Six Factors that Boost an Organization's Capacity to Innovate

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The world's most pressing problems are ever changing and complex. Solving major social challenges will require both perseverance and innovation. But innovation isn't just a buzzword for success. Rather, it's a powerful tool that social sector organizations can leverage to create impact and achieve their larger missions. Social sector organizations that have a high capacity for continuous, productive innovation are better able to respond to change and sustain their impact in the long-term.

What does the Rockefeller Foundation mean by innovation?

Innovation is a new product, process or service that is discontinuous from previous practice and that yields new pathways for solving acute problems or fulfilling a mission. Social innovation is often recombinant: a hybridization of existing elements that are combined across boundaries in new ways to yield better solutions, also leaving healthier social relationships in their wake.

But whether innovation occurs in the form of new technologies, business models, or organizational processes, innovation is ultimately a tool deployed for the purpose of achieving positive social impact.

What makes some organizations more effective at innovating than others? What can organizations do to sustain a practice of innovation?

An organization's ability to innovate effectively and continuously depends upon a wide range of organizational and contextual influences. While there is no simple recipe, organizations that have a high capacity to innovate do exhibit some shared success factors.

Overall, they are highly intentional about creating a work environment that fosters innovation. Often, these organizations have established three core organizational elements that nurture innovation:

1 LEADERS WHO ARE DEDICATED TO INNOVATION AND EXPRESS THIS COMMITMENT THROUGH WORDS AND ACTIONS.

Such leaders tend to model innovative behavior by admitting to and learning from failure, encouraging smart risk taking, and propelling new ideas into action. Leaders can play a critical role in influencing work culture, balancing current commitments with new ideas, and gaining funder and organizational buy-in for change.

2 DIVERSE STAFF MEMBERS WHO ARE PASSIONATE ABOUT THE ORGANIZATION'S MISSION AND EMPOWERED TO MAKE DECISIONS.

Staff members who represent a spectrum of backgrounds, perspectives, and skills open doorways for a range of new ideas and can deliver valuable feedback on how to problem solve creatively. When passionate staff members are empowered to act on their ideas, they are incentivized to help fulfill the organization's mission in new and different ways.

3 A CLEAR, LONG-TERM VISION THAT IS FLEXIBLE ENOUGH TO BE ACHIEVED THROUGH A VARIETY OF METHODS AND APPROACHES.

A clear vision can inspire innovations that are deeply grounded within the impact an organization is seeking to create. A shared vision for the future that recognizes the value of innovation gives staff permission to adapt to changing contexts while focusing on a common north star.

Together, these elements help build a work environment that embraces a culture of change, nurtures the generation of new ideas, and values feedback loops.

Organizations with a high capacity to innovate also tend to view innovation as a sustained process or strategy, rather than a single event. They often engage in three activities that drive sustained innovation:

4 ALLOCATING RESOURCES SPECIFICALLY FOR INNOVATION.

Resources might include capital/money, time (i.e. "think time" set aside specifically for exploring new ideas), physical space (i.e. a brainstorming room), and human resources. Allocating such resources can nurture the generation of new ideas, help build an organizational culture that tolerates (or even values) failure, and ensure that new ideas develop into action.

5 ACTIVELY BUILDING AND PARTICIPATING IN NETWORKS FOR GATHERING FEEDBACK AND INFORMATION, ENABLING COLLABORATION, AND TESTING, EXECUTING ON AND SCALING IDEAS.

Innovation can be triggered internally or externally, but organizations that are open to outside influences and engage with networks are often better able to generate and act on useful ideas. By collaborating and sharing knowledge among partners with common goals, organizations can create large-scale change at the systems level. Organizations might deploy a number of tools for working closely with diverse networks of advisers, partners, and beneficiaries, such as crowdsourcing, field officers, open-source databases, and online community platforms.

6 LEARNING FROM EXPERIMENTATION BY TESTING NEW IDEAS, LEARNING FROM RESULTS, AND ITERATING.

Experimentation learning loops can help guide future iterations of an innovation by generating key lessons (such as lessons about an ecosystem, consumers, or the innovation itself) following the testing of new ideas. Failure is inherent to the process of innovation. Experimentation learning loops capture the value of failure (e.g. knowledge) and build a tolerance for risk.

The above are common success factors, but are not a blanket prescription for increasing organizational capacity to innovate. Social sector organizations operate in unique environments and differ significantly in mission, strategy, resources, and partner and funding organizations. While many internal and environmental factors are at play, a practitioner seeking to strengthen an organization's capacity to innovate might start by reflecting on how innovation and the six elements and activities above relate to the organization's unique context and mission. He or she might then use the above factors to design a work environment that fosters the growth and execution of new and productive ideas over time, with an ultimate goal of driving social impact.