

Decision-Making Approach Impacts Innovation

By Stephen M. Dent

In a U.S. financial institution, I spoke with a banker (we'll call him Jerry), who told me about an issue he was having with the bank's customer care center manager (we'll call her Anne). Anne wanted to reduce the center's call volume by establishing a self-service Internet banking service that would enable customers to review account balances, make payments, and transfer money online.

Jerry disagreed with her idea. He explained that the bank had a growth strategy based on personalized service and a hands-on approach. But Anne felt they had to change to meet customer demand and they could use different strategies yet still achieve personal service. This conflict eventually flared into a full-blown fight at a staff meeting.

So who was right? In some ways, the answer to that question is irrelevant. As with many partnering issues, the process is as important, if not more important, than the outcome. Both Jerry and Anne were a little bit right and a little bit wrong. But the real issue was how the company was handling change.

When things are going well, as they were with this bank, embracing change can be especially hard to do. But it's also one of the most crucial skills to have.

Both arguments had their merits. The problem with Jerry's point of view is that it was based entirely on previous experience. The question is this: how do we move towards the future without becoming trapped in the past?

One's Past or Future Orientation Impacts Decisions

One's orientation toward the past or the future is based on a cognitive brain function called "knowledge transference." From a very early age, we learn from our experience. If our experience was good, we create a positive mental map about the situation that imprints on our memory. When we run across a similar situation, we react with similar behavior and expect positive results. This cognitive process works the other way around as well. We remember bad experiences and try not to repeat them (with varying degrees of success).

Over time, repeated experiences become ingrained beliefs. Anne believed that they could create a personalized customer experience, build good customer relationships, and do it all using a technology that would be less expensive than a call center. Jerry believed that a one-on-one customer experience is the only way that the bank can excel in customer service. However, times change. People change. And iron-clad rules can grow squishy over time. It's not that Jerry's point of view was untrue; it was just less true.

A Past Orientation Negatively Impacts Innovation

The problem is that even good business decisions that provide good results can lead to stagnation. Having a past orientation—especially within the ranks of leadership—is one reason organizations have difficulty innovating.

Here's the danger at Jerry's bank. Everyone in the organization observed his reaction to Anne's initiative. Imagine for a moment how you might feel if you had a revolutionary idea and your boss reacted the way Jerry did, which led to a fight in a staff meeting? How motivated would you feel to bring the concept forward? This is the type of subtle message that stifles innovation and maintains the status quo in organizations. If your organization is lacking innovation, it might not be because of a lack of fresh ideas, but rather how poorly new ideas are received.

Not surprisingly, change and past orientation can create conflict. People who have a past orientation want to maintain the status quo. They resist change and may even sabotage it. Furthermore, those who want to promote change can often become impatient with those who don't see the future as clearly as they do. The only solution is to partner through the change process.

The Partnering Intelligence Future Orientation Model

Having a future orientation is one of the Six Partnering Attributes™ we believe are foundational to business success. To make the transition from a past orientation to a future orientation, those who are resistant to change must learn to be comfortable doing things differently, learn to challenge their belief system, and learn to plan for the future. For those who already have a future orientation, our model provides steps for helping change-resistant people break through their objections.

The first step in transitioning from a past to a future orientation is to create a vision statement, which is the desired outcome that everyone can agree on. Then, identify your current assumptions), which means taking stock of the beliefs you hold now, with an eye toward recognizing those assumptions may be holding you back. Finally, develop a transition plan, which is a set of actions that both parties will take to move the organization toward a future orientation.

Jerry and Anne met with me to work through this model. (This example only involves two people, but the same rule applies for teams.) Together, we created a mutual Vision Statement of what personalized customer service at the bank looked like. The interesting thing was that when Jerry and Anne removed their own agendas for how customer service would work, both were in complete agreement about what good customer service was. This helped them realize that they were clashing over the means, but not the ends.

Then, they each listed their current assumptions about how to achieve quality service. Jerry struggled at first, but eventually acknowledged that he had been defending the call

center out of habit more than sound business judgment. Anne also benefited from this exercise because it forced her to justify how the new technology would work. She realized that in order for online banking to be as convenient as calling the bank, the Internet banking system would require a best-in-class solution. Finally, both worked together to develop a plan to meet their mutual vision.

Through these sessions, they also both became more flexible, learning the method of working through change together and one step at a time.

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