



Values Centered
INNOVATION™

It's in every one of us

Evolving the Practice of Corporate Innovation

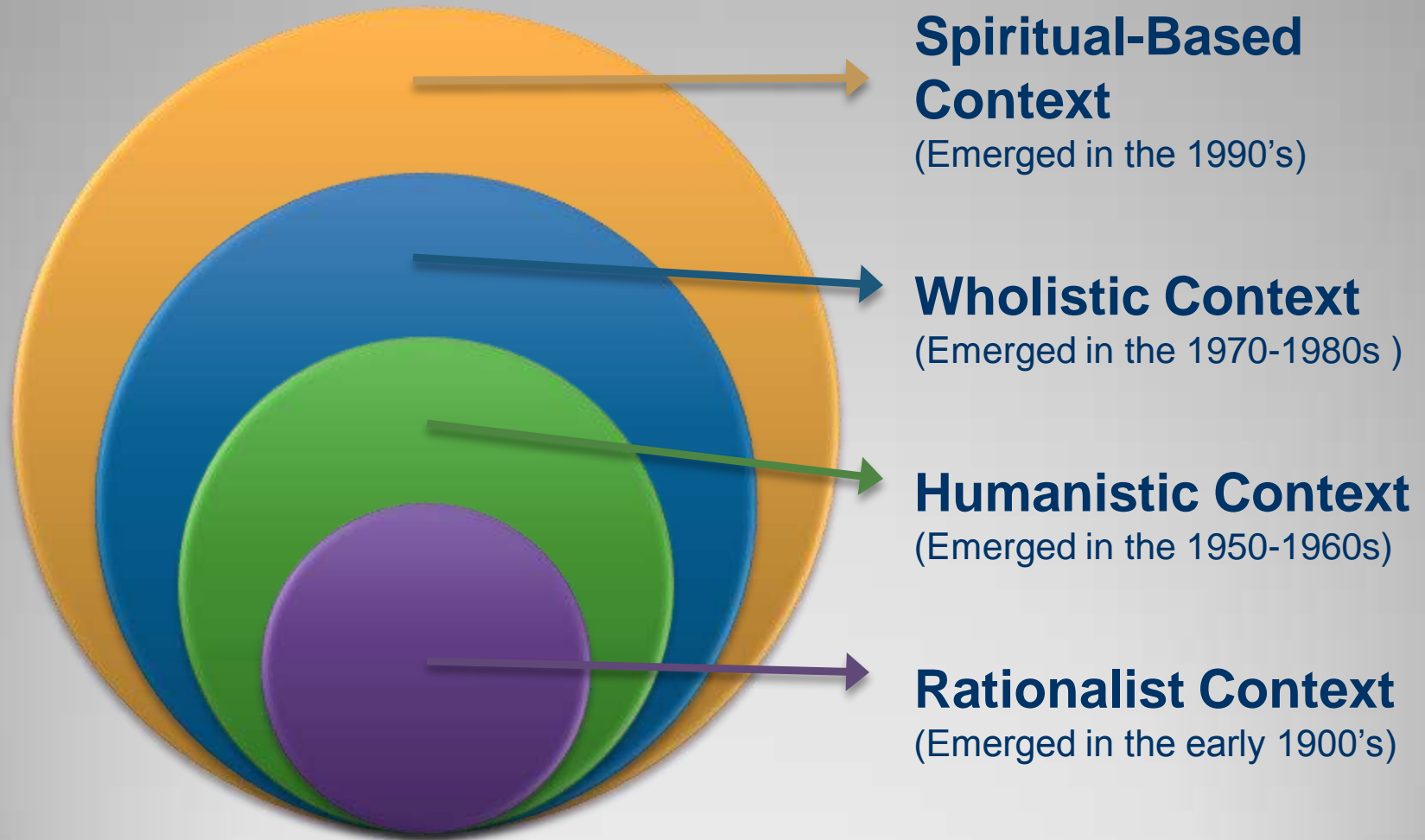
William C. Miller
Debra R. Miller

Four
contexts
of business
leadership

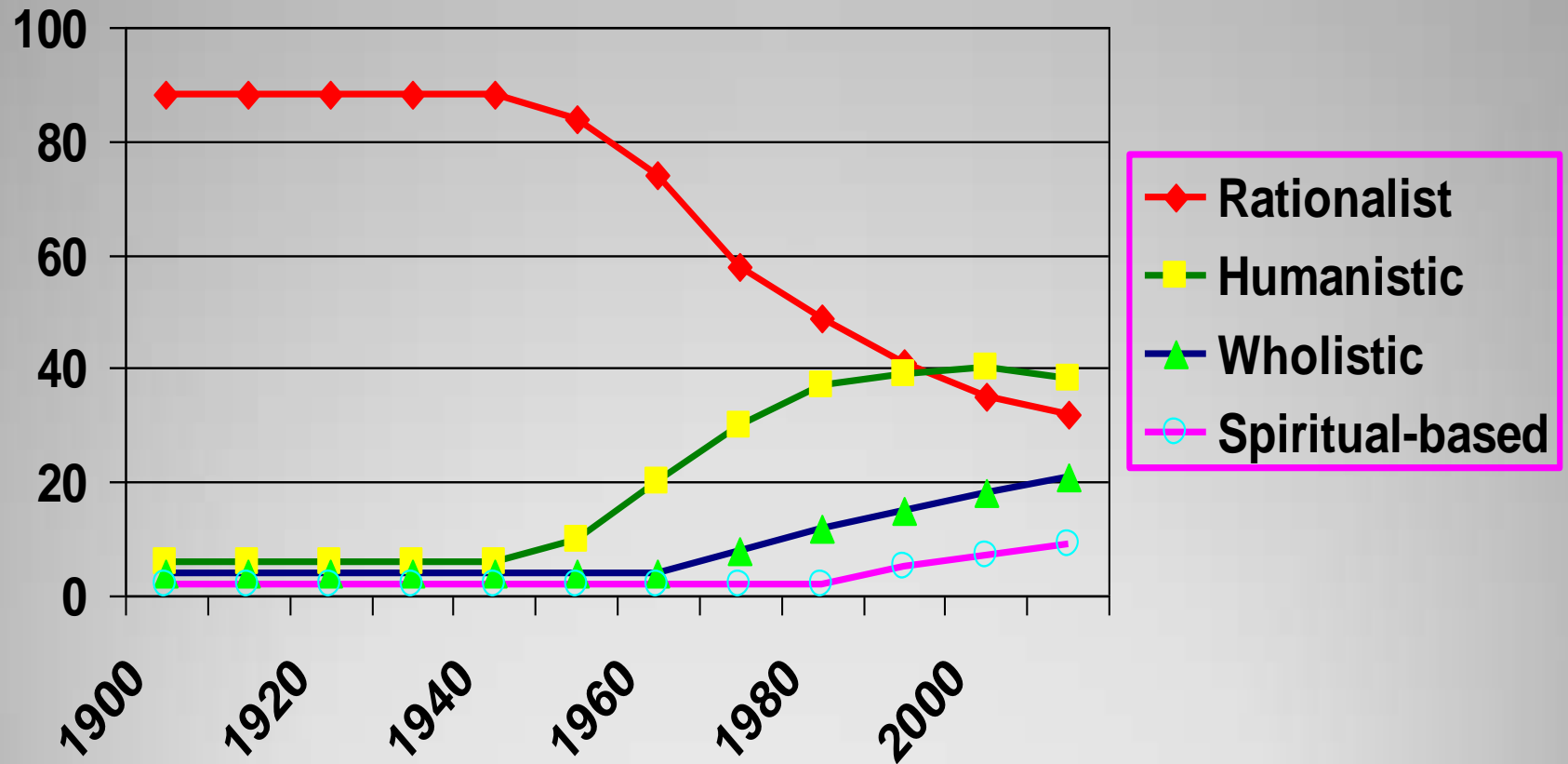
Values-
centered
innovation
(VCI)

India's
role in
VCI

3-Part Agenda



Contexts of Business That Impact Innovation



Overlap of the Four Contexts

- *First emerged:* early 1900s
- *Science:* Newton mechanics, Darwin evolution
- *Psychology:* S. Freud, B. F. Skinner
- *Business writers:* A. Smith, F. Taylor
- *Purpose of business:* owner wealth and power
- *Metaphor:* military, machine
- *Leadership:* command and convince
- *Organization design:* assign roles and tasks to fit organization's needs



Rationalist

The Rationalist Context

“Few trends so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible.”

Nobel Laureate Milton Friedman
Capitalism and Freedom, 1962



Rationalist

The Rationalist Context

Rationalist

Core Wisdom

Honoring the experience of predecessors.

Using resources effectively and efficiently

Limitations

Discounting the inherent intent of man to do good and be good.

Believing that life could and should be used and controlled for achieving one's own goals

Core Wisdom and Limitations

- *First emerged:* 1950s-60s
- *Science:* Einstein relativity
- *Psychology:* J.P. Sartre, A. Maslow
- *Business writers:* D. MacGregor, J.E. Deming, K. Blanchard
- *Purpose of business:* Wealth with dignity, for owners and employees; shared power
- *Metaphor:* team, family
- *Leadership:* situational, empowerment
- *Organization design:* assign roles and tasks around unique talents



The Humanistic Context

“Men and women want to do a good, a creative job, and if they are provided with the proper environment they will do so.”

William Hewlett,
Co-founder of Hewlett Packard
The HP Way, 1980

“We need to drive fear out of the workplace”

Dr. W. Edwards Deming
Father of the Quality Movement



The Humanistic Context

Rationalist

Humanistic

Core Wisdom

Honoring the experience of predecessors.

Using resources effectively and efficiently

Recognizing the goodness and work ethic of people.

Giving people the chance to fulfill their potential

Limitations

Discounting the inherent intent of man to do good and be good.

Believing that life could and should be used and controlled for achieving one's own goals

Focusing on *needs*, where motivation occurs when something is "missing"

Focusing on *individualism*, with "win-win" solutions for *individual* interests

Core Wisdom and Limitations

- *First emerged:* 1970s-80s
- *Science:* Bohr/Heisenberg quantum physics, Prigogine systems theory
- *Psychology:* C. Jung, S. Grof
- *Business writers:* P. Block, P. Senge, S. Covey
- *Purpose of business:* Wealth with accountability to all stakeholders
- *Metaphors:* ecosystem, “spaceship earth”
- *Leadership:* stewardship
- *Organization design:* self-define roles and tasks for the greater good



The Wholistic Context

Current evidence of the wholistic context in business:

- Global Reporting Initiative (GRI) - triple bottom-line reporting
- Corporate social responsibility
- Global village
- Economic and environmental sustainability
- Conscious capitalism
- Socially responsible investing
- Social entrepreneurship
- Base of the pyramid protocol



The Wholistic Context

*“I ask you to consider this statement:
‘social and environmental performance
is as important as financial performance.’
Do you agree or not? When we asked
the same question to our employees in
1999, 74% agreed with this statement.
This is gratifying for me because it
shows that social and environmental
thinking is now well established
throughout our organization.”*

Mads Ovlisen,
Chairman, Novo Nordisk
“Putting Values Into Action”
Environmental and Social Report, 1999



The Wholistic Context

Rationalist

Humanistic

Wholistic

Core Wisdom

Honoring the experience of predecessors.

Using resources effectively and efficiently

Recognizing the goodness and work ethic of people.

Giving people the chance to fulfill their potential

Recognizing the interconnectivity of society, nature, and business

Operating creatively and harmoniously from a spirit of unity

Limitations

Discounting the inherent intent of man to do good and be good.

Believing that life could and should be used and controlled for achieving one's own goals

Focusing on *needs*, where motivation occurs when something is "missing"

Focusing on *individualism*, with "win-win" solutions for *individual* interests

Basing motivation on "enlightened self-interest"

Focusing goals only on having a better "in-this-world" life (lacking transcendent goals)

Core Wisdom and Limitations

- *First emerged:* 1990s
- *Science:* Bohm/Capra physics-consciousness, Teilhard de Chardin evolutionary consciousness
- *Psychology:* K. Wilber, D.T. Suzuki
- *Business writers:* P. Vaille, S.K. Chakraborty, W. George
- *Purpose of business:* spiritual fulfillment and service to society
- *Metaphors:* watering spiritual roots
- *Leadership:* living spiritual purpose
- *Organization design:* align roles with spiritual purpose



The Spiritual-Based Context

People describe spirituality in varied ways, and may or may not base it on participation in organized religion:

- Tapping into a deeper meaning in life that transcends our physical existence
- Having a relationship with the Source of creation (i.e. God, Higher Power, Allah, Jehovah, Brahman, etc.)
- Experiencing oneness with Divinity
- Being “fully conscious” of the Source of life and living from that awareness
- Living in harmony with the essential nature and inter-connectedness of all creation
- Living all aspects of life according to a set of religious principles



The Spiritual-Based Context

“For me, spirituality is everything; I don’t put it in a separate compartment. It’s where we come from, what we are carrying, and where we are going.”

Niran Jiang,
CEO for the Institute of Human
Excellence, Australia

“Spirituality is the manifestation of the perfection that is already there within you. Spirituality is when I look at myself, I look within and not outside, and respond from my inner feelings where we are all perfect beings.”

Dr. A. K. Chattopadhyay,
Executive Director, Tata Refractories



The Spiritual-Based Context

“I think a business exists to provide an innovative and compelling answer to a societal need in the form of a needed service or product. When this purpose is approached through a spiritual lens, it will be shaped differently in many ways. The needs you start becoming attentive to shift. The transformational system you create to receive inputs and transform outputs will shift. The character of the organization’s culture will shift. Your own willingness as a business leader to endure the mystery of suffering will shift.”

Andre Delbecq,

Director of the Institute for Spirituality and
Organizational Leadership at the Santa Clara
University Graduate School of Business, USA



The Spiritual-Based Context

Rationalist

Humanistic

Wholistic

Spiritual-Based

Core Wisdom

Honoring the experience of predecessors.

Using resources effectively and efficiently

Recognizing the goodness and work ethic of people.

Giving people the chance to fulfill their potential

Recognizing the interconnectivity of society, nature, and business

Operating creatively and harmoniously from a spirit of unity

Basing motivation on fulfillment of one's higher, spiritual purpose

Focusing on both transcendent and immanent goals

Limitations

Discounting the inherent intent of man to do good and be good.

Believing that life could and should be used and controlled for achieving one's own goals

Focusing on *needs*, where motivation occurs when something is "missing"

Focusing on *individualism*, with "win-win" solutions for *individual* interests

Basing motivation on "enlightened self-interest"

Focusing goals only on having a better "in-this-world" life (lacking transcendent goals)

Core Wisdom and Limitations



While business leadership today encompasses all four contexts, the field of innovation in its models and language primarily reflects the rationalist and humanistic contexts.

The models and language of innovation that reflect the wholistic and spiritual-based contexts are still being developed.

The Field of Innovation Today



- VCI brings a wholistic viewpoint to the forefront of innovative work
- VCI evolves from ethics to human values as a basis for thoughts, words and action
- VCI's intent is to inspire, educate, empower and equip individuals, teams, and entire organizations to innovate to their *highest human capacity*
- VCI puts everyday accountabilities for business performance into a perspective of “whole bottom line” results

Values Centered Innovation™ (VCI)

Innovation based in a wholistic, human values perspective can play a key role in bringing the wholistic context to its full maturity.

The models and language of values-centered innovation are geared toward a long-term approach, initially focused on the wholistic context, while evolving over time to the spiritual-based context.



Scope of Values Centered Innovation™

Human values come from our higher human nature and are the positive qualities of good character inherent in human beings, as found across cultures and across time. They help us answer questions like “*What* would be a meaningful innovation?”; “*How* will we innovate?” and “*Why* are we innovating?”;

By tapping into *humanity’s highest capacity* for human values, we will be able to transform the current attitude of profit and consumerism to one of innovating in a way that serves the true needs of all.



Importance of Human Values



A wholistic viewpoint seeks to produce innovative results that create positive value for all stakeholders.

When you define business goals and measures from a wholistic context, it shapes what you innovate, how you innovate, and why you innovate.

By aligning innovation strategies to a wholistic intent, people are energized and mobilized to innovate to their highest capacity.

Importance of a Wholistic Context

VCI demystifies how innovation from a human values, wholistic perspective can be systematically practiced throughout an organization

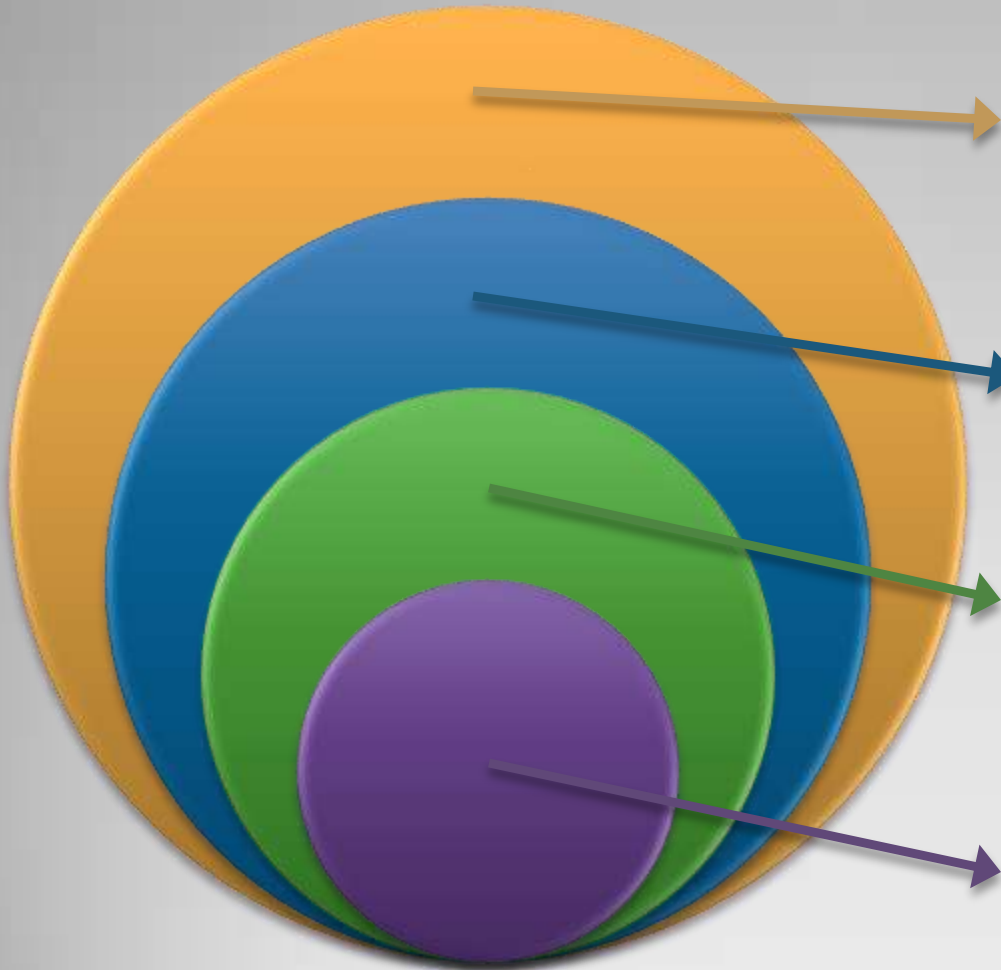


Curriculum for Values Centered Innovation™



Strategic intent is what drives the innovative energy, goals, priorities and measures in an organization

Importance of Strategic Intent



Spiritual-Based Context

Purity and unity of thought, word and action – reflected in external measures

Wholistic Context

Triple bottom line – financial, social and environmental

Humanistic Context

Heighten employee/customer satisfaction; share profits and stock ownership

Rationalist Context

Maximize profit and market share

Expanding Views for Strategic Intent

Common innovation strategy for the rationalist and humanistic contexts:

Develop a new product that will expand our market share and profits while giving our employees a chance to create new scientific breakthroughs

Philips developed an innovation strategy based in a wholistic context:

Philips used a collaborative process involving local NGO's, entrepreneurs, self-help groups, and consumers to develop products that are environmentally friendly and meet the needs of the rural poor



Example of a Wholistic Strategy

VCI puts the major goals of life and business into perspective, which re-contextualizes the goals and measurements for successful innovation

Harmony
with Life

(Dharma)

Wealth
Creation

(At all levels –
material, mental,
emotional,
spiritual)

Highest
Human
Capacity

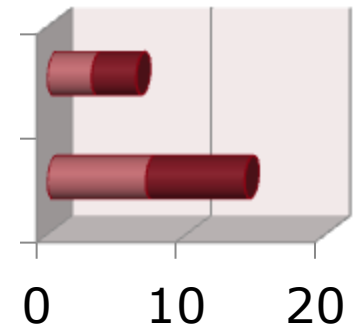
(Human values)

Desire for
Achieve-
ment

(At all levels –
material, mental,
emotional,
spiritual)

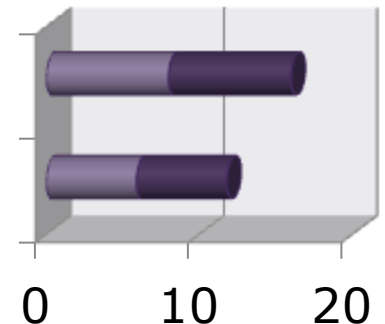
Harmony

Wealth



Values

Achieve



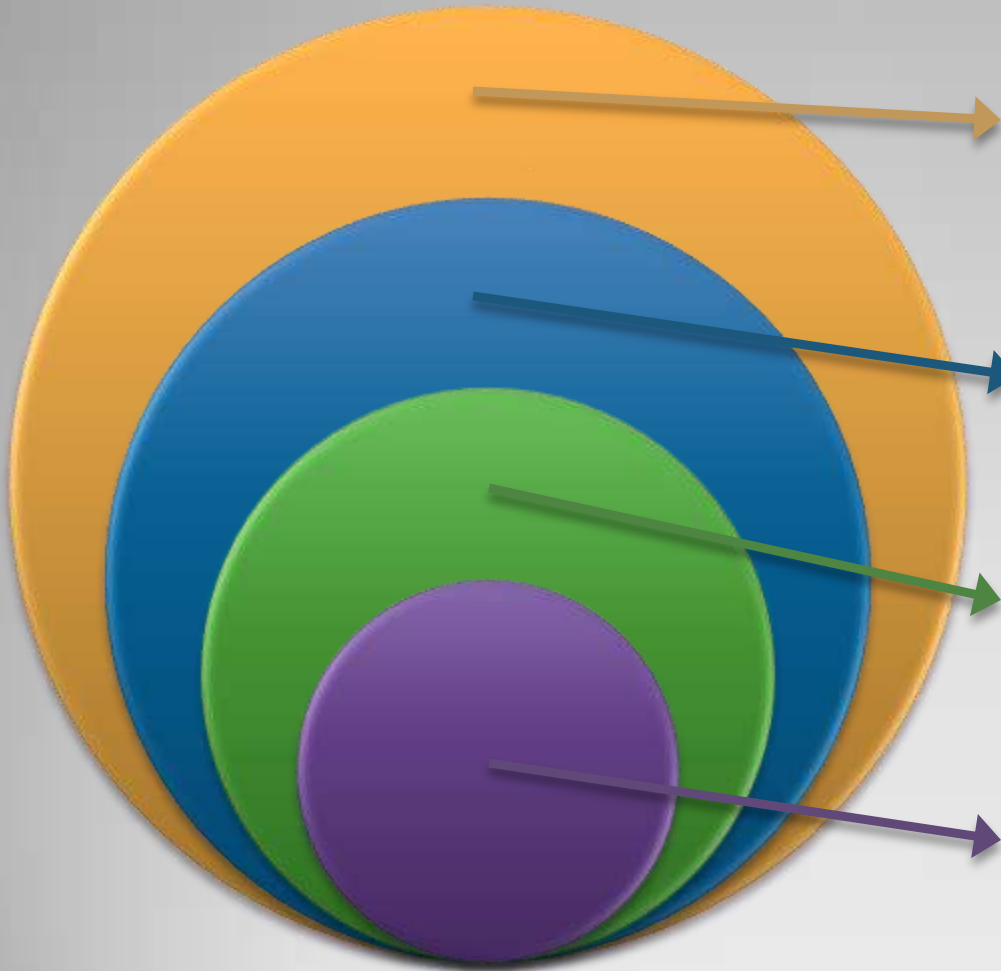
Setting Goals and Measuring Innovation



Innovative thinking takes us beyond creative thinking and helps us to become aware of the different ways we can approach the innovation process

By stimulating the innovative thinking of individuals and teams, we tap into the source of our innovative potential

Importance of Innovative Thinking



Spiritual-Based Context

People can co-create the future through their ideas

Wholistic Context

Every person can help generate *systems* solutions

Humanistic Context

Every person has ideas worth considering

Rationalist Context

Only some people have ideas worth considering

Expanding Views of Innovative Thinking



Common idea-generation goal for the rationalist and humanistic contexts:

What new business opportunities can we create using our current technologies?



DuPont took a wholistic approach to their idea-generation session:

How can Nomex, with its fire and water barrier properties, be used to solve some of the world's problems that we are most personally concerned about?

Example of a Wholistic Idea-Generation Goal

What is
meaningful
to you at
work?

Intention

Connection

Action



I
N
H
A
L
E

What
stimulates
your learning
at work?

Current
knowledge

New
knowledge

Analysis

Intuition

What
engages your
innovative
thinking?

Outcomes

Possibilities

Step change

Leap change

E
X
H
A
L
E

Innovative Thinking Factors



In the 1950's Japan was struggling to recover from World War II. In those days, "made in Japan" signified a low quality product.

Dr. J. Edward Deming, an American statistician, college professor, and consultant taught the Japanese about quality and in the process helped them to become an economic power, renown for innovative high-quality products.

The Potential of VCI – Learning from History

That breakthrough was not simply due to importing Western expertise.

An equally important factor was the Japanese culture itself – with its emphasis on:

- social cohesion, with respect for input from all
- hard work and discipline, with a strong tendency for perfection
- a willingness for self-sacrifice, putting community benefit above individual interest



Cultivating the Best of East and West



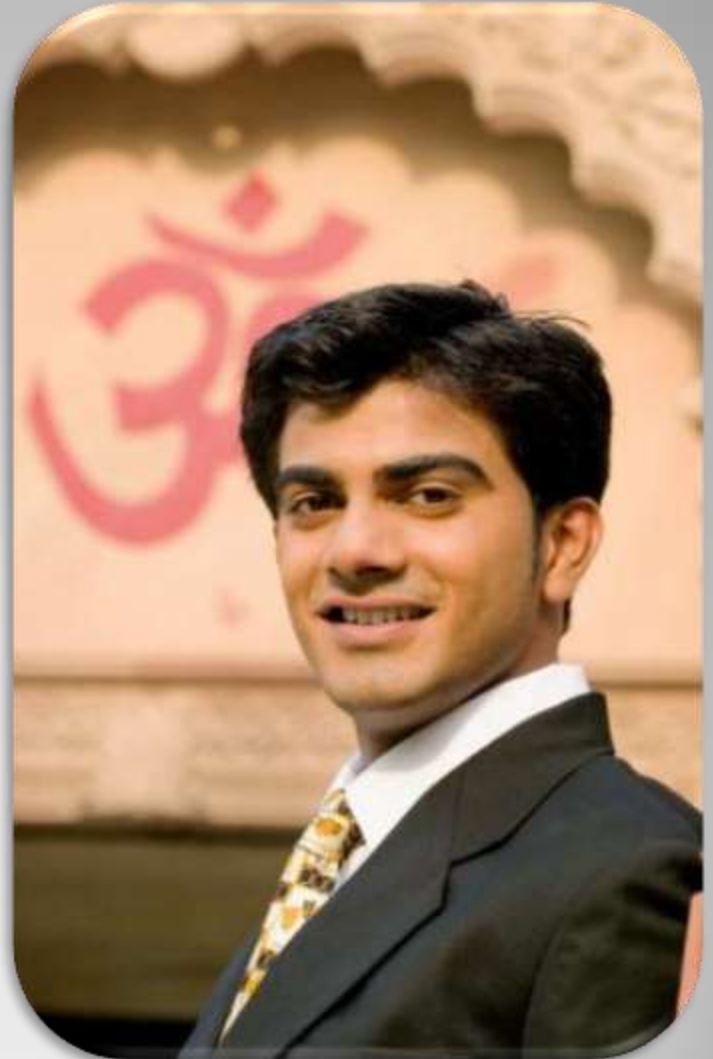
The field of innovation today can be compared to the situation in Japan in the 1950's.

There is the intelligence to produce world-class products and services, but the desire for profit and the need for continually-increasing consumerism has put us into a major crisis due to innovations that have negative social consequences.

The Time for VCI is Now

India has a vital role to play in transforming the field of innovation, drawing from its cultural strengths of:

- a strong, historical emphasis on human values to build virtue, character, and morality in society
- a strong spiritual heritage
- a tradition of inclusiveness of other cultures and beliefs
- a flexibility that can accommodate change and differences
- an aspiration to become a world leader



Transforming the Field of Innovation



By transforming itself first, India can become a world leader for a *wholistic, human values centered* approach to responsible business innovation.

Like Japan, India's opportunity requires bringing forth the strength of its culture, while tapping into the large body of innovation knowledge and experience from both the East and West.

Transforming the Field of Innovation

“Innovation opens up new vistas of knowledge and new dimensions to our imagination to make everyday life more meaningful and richer in depth and content. What is required is a natural effort to exercise it in the positive direction. India with its billion people population – 30 per cent of whom are in the youthful age group – is a veritable ocean of talent, much of which may be latent. Imagine the situation when the entire sea of talent is allowed to manifest itself in path-breaking innovations! Our country can surely be a torchbearer of progress for the entire world.”

Honorable A.P.J. Abdul Kalam,
Former President of India



“A developed nation has two components: One is the economic growth and prosperity, which is what the western societies normally look for. The second component is the preservation of civilisational heritage. In India, we have a heritage of values... We want to couple the economic prosperity and the human values, which is drawn from this civilisational heritage.”

Honorable A.P.J. Abdul Kalam,
Former President of India





1. Given the four contexts of business leadership, how are each of the four contexts actually influencing innovation in the organization where you work?
2. How could you bring a more wholistic, human values focus to the innovative efforts where you work?
3. What part could you play in evolving the practice of corporate innovation in your home country?

Self-inquiry Questions