

# Recruiting and Selecting Innovation Leaders: Creating the Recruiting Plan

From Penn State Executive Programs in the Smeal College of Business, The Pennsylvania State University



*The recommendations in this report have been prepared by Penn State Executive Programs, Innovative-Thought, and the Penn State Leadership and Innovation Laboratory (collectively the Penn State team). The Penn State team is comprised of Sam Hunter, Pete Steinberg, and Maria Taylor. Please refer to the attached experience summaries.*

## Introduction

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Innovation has become savior of all companies in the global marketplace. As the cost saving of global sourcing flattens and the growth of markets slows, all companies are looking to innovation as the way to drive growth. For companies that are founded on new products, such as Apple, this focus has always been there. However, many companies are structured to control costs and minimize risks, and for them the move to innovation can be difficult, if not impossible.

Innovation is increasingly becoming the key driver of growth for traditional Consumer Packaged Goods (CPG) companies. Historically, CPG organizations focus on maximizing the value of existing brands through traditional marketing and operations management. For these organizations to transition to a new focus on innovation requires new processes, technology, and--most importantly--a change in the way they manage their talent.

The focus on the "people side" has traditionally been the responsibility of the CEO's in setting a strategic vision, creating organizational structures and processes that unleash creativity and risk-taking, and establishing collaboration throughout the organizational culture. Surprisingly, very little has been written on the value of developing *Innovation Leaders*, those individuals who lead a new product or service through ideation, design, development, market launch, and implementation. As organizations increasingly look to drive growth from innovation, the role of the Innovation Leader is critical, and organizations must look at the recruitment, development and cultural elements that make up their talent management processes.

While there has been a lot of work done to identify creative or innovative people, the role of the Innovation Leader has neither been well defined nor given the development focus it merits as a force for change in the organization.

An Innovation Leader touches all areas of the business and, therefore, needs to have a unique set of competencies and behaviors including the ability to influence decisions and execute ideas operationally within the organization as well as to navigate the nuances of the market, customer, and consumer. Identifying and recruiting the best Innovation Leaders is critical for sustained successful innovation.

This paper from the Penn State team is the second in a series and covers how to identify, recruit and develop Innovation Leaders specifically in CGP companies.

## Innovation Leader's Role, Competencies, and Behaviors

### Role of the Innovation Leader

Innovation is a multi-disciplinary, cross-functional activity. In CPGs, the innovation process needs to touch all areas of the business including sales, operations, R&D, and market research as well as retailers and manufacturers. This network of resources places specific demands on the organization to find people who can manage not only the process, but also the people involved. The Innovation Leader fundamentally is responsible for shepherding the idea all the way through product launch.

Innovation Leaders have both direct and indirect influence on innovation in their organization. Their influence impacts their individual creativity, the team's creativity, and the organization's ability to drive innovation. This multi-level view of innovation in organizations is illustrated in Figure 1. The multi-level view provides considerably more insight into the combination of competencies and behaviors required of Innovation Leaders as opposed to the more traditional view focusing on individual creativity. Research suggests that the way that the leader drives actions in their organization has significant impact on success of innovation.

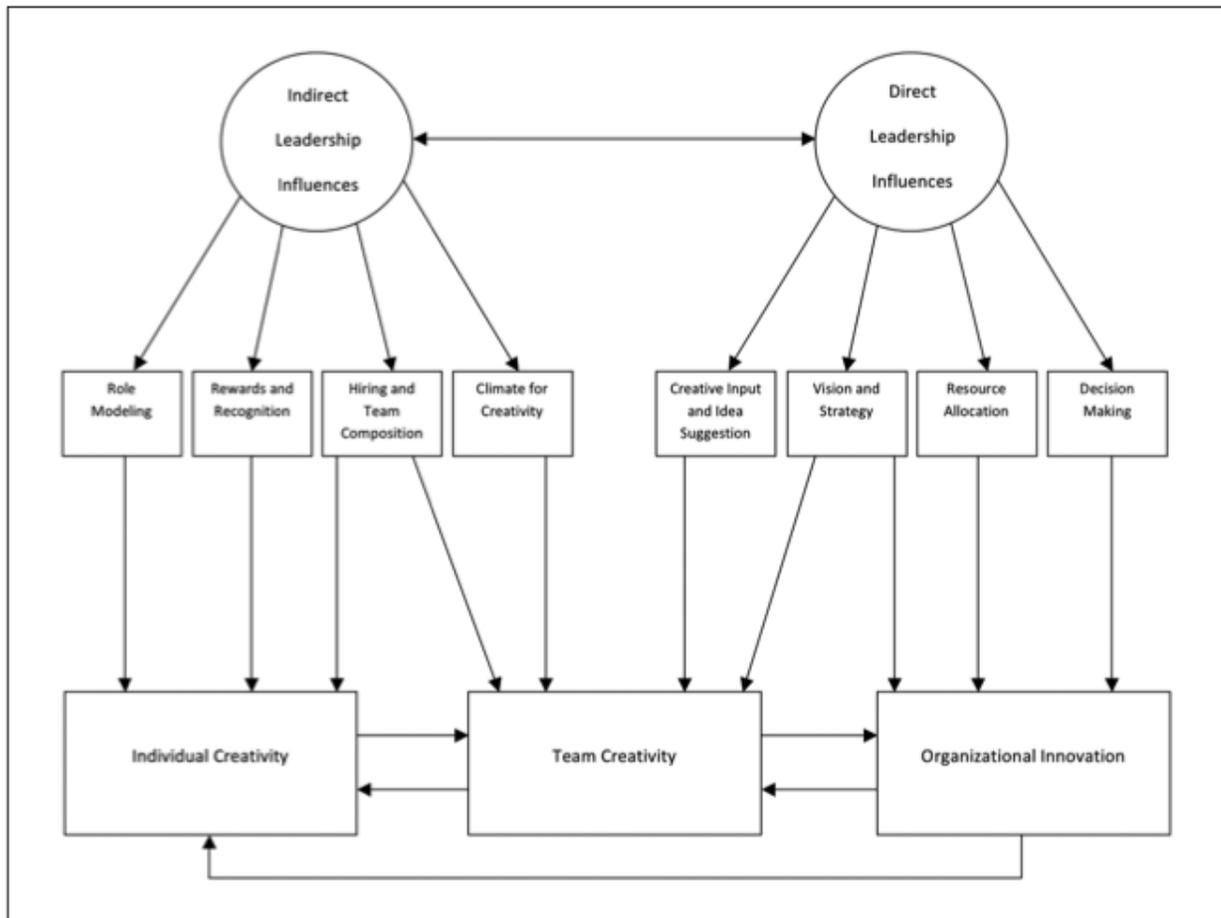
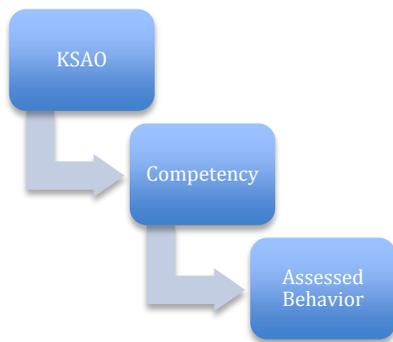


Figure 1: Model of Direct and Indirect Influences on Innovation (Leading for Innovation, Hunter & Cushberry, 2011)

The Innovation Leader alternates between facilitating broad, creative thinking about what is possible and analyzing the business risk, financial return, and operational implications of taking the product to market. As this process moves forward, the Innovation Leader must motivate a cross-functional team to collaborate and build support throughout the organization despite the likelihood of multiple “failures” before an idea becomes successful. Clearly, this role requires a resiliency to push on despite ambiguity and to toy with, reframe, and abandon ideas. Moreover, the role requires the ability to draw on different techniques at different stages of a product/project development cycle.

### Innovation Leader KSAOs and Competencies

Our research included a survey of the literature and interviews with leaders inside CPG organizations and Innovation Experts, consulting firms that specialize in helping firms create innovative ideas, and leading academic faculty.



Much of our work has been based on the Knowledge, Skills, Attributes, and Other (KSAOs) that are essential for leading innovation. *Knowledge* is changed easily while *Skills* can be changed over time. *Other* includes areas such as experience. *Abilities* are the most fixed aspect of KSAOs and include areas like intelligence, divergent thinking, etc. KSAOs can be translated into competencies, and those competencies can drive specific behaviors that can be assessed.

Applying the KSAO model to the innovation means that there are a number of KSAOs that are required for different steps in the process.

Innovation Activity	KSAOs
Opportunity Identification	Creative Ability
	Risk Taking
Idea Generation	Openness
	Tolerance for Ambiguity
Idea Implementation	Persistence/Grit
	Low Agreeableness

The three most critical KSAOs for leading innovation are *Openness*, *Persistence*, and *Tolerance for Ambiguity*. Ideally, prospective Innovation Leaders should be evaluated for their ability to demonstrate these KSAOs in novel and challenging situations.

Using the academic research on KSAOs combined with interviews with innovation practitioners, we have identified the following key capabilities or competencies that are important for Innovation Leadership:

- Demonstrate a passion for innovation and taking new ideas to launch
- Demonstrate the ability to alternate between the creative mind and the technical, operational, or business mind at different stages of the process
- Demonstrate the ability to link ideas to organizational strategy
- Demonstrate the ability to ground ideas in consumer need
- Demonstrate flexible problem-solving approaches based on curiosity and intuition
- Demonstrate the ability to lead a diverse, virtual cross-functional team
- Demonstrate technical competency and functional expertise
- Demonstrate the ability to follow the organization’s innovation process while providing space for flexibility

### Innovation Leader Best-Practice Behaviors

Successful Innovation Leaders employ a common set of best-practice behaviors that allow them to navigate between generating creative, consumer-focused insights and making analytically hard decisions about feasibility and strategic fit. The behaviors are grounded in the KSAOs and the competencies but are more specific in nature and, therefore, easier to assess within the recruitment process.

The best Innovation Leaders know how to work with the cross-functional teams to allow the process to happen as broadly as possible, pulling ideas from outside, protecting the “wild idea,” and creating a safe environment for making mistakes and having novel ideas. These leaders also know how to work with the innovation experts and other facilitators to spark creativity while being intensely aware of how to get things done inside the organization. Best-practice behaviors help to set project team expectations and provide a compass for each stage of the product development process.

On the other side are worst-practice behaviors. These are actions that--if taken consistently by the Innovation Leader--will lead to team dysfunction and lack of organizational buy-in, resulting in poor innovation performance. Prospective Innovation Leaders should be screened for these behaviors within the evaluation processes.

Best Practices	Worst Practices
Provide customer voice multiple times within the process	Take consumer input at face value
Connect all ideas to strategy and organizational operations	Lack of portfolio management
Follow the Stage-Gate process	Change mind without rationale
Find opportunities for innovation team involvement in decisions	Direct decisions with little input and buy-in
Share ideas with other Innovation Leaders	Keep ideas secret
Experiment and cut losses early	Get stuck on an idea
Work within needed timeframe and prices	Lack insight into timing and price
Find novel solutions to issues and barriers	Negativity
Capture learning from successes and failures	No post-mortem to learn from mistakes

In summary, the recruiting and selection strategies for Innovation Leaders should include an assessment of the KSAOs, competencies and behaviors that are most predictive of creative performance combined with experiences that demonstrate a pattern of successful innovation.

## Finding Innovation Leaders

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Given the complex nature of the role of the Innovation Leader, many existing recruiting approaches provide inadequate results. A common reason for this is that many recruiting efforts emphasize one aspect of the role, often business acumen or creativity. Therefore, to improve the ability to recruit and identify Innovation Leaders, an organization must create a recruiting and development plan specifically designed to evaluate the unique set of competencies and behaviors just described. The following recommendations translate the most important Innovation Leadership competencies and behaviors into practical recommendations for evaluating candidates throughout the recruiting process:

### Innovation Leader Recruiting Plan

To be successful, we strongly recommend the creation of an Innovation Leader Recruiting Plan that addresses the following elements:

1. Job description
2. Hiring team
3. The evaluation process
  - Quantitative assessments
  - Behavioral-based interview questions
  - Situational judgment tests and scenarios
4. Candidate Evaluation Form

We also recommend that organizations conduct a predictive validation study that supports the development of current and future Innovation Leaders and provides on-going input into the process and validates a company-specific proprietary assessment instrument.

#### 1. Job Description

The job description is the foundation of talent recruiting, hiring, development, and performance management. A best practice job description should include:

- Experience
  - Demonstrated success in innovation project leadership
  - Cross-functional or operational experience
  - Team facilitation and leadership
  - Domain expertise
  - Broad-based expertise
- Education
  - Broaden the requirements to consider a variety of disciplines such as liberal arts, art, etc.
- Role Description

- Facilitate broad, creative thinking among the team about what is possible
- Bring disparate ideas and consumer insights together into marketable and profitable product and service ideas
- Analyze the business risk, financial return, and operational implications of taking the product to market
- Assemble, motivate, and manage a cross-functional team to collaborate
- Build support throughout the organization
- Maintain an ability to accept ambiguity

## **2. Hiring Team**

One of the most important elements of the recruiting plan is the composition and communication among the hiring team. In addition to the requisite interviews with the Human Resources recruiter and the hiring managers, the hiring team should include exemplar peers that have successfully led innovation projects and leaders and/or peers from the functions typically engaged in supporting innovation projects.

The hiring team should be thoroughly briefed on the job description, expectations of the Innovation Leader and the interview process highlighting the most important attributes of the Innovation Leader. Include a minimum of one group interview comprised of exemplar peers and cross-functional team members. This interview should be in a scenario-based format that demonstrates the candidate's ability to deal with a group environment. Each member of the hiring team should score each candidate on the attributes using a candidate evaluation form.

## **3. The Evaluation Process**

As organizations look to create a new evaluation process, please remember that to be effective and legal, assessment screens must meet three key conditions:

- They must be chosen on the basis of a clear definition of performance for the job in question.
- They must effectively measure the key candidate characteristics that influence job performance.
- They must be deployed in a standardized, consistent fashion that ensures that all candidates are assessed in the same way.

We recommend a combination of the following assessments to get a multi-faceted look at potential candidates and to assure evaluation of them in different situations.

### **3.1 Quantitative Assessments**

Traditionally, recruiting activities have been driven by intuition or a sense that someone can get the job done. However, with the focus on competency-based recruiting it is possible to evaluate candidates based on the actual needs of the position. Quantitative assessment can provide this specific feedback on a candidate. Ideally these assessments will include 360-degree feedback on the candidate; however, this is not possible when prospects are being headhunted. An Assessment Center group of exercises can be created to provide likeliness for success in an Innovation Leader job requirement.

The ideal situation is to develop a quantitative assessment for the organization. The assessment should first be based in the organization’s strategic context and the prevailing leadership competency model and then combined with the Innovation Leader competencies. It should also measure perseverance, passion, and commitment to long-term goals. The Penn State Team has a number of instruments that can be combined to create a comprehensive assessment for the organization.

Penn State validation assessments include:

- Creative personal identity
- Creative self-efficacy
- Openness to experience
- Conscientiousness
- Social confidence
- Achievement-striving
- Divergent thinking ability
- Need for cognition

The Grit Survey is strongly linked to the KSAO of persistence and is an example of a standard assessment that could be used in the evaluation process. The use of these assessments will be valuable but are not sufficient enough to be used alone to legally screen candidates without significant validation work within the organization.

### 3.2 Behavioral-Based Questions

The next step is to create an interview protocol that includes traditional and behavior-based interview questions. Traditionally, each question is linked to a competency or attribute. Below are some sample questions tied to desired competencies.

Innovation Leader Capabilities	Potential Question
Ability to alternate between the creative mind and the technical/operational/or business mind at different stages of the process	<i>Tell me when you had to end a great product idea and why?</i>
Ground ideas in consumer need	<i>Describe a recent innovation process and what you did to ensure that the consumer had a voice.</i>
Ability to lead a diverse, virtual cross-functional team	<i>What was the most challenging cross-functional team facilitation experience you have had?</i>
Demonstrate flexible problem-solving approaches based on curiosity and intuition	<i>What is one interesting innovation from another industry that you might consider investigating at our company?</i>
Ability to link ideas to organizational strategy	<i>Tell me how you ensure that a new product is a strategic fit with the organization</i>

### 3.3 Situational Judgment Tests

We recommend adding situational judgment tests to demonstrate the ability of the candidate to integrate a number of competencies, alternate among approaches at different stages of projects, and demonstrate flexibility and resilience.

We recommend that candidates be screened by members of the hiring team comprised of exemplar peers and representatives of various functions. Consider asking the candidate to deal with a product development scenario and identify the idea as well as the process used to validate the idea and bring through launch. Have each cross-functional team member ask a question about their area to determine the candidate's interest and knowledge of that function. Throw "outliers" or "black swans" into the scenario to see how adaptable the candidates are to the unknown. Use the best and worst behavior practices to assess the quality of the response as well as how the candidate deals with stress and each of the hiring team members.

### 4. Candidate Evaluation Forms

Candidate evaluation forms should be created to score the candidates on the most important attributes. Members of the hiring team should be asked to complete the form on each candidate. Candidate evaluation forms are especially valuable to:

- Reinforce the importance of the desired attributes
- Provide ease of comparing inputs from multiple interviewers
- Readily identify gaps and outliers that can be further investigated
- Improve the objectivity and efficiency of the hiring process

## Additional Recommendations

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We further recommend that the company conduct a predictive validation study that tracks the correlation between Innovation Leader attributes and on-the-job performance. The objective of the validity study is to pinpoint specific skills and behaviors that will ensure positive results. Over time, a predictive assessment will improve selection accuracy and efficiency; moreover, it can provide organizational value immediately by identifying gaps among the existing team and providing specific recommendations for coaching and development activities.

The validation study and development plan should include the following:

- **Innovation Leader Profile:** Create a customized Innovation Leader Profile that combines the organization's strategic context with the Innovation Leadership competencies. The basis for this is the *Leading for Innovation Assessment Profile* developed by Penn State's Leadership and Innovation Laboratory.
- **Innovation Leadership Assessment:** Assess the current pool of leaders against the Innovation Leadership Profile and use the proprietary screen. Track actual performance against the attributes measured in the assessment. Consider developing a 360 Degree feedback instrument.
- **Creative Climate and Culture Assessment:** Assess the current climate and culture for creativity using the instrument developed by the Penn State Leadership and Innovation Laboratory.

To accelerate the success of new hires, develop a robust on-boarding plan that provides insight into the organization's strategic and operational realities, the Stage-Gate process, and in-depth knowledge into supporting functions and cross-functional team members. Also consider a mentoring and coaching program with already successful Innovation Leaders. If innovation is new to the organization, consider supporting new Innovation Leaders with external coaches for product/project development teams.

## About the Penn State Team

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**Dr. Samuel Hunter** is an Assistant Professor of Industrial and Organizational Psychology at Penn State University, with expertise in both leadership and innovation management. He has partnered with a range of organizations on applied and academic projects, including Lockheed Martin, NATO, Google, Nike, and Epic Games. His research has been funded the National Science Foundation, Office of Naval Research, and the Department of Defense. Dr. Hunter is the current director for the Leadership and Innovation Lab at Penn State University.

**Pete Steinberg** is an Adjunct Faculty with Penn State Executive Programs and Principal Consultant of Innovative-Thought. Pete provides consulting in strategic planning, marketing, innovation, executive coaching and organizational development. He focuses on supporting organizations that have super-smart or creative people and helping them select and develop their talent. Peter has worked with senior executives as an executive coach helping them develop their skills, identify their goals and guide them through career changes. He has worked with multiple organizations in their innovation process including Raytheon, Teleflex, NERA Economic Consulting, Thompson Corporation and Del Monte Foods.

**Maria Taylor** is the Managing Director of Penn State Executive Programs. Maria has worked with organizations to formulate strategy, build organizational capability, and align talent development to build the processes, systems and talent required for profitable growth, including American Express, Auntie Anne's Corporation, Office Depot, Parker Hannifin, Penn State Hershey, Pfizer, Raytheon, and the United State Navy and Marine Corps. Maria co-authored *Human Resource Transformation* (Davies-Black 2008) and *The Strategic Human Resource Leader: How to Prepare Your Organization for the 6 Key Trends Shaping the Future* (Davies-Black 1998).

