

The Gallup Studies and The Climate for Change, Innovation and Creativity

Scott G. Isaksen

President, The Creative Problem Solving Group

Professor, Norwegian School of Management

The Gallup Studies on workplace engagement are well known and applied (Buckingham & Coffman, 1999). The Gallup Workplace Audit (GWA) includes 12 core questions aimed at measuring the level of engagement and satisfaction of people within an organization (Wagner & Harter, 2006). These questions are based on excellent research that links certain management and leadership practices to employee satisfaction and engagement – as well as to improved business performance (Harter, Schmidt, & Hayes, 2002).

The Gallup work clearly supports the idea that what management does to create a productive working environment pays off. This likely explains, in part, why the GWA is so broadly adopted.

Given the increasing demand for organizations to meet the productivity imperative, those who lead and manage organizations must do everything they can to shape their workplaces for improvement, change, and innovation.

The Situational Outlook Questionnaire (SOQ) is based on more than 50 years of continuous research, development, and use (Isaksen, 2007a; Isaksen & Ekvall, 2007; Isaksen & Akkermans, 2007; Isaksen, Lauer, & Ekvall, 1999). The SOQ has been used by hundreds of organizations around the world and has been able to discriminate:

- Innovative from stagnated organizations (Ekvall, 1996)
- Organizations with different degrees of well-being (Brink & Embretsson, 2002; Ekvall, 2001)
- Creative from non-creative teams (Isaksen & Lauer, 2002)
- Organizations that manage change and transformation effectively from those that don't (Ekvall, 1976; Firenze, 1998)
- Leadership that supports change, innovation and creativity (Arvonen & Ekvall, 1999; Isaksen, 2007b; Isaksen & Lauer, 2001)
- Work units that have lower levels of employee stress (Talbot, Cooper, & Barrow, 1992)
- Levels of innovation, patent productivity, and New Product Development productivity (Ekvall, 1993; Van den Beuken, 2006)
- Levels of employee satisfaction, commitment, and satisfaction with rewards and recognition (Susa, 2002; Turnipseed, 1994)

Key areas of similarity and agreement:

- **The importance of leadership.** Leadership behavior and management practices are key to establishing a productive workplace. Both approaches acknowledge that leadership and management practices are key levers for establishing a climate for productivity. Studies with the SOQ clearly indicate that leadership and management account for 40-80% of the variance on climate scores.
- **Focusing on the environment pays off.** As workplace climate improves, so does the degree of employee satisfaction and engagements – as does workplace productivity and profitability. Both programs of research demonstrate the value of working deliberately to establish a productive climate and that doing so improves:
 - Sales revenue
 - Customer satisfaction and loyalty
 - Employee (and talent) retention and satisfaction
 - Level of engagement
 - Business unit productivity and profitability
- **Solid assessment.** Both the GWA and SOQ have been widely used, have clear conceptual frameworks for their application, and have more than adequate evidence regarding their reliability and validity.

Key areas of difference:

Whereas the GWA starts with the focus on what managers do to create the right climate for their employees, the SOQ focuses more broadly on the organization as a total system.

- **Climate is placed in context.** Rather than focusing mainly on leadership and management practices, the SOQ is based on a much larger conceptual model of organizational change – with particular emphasis on growth, innovation, and creativity. We believe that the growth engine for organizations requires a certain level of coherent complexity. Our Model for Organizational Change attempts to outline all the key levers important for change, innovation and growth (Isaksen, Lauer, Ekvall, & Britz, 2001). Although focusing on leadership and management behavior is helpful, the SOQ casts a broader net over the entire organizational context – allowing those who lead and manage to identify and intervene on many levers for change.



The stakes for growth, managing change, and innovation have never been higher. Cases in point:

- It took 75 years for the telephone, invented in 1876, to reach 50 million users. It took 13 years for television, invented in 1927, to reach 50 million users. The internet had 50 million users in five years - after it became available in 1989. Launched in 2004, Facebook had 250 million users by July of 2009, and then doubled in size to 500 million users by July of 2010.
- The nature of change is changing. This decade was the first in 200 years in which emerging markets contributed more growth than the developed ones. The only option for growth in developed markets is to focus on improving productivity. Globalization, sustainability, and a host of other issues are breeding a level of complexity never experienced before.
- IBM's 2010 Global CEO Study included 1541 CEOs, general managers and senior public sector leaders who represented organizations from 60 countries and 33 industries. The key findings: Complexity is on the rise - and CEO's doubt their ability to manage it. Creativity was identified as the most important leadership quality in helping organizations build operating dexterity and reinventing customer relationships.
- Who anticipated that Apple would become the largest music retailer in the US? Consumers have downloaded 10 billion songs and 3 billion applications by June of 2007 from i-Tunes. A company well known for its product innovation has been able to compete with Walmart, Best Buy, Amazon and other music retailers and take the lead position in the marketplace.

Innovation has consistently become a strategic priority for an overwhelming number of organizations - and it is no longer just about new products and services. Innovation is the transformation of new ideas and insights into deliverable business results. Creativity is the making and communicating of meaningful new connections and insights. You can have creativity without innovation – but you cannot have innovation without creativity. We must focus on the total system to sustain growth, manage change effectively, and produce innovation.

- **The SOQ is a Multi-method assessment.** The SOQ is designed to assess the workplace climate as well as identify other key factors that are working well, that need to be improved, and obtain specific suggestions about how to go about making these improvements. As such, it provides quantitative results on the nine dimensions of climate as well as qualitative results based on the open-ended narrative questions. Our research shows that the narrative comments contextualize the quantitative results and provide clear guidance for developing powerful initiatives to improve organizational performance. They also provide deeper levels of insight and elaboration into how the nine dimensions of climate are really perceived within the organization or team.

- **The SOQ Discriminates.** The GWA was developed by focusing on the study of productive work groups and individuals – the emphasis was on success. The SOQ was developed based on comparing successful, innovative, and growing organizations to those that were stagnated and slow to grow. In other words, the SOQ is based on identifying those characteristics that discriminate between innovative versus stagnated organizations.

Innovative versus Stagnated Organizations
(individual respondent level in brackets)

CLIMATE DIMENSION	Innovative N=10 (630)	Stagnated N=5 (275)	Difference
Challenge/Involvement	238 (237)	163 (164)	75 (73***)
Freedom	210 (209)	153 (155)	57 (54**)
Idea-Support	183 (182)	108 (111)	75 (71***)
Trust/Openness	178 (180)	128 (130)	50 (50*)
Playfulness/Humor	230 (233)	140 (139)	90 (94***)
Debate	158 (156)	105 (104)	53 (52**)
Conflict	78 (79)	140 (140)	-62 (61***)
Risk-Taking	195 (194)	53 (55)	142 (139***)
Idea-time	148 (149)	97 (98)	51 (51**)

* p<.05, **= p<.01, ***= p<.001 Scale is from 0 to 300.

As with any form of benchmarking, we must be very careful to look beyond examples of high-performing organizations and find those characteristics and attributes that discern success over the long term, and discriminate success from failure. Ten years ago, Gary Hamel declared Enron as one of the most innovative organizations in his book *Leading the Revolution!* To find out why some organizations succeed and other don't, you must take the kind of approach Jim Collins did in his book *Good to Great*. He examined why some companies make the leap to sustained growth and productivity, and why others don't. This is the way to identify sustainable and meaningful characteristics.

Research studies have examined the gaps between the most and least innovative companies. A number of key factors have consistently separated the high-performing, innovative organizations from those that are stagnated or have lost the battle for survival. The basic capabilities that characterized the more successful organizations include: having a deliberate process for creativity and innovation, establishing a creative climate and following an inclusive approach to leadership. These capabilities provide a good description of the system that must be managed in order to sustain growth and innovation (Davis, 2000; Isaksen & Tidd, 2006).

- **The SOQ is aimed at understanding and intervening.** The SOQ provides meaningful quantitative and qualitative data on a broad number of dimensions that allows for easy comprehension of the current state of affairs. Its design is aimed less at providing a "report card" and more at providing insights into the kinds of changes required to improve the environment.

- **The SOQ is scalable.** Although the primary and initial aim of the SOQ was to provide organizational level data to guide improvement efforts, it has also been used effectively to help teams become more productive (Prokesch, 2009) and for developing leadership behaviors that support change, innovation and growth (Isaksen, 2007b).

In Summary:

The GWA and SOQ both assess key factors of the working environment. The GWA focuses mainly on only one element of a more comprehensive model, outlining the key factors for the growth engine of the organization. The SOQ provides well founded, clear, and easy-to-digest feedback that aims at taking action to create high-performing workplaces.

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