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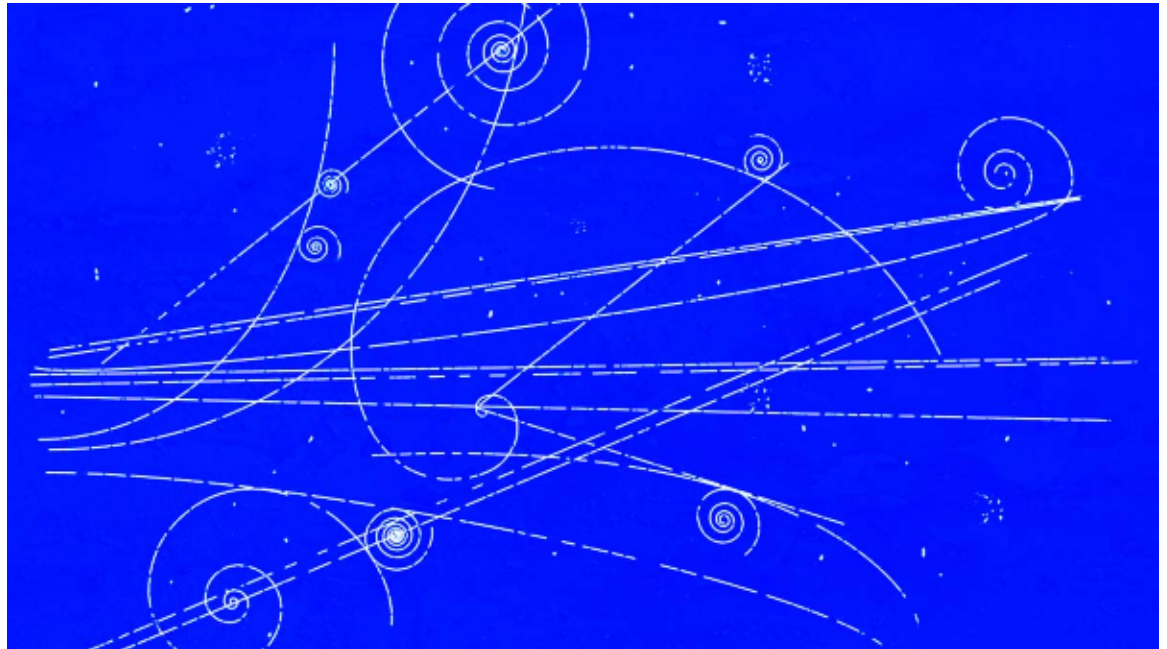
by Katherine Graham-Leviss

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The 5 Skills That Innovative Leaders Have in Common

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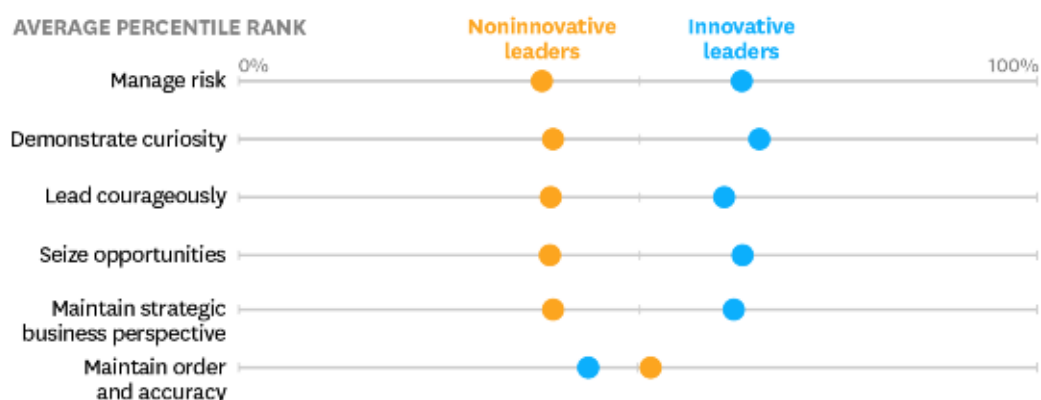
Innovation is critical in a knowledge economy — driving growth, new products, and new methods of delivering value to customers. According to [PwC's 2015 study on Global Innovation](#), U.S. companies spend \$145 billion dollars in-country on R&D each year. And yet, despite its importance, innovation is a difficult quality to cultivate both in leaders and in organizations. In [Conference Board's 2015 CEO Challenge study](#), 943 CEOs ranked “human capital” and “innovation” as their top two long-term

challenges to driving business growth. This is a key talent challenge for most organizations, and a talent gap that needs to be closed, starting at the top – with the role of the CEO.

XBInsight has collected competency data on nearly 5,000 leaders across a wide range of industries. Analyses were done to identify the competencies that innovative leaders share. The top five competencies found in our research are outlined below, including their corresponding behaviors. Every CEO should be cultivating these behaviors to maximize innovative thinking:

What Innovative Leaders Do Better Than Noninnovative Ones

And an area where they fall short, based on surveys of nearly 5,000 leaders across a wide range of industries.



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The most innovative leaders:

Manage Risk

Innovative leaders scored 25% higher than their non-innovative counterparts on managing risk. Innovative leaders are bold when it comes to experimenting with new approaches. However, they will initiate reasonable action when potentially negative consequences are expected. When risks do present themselves, they develop plans to minimize the risk and identify where it is needed most.

To develop better risk management behaviors, CEOs need to:

- List a minimum of eight ideas for new initiatives. Benchmark best practices for each and identify five opportunities that can be implemented immediately within the organization.
- Identify, document and plan for risks as part of developing strategic alternatives.
- Shift your approach from thinking things through thoroughly toward getting started without knowing all of the answers and adjusting as needed.
- Set a time limit for analyzing a particular situation to avoid overthinking decisions.

- Stop and look at the downside risk of every decision. If you can live with the consequences of a decision, then stop analyzing and go ahead and make the decision.

Demonstrate Curiosity

Innovative leaders also scored higher in terms of demonstrating curiosity. They exhibit an underlying curiosity and desire to know more. These leaders will actively take the initiative to learn new information, which demonstrates engagement and loyalty to company goals. Keeping their skills and knowledge current gives them the competitive edge they need to lead effectively, and also stimulates new ways of thinking in other workers.

To develop and demonstrate curiosity, CEOs need to:

- Evaluate their current knowledge and skills. Examine how these skills will help achieve long-term goals. Identify what other skills or knowledge would move you in this direction.
- Create a learning environment or community to encourage the free flow of new knowledge and perspectives.
- Stimulate new thinking by examining mistakes and setbacks as opportunities to learn. Mistakes prompt you to look inward and think about your limitations. By studying your patterns of behavior, you can recognize and correct your behaviors that repeatedly result in mistakes, miscalculations, or the misreading of a situation.
- Make time for developmental activities, such as taking classes and participating in workshops.

Lead Courageously

Innovative leaders are proactive and lead with confidence and authority. They turn tough circumstances into prime opportunities to demonstrate their decisive capabilities and take responsibility for difficult decision making. These leaders are sure to engage and maintain audience attention in high-stakes meetings and discussions, and they do not avoid conflicts and differences of opinion.

CEOs who wish to lead more courageously need to develop the following behaviors:

- When facing a tough decision, consider the alternatives, identify and confront risks, and prepare to deal with other people's reactions.
- Look for an opportunity to share your feelings and opinions with clarity and conviction, despite any resistance you may experience.
- Think about the difference between being assertive and being aggressive. Identify situations or people that fall into both categories. The trick to being assertive is to share your views, but not to force them. Assertive leaders are effective because they look for win-win solutions and show respect for others (even when they disagree).
- Learn to recognize and appreciate leadership qualities in others as well as in yourself.

Seize Opportunities

Innovative leaders scored higher when it comes to seizing opportunities. They are proactive and take initiative and ownership for success. These CEOs anticipate potential obstacles before taking action, but avoid over-analysis. They push for personal performance and are able to work independently for extended periods of time with minimal support. They are also able to change directions quickly to take advantage of new opportunities when they come up.

CEOs who wish to become more adept at seizing opportunities need to:

- Examine setbacks and problems related to creating new opportunities and competitive strategies within your own company. Learn to see advantages in changing situations and new developments. For example, a leader will need to evaluate the capabilities of his or her current project delivery team and consider whether additional resources will be required to meet all objectives, expectations and timelines.
- Consider past opportunities that you declined. What do these opportunities have in common? What intimidated you about them?
- Remember that you do not need to undertake opportunities alone. Make it a collaborative effort by asking valued employees to help you out.

Maintain a Strategic Business Perspective

Lastly, our research found that innovative leaders score higher when it comes to maintaining a strategic business perspective. These leaders demonstrate a keen understanding of industry trends and their implications for the organization. They thoroughly understand the business, the marketplace, and the customer base and are adept at identifying strategic opportunities or threats for the business. They actively participate in community, industry and leadership organizations to understand the external environment, and have an ability to articulate convincing approaches to moving their business forward.

To develop a strategic business perspective, CEOs need to:

- Create and/or participate in a cross-functional committee.
- Perform a knowledge-based SWOT (strengths, weaknesses, opportunities, and threats) analysis, comparing your organization's knowledge to that of its competitors and to the knowledge required to execute your organization's own strategy.
- Rather than accept the learning opportunities that happen to occur, try to stage activities that broaden learning in areas considered strategic. Start by defining what your organization knows about competitively important factors (e.g., why do customers buy your product or service?). Proactively create learning opportunities around these factors.
- Involve people throughout the organization in the strategic planning process.
- Develop a multi-year strategy that includes steps for you and your staff to take in order to grow the business. Analyze where your successes have been and how they will apply to likely future trends.

There is one competency where innovative leaders perform more poorly than less innovative leaders — maintaining order and accuracy. For this reason, organizations need to supplement innovation initiatives with people who are strong in project management, or provide tools and training to help the innovators manage the details more effectively.

Our data also suggested that a strong customer orientation is a starting point for building a strategic marketplace perspective in leaders. Identify early career employees who consistently consider the customer perspective when making decisions. These individuals may be future innovators. Exposing these customer-centric employees to strategic projects and to work that touches the customer experience along the life cycle will groom them to be future innovators.

Finally, we analyzed the behavioral styles of the highest-level innovators and found four subsets. Leaders with “driving styles” were the most likely to be innovative because they are willing to chart their own course and to stand alone in developing a creative, fresh approach to a product or service. People with “impacting styles” are also likely to drive innovation through their ability to convince and persuade others toward a new way of thinking. On the other hand, “supporting” and “contemplative” individuals tend not to be innovative leaders. They need more organizational encouragement and structure to help them bring their out-of-the-box ideas to the table.

The data suggests that the most innovative CEOs don’t ignore risks – they manage them. These leaders anticipate what can go wrong without getting boxed in. They’re curious, and they seize on clear opportunities, balancing exploration with being opportunistic. The CEOs who are most likely to lead innovation are driving, high-impact individuals, who aren’t afraid to be assertive, independent, and above all, curious.

Katherine Graham-Leviss is the founder and president of XBI Insight, a talent assessment company. She is the author of [The Perfect Hire: A Tactical Guide to Hiring, Developing and Retaining Top Sales Talent](#) and [High-Maintenance Employees: Why Your Best People Will Also Be Your Most Difficult...and What You Can Do About It](#).
