

5 Things Leaders Do That Stifle Innovation

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In 2018, the U.S. slipped out of Bloomberg’s top 10 most innovative countries for the first time. But this isn’t necessarily a hint of entrepreneurship’s demise; it’s a reflection of the tumultuous environment we find ourselves in – one that’s rife with unpredictability.

This type of environment is often referred to as VUCA – volatility, uncertainty, complexity, and ambiguity. We have more knowledge and data now than ever before, but business analytics and performance metrics are not enough to come out on top. To be a serious competitor in the international market, companies must hire emotionally intelligent leaders who have the foresight to look ahead and develop strategies that will help them collaborate with their teams and adapt quickly to change.

As more companies recognize this, more managers are working to cultivate entrepreneurial mindsets among their teams. Many leaders have a natural inclination to hire employees who demonstrate characteristics they associate with entrepreneurship, such as creativity and resourcefulness. But in our study examining productive and counterproductive behaviors of 41 entrepreneurs, confirmed by a third-party statistician to be a statistically significant representation, we found that it’s far more crucial for managers to focus on what we call “derailers” when selecting and coaching their teams.

Derailers are the characteristics that impede innovation. We believe they result from unhealthy coping mechanisms that many of us develop in childhood and fail to shed as adults. They tend to fly under the radar because our fear of failure often spurs us to avoid confronting them. But if we don't do the work to identify what our derailers are, they chip away at our effectiveness over time.

The most detrimental, and common, derailers we identified in our study are:

- **Unconscious neglect:** a tendency toward carelessness and impulsivity, such as sending work before it's ready or rushing to send responses that come across as uncaring.
- **Overprotectiveness:** reserving your best work and being reluctant to share achievements for fear that your ideas will be stolen.
- **Overconfidence:** leaning on your ego and willpower rather than asking for help, even when you need it.
- **Overexertion:** pushing yourself beyond reasonable limits.
- **Devaluation:** taking success for granted and under-appreciating relationships and resources out of an urge to pursue "the next new thing."

On a small scale, these derailers are fairly unobtrusive. But when leaders exemplify or encourage this kind of behavior on a regular basis, it can have an avalanche effect. Our study reveals that derailing tendencies often result in failure on the individual level – no matter how many positive qualities someone possesses – which, if unaddressed, will eventually affect the performance of the team at large.

There are ways, however, you can mitigate derailers to foster innovation and entrepreneurial mindsets among your team members.

Derailer: Unconscious neglect

Solution: Align projects with company goals, and hold people accountable for them.

The CEO of a midsized organization I worked with consistently entertained 700 projects on his dashboard. He bounced from one task to another and gave the green light to any and all employee initiatives, but he didn't hold employees accountable. The constant churn resulted in team members who couldn't complete a project, didn't know their priorities, and experienced burnout.

If you work with someone who struggles with a habit of unconscious neglect, you have to call it out when you see it. If left alone, they will never see it as a problem or understand how it impacts the rest of their team. It's vital for employees to pause and reflect on how they can accomplish their goals, as well as what has impeded success in the past. Then, and only then, will they be able to effectively move forward. If the CEO above had homed in on his top projects based on the company's strategic priorities, for example, his employees would have been able to better focus their energy and see projects through to completion.

Making sure your employees are motivated and invested in the projects you green light is also essential. Employees are more likely to achieve goals that tap into their values and leverage their strengths. Take the time to assess your team members' individual work styles, talents, and motivations. Then, use that information to direct them. Once you've helped them cultivate a passionate pursuit, work together to ensure it is a FAST goal – frequently discussed, ambitious, specific, and transparent.

Derailer: Overprotectiveness

Solution: Encourage mentorship.

Overprotective employees tend to shield their ideas and keep their networks small. For example, a startup leader I worked with was worried that others would steal his company's ideas. But he didn't see any success until he began to seek out advisors to provide him with guidance on different areas of his business. By sharing his ideas and goals, he was able to gain valuable insight and grow his revenue from \$1.5 million to \$4 million. Through these collaborations, he attracted the attention of buyers and eventually secured a profitable exit.

My client isn't the only entrepreneur who has seen success through sharing and mentorship. Warren Buffett tapped into the insight of Ben Graham, who had a big impact on Buffett's approach to investing, and both Larry Page and Mark Zuckerberg used Steve Jobs' guidance to turn their ideas into thriving businesses.

It's far more beneficial to develop a diverse network than it is to padlock your ideas. If you're a manager, this means helping your employees seek out mentors who are willing to give tough feedback and push them to improve. There are four essential types of mentors they should have in their arsenal:

- **Superstars:** people who can act as role models and help mentees recognize their potential
- **Connectors:** people who are generous with their networks and can make important connections
- **Resource managers:** people who are aware of all the resources that are available in an organization and can help their mentees access the ones they need
- **Accountability partners:** people who are willing to listen to what mentees are going through and make sure they do something about it

To find these people, encourage your employees to join a professional group with members from a variety of industries, attend entrepreneurial meetups, and join social media groups related to their areas of professional interest.

Derailer: Overconfidence

Solution: Hope for the best, but prepare employees for the worst.

Innovation blindness can occur when employees are overconfident. These workers often overestimate the importance of their innate abilities and underestimate the overarching goals of their team or organization.

As a leader, you need to help them see the big picture. Put a procedure in place that requires teams to list their anticipated challenges at the start of new projects. You should also ask questions that increase their awareness of potential hiccups, such as "What are the consequences of this decision?" and "What contingency plans do we have in place?"

Anticipating challenges can help employees outwardly acknowledge that there will likely be bumps in the road. When problems do arise, team members will feel more mentally prepared to handle them and more comfortable reaching out to others for help.

Derailer: Overexertion

Solution: Make sure team members take time to recharge.

When employees are derailed by overexertion, they can lose their inspiration and drive. Innovation and creativity often come in quieter moments when subconscious connections are made. Sleep, mindfulness, and recreation can help clear the mind's clutter and put all these tools back in their proper place.

Build trusted relationships with your team by giving them space to admit when they need a break, and regularly check in on these needs during one-on-one meetings. Some team members might struggle to be straightforward, so listen for their limits. Some common signs of stress to watch for include being overly controlling, micromanaging, and demanding behavior, impulsiveness, inflexibility, withdrawing from others, and being overcritical. Remember that each person will have different needs and stamina.

Another important part of this human-centered practice is setting clear expectations. Nothing is more stressful than invisible obligations at work. We're living in an era of cognitive overload, when 49% of Millennials check their email in bed. Even if you know that work is going to be busy, letting people know what to expect will keep things running smoothly and help you avoid collective burnout.

Derailer: Devaluation

Solution: Teach your employees to create and work within an agile environment.

Employees who struggle with devaluation often believe they need to expend all of their energy acquiring the most cutting-edge technology, robust marketing resources, or qualified personnel to succeed. This sentiment is often driven by anxiety. Examining the present might uncover problems that these workers don't want to deal with, and as a consequence, they jeopardize the possibility of overcoming them in the future.


One of my clients, a tech company, spent over \$100,000 on market analysis throughout the course of a year trying to innovate one of its divisions. After investing a significant amount of resources in developing a new product, the company failed to produce positive results. A year later, the market shifted, and the company faced layoffs. It was on a pursuit to be the best. It spared no expense. But it had the wrong mindset. Preparation, time, and skill are key to innovation – not throwaway resources that can be taken for granted.

To avoid falling into the same trap create a work environment marked by autonomy, flexibility, and productivity. Check in with your employees and find out what activities are wasting time or resources. Then, streamline processes so resources go toward the things that bring value to the company. In the example of the tech company, their strategy was driven by perfectionism instead of innovation. The problem came in the time lag between the plan and the evolving market conditions. In other words, they were making a blueprint and lingering to perfect it instead of sketching, building, and adjusting as the conditions changed. Agile work environments create room for trial and error, and, most importantly, build in opportunities for adjustment.

In today's charged workforce, where the conditions of VUCA reign, it's essential for managers to refocus the mindsets of their teams. Based on my research and experience consulting with business leaders, these five strategies will equip you to help employees combat the derailers that are holding them back. And when you unleash employees' potential, you set your company up for success.

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