacific markets such as India where the term does originate from and China than perhaps in Europe or the United States. But in recent years, we can see that even these developed economies have started to exhibit many more of the same aspects of scarcity, of unpredictability that mean this kind of innovation, whether it's frugal or not, is a necessity for business continuity.

CC: Well I really appreciate some of your insights Amber. Thank you so much for joining me today. I'm excited that we got a chance to talk about this together. So thank you.

AM: Thanks Chris.

CC: Thank you for being here with us this episode of Work Better. If you enjoyed this conversation – please subscribe to this podcast on your favorite podcast platform and visit us at [steelcase.com/](http://steelcase.com/) subscribe to sign up for weekly updates on research, insights and design ideas delivered to your inbox.

Next week – we’re talking to Lt. Col. Adria Horn. We reached out to Adria after we read an article she contributed to in McKinsey titled “A Military Veteran Knows Why Your Employees Are Leaving.” As a lieutenant colonel in the US Army Reserve and executive vice president of workforce at Tilson Technology Management — Adria has a very unique perspective on the employee experience. She draws parallels between returning to the office and returning from deployment. Plus, she says every company needs a Beast Counselor. You’ll have to join us next week to hear more about that.

Thanks again for being here – and we hope your day at work tomorrow is just a little bit better.