

Creating a Culture of Innovation at Penn State Outreach

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INTRODUCTION

When I arrived at Penn State six years ago as vice president of outreach, I found a good organization. But as Jim Collins says, “Good is the enemy of great.” So while we rejoice in our online World Campus with enrollments of 30,000 this year, in grants and contracts surpassing \$30 million, and in development efforts showing a 100 percent increase over five years, we are aware that we cannot ignore competition and new technologies; nor can we survive without responding to customer demand for enhanced services and engaging online pedagogy that meet their needs. Even with high levels of satisfaction, staff are often consumed by everyday tasks, allowing little or no time to look into the future or to weigh current actions against expectations three, five, or ten years out.

From all sides, academia is being prodded to be ever more innovative. Not only are faculty expected to create knowledge from which solutions for our social, physical, and economic ills will spring, but all segments of the university must deal with new modes of communication, new business models, and even new ways of processing thought. Never has Drucker’s maxim been more apropos: “Every organization—not just businesses—needs one core competence: innovation” (Drucker 108).

My task, then, has been to create a culture in which innovation is the norm rather than the exception; to break through the institutionalization of staff expectations and actions; and to develop a process that rewards risk-

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taking, provides a pathway to implementation of innovation, and collects data from which to judge the viability of new products and processes.

Of course, with an extensive and disparate set of functions within outreach—Cooperative Extension; Public Broadcasting; Continuing and Distance Education; the Justice and Safety Institute; and Economic and Workforce Development—each with multiple delivery units, the first item on the agenda was to develop an inclusive mission that would focus our efforts across the board. Yet we had to keep our focus, managing “the revolution of rising expectations” (Boyer 11). We determined that Penn State Outreach serves “as a catalyst, collaborator, and connector to meet the needs of various constituents and stakeholders with the programs, research, and services of the university.”

For faculty and staff, however, it was important to go beyond rhetoric and to respond forthrightly to their questions:

- Why must higher education focus on innovation?
- What does innovation look like?
- How can we instill innovation into our organization?

WHY MUST HIGHER EDUCATION FOCUS ON INNOVATION?

The answer to the first question is all around us. We are in the grip of a recession, the likes of which has not been seen for many decades. While the underlying reasons for the faltering economy are many, the economy cannot be sustained by reliance on the *status quo*.

President Obama is looking to higher education for basic research, teacher education, and the development of a strong innovative workforce. As he said recently in Cairo, “Education and innovation are the currency of the twenty-first century.”

Some in the media have even called for an addition to the Obama cabinet—a Secretary of Innovation to concentrate attention on the need for innovation in the United States and around the world (Kuczmariski). Although the Lieberman/Ensign Innovation Act of 2005 failed to pass, it brought to national attention the understanding of many in Congress that innovation should be a fundamental economic priority for the United States.

Their belief is borne out by a 2008 Kauffman Foundation report indicating that 70 percent of registered voters think the health of the economy depends on the success of innovative entrepreneurs. And nine major national reports concluded that the key to long-term global competitiveness is innovation.

Over the past 10 years, the US has been losing its competitive edge. According to a 2009 study by the nonpartisan Information Technology and Innovation Foundation the United States ranks sixth among 40 countries and regions, based on 16 indicators of innovation and competitiveness. And as Steve Lohr of the *New York Times* reported in 2009, the American economy placed last in terms of progress made over the last decade.

The next class of innovators consists of the students—including adult students—who will be working and building the economy through 2050. Richard Florida calls them “the creative class”—the scientists, engineers, architects, educators, writers, artists, and entertainers who now make up 30 percent of the nation (up from 10 percent in 1910) and account for 50 percent of wages and salaries.

Higher education has significant hurdles to overcome to prepare our students for a rapidly changing world. The economy has put just as much stress on those of us in higher education as it has in the rest of the world. Everywhere we look there are cutbacks, programs being dropped, and layoffs. However, to meet the demands of the future and stay economically viable, we need to keep moving forward as individuals and organizations.

W. Edwards Deming said, “It is not necessary to change. Survival is not mandatory.” But if we want our students to possess the skills necessary to survive and want our programs to be relevant, we have to create a culture of creativity by finding ways for our staff to develop the core competence of innovation.

WHAT DOES INNOVATION LOOK LIKE?

Krisztina Holly, vice provost for innovation at the University of Southern California, calls innovation “the process of translating new ideas into tangible social impact.” John Kao, former professor at the Harvard Business School and author of *Innovation Nation* and other popular books on the topic, sees innovation as a continuum: “The capability of continuously realizing a desired future state.” In a video interview, Andrew Cahn, head of the UK Trade and Investment, defines innovation as “thinking something new and then driving that through the morass of obstacles to get that novelty into the real world.”

In truth, every organization must define innovation in its own terms. For us at Penn State Outreach, innovation became the implementation of new ideas, products, services, and strategies. Frankly, if we cannot bring some worthy ideas to fruition, the process is merely creative daydream-

ing. Simply defining innovation, however, did not give us an idea of what innovation would look like within the organization.

We researched examples at Whirlpool (Snyder), 3M (Smith), and Pixar (Bird). We considered innovation killers and innovation accelerators, and ultimately created a recipe for building a culture of innovation. We discovered that the key ingredient needed to build an innovative culture is a core of engaged people.

A 2006 *Gallup Management Journal* study showed that business leaders are “counting on ideas from their employees, customers, and partners to help drive the organization forward. And engaged employees are most likely to contribute those innovations.” According to the study, higher levels of employee engagement increased the likelihood that individual employees would generate new ideas, and a team setting amplified idea generation among engaged employees.

Brad Bird of Pixar agrees: “If you have low morale [actively disengaged employees], for every \$1 you spend, you get about 25 cents of value. If you have high morale, for every \$1 you spend, you get about \$3 of value.”

Let me explain why I think it is so important that our employees be engaged through our vision, mission, goals, and values.

Steven Covey wrote about an employee poll in which 37 percent of employees understood what their organization was trying to achieve and why. One in five was enthusiastic about their team’s and organization’s goals; one in five had a “clear line of sight” between tasks and the organization’s goal; 15 percent felt enabled to execute key goals; and only 20 percent fully trusted their organization.

If this had been a soccer game, only 4 of the 11 would know which goal was theirs; only 2 of the 11 cared; only 2 of the 11 knew the position they were playing or what they were supposed to do; and all but 2 would be competing against their own team.

Engaged people who know where the goal is must also be empowered by an organizational ethos that accepts a reasonable degree of failure. To build an innovative culture we have to be ready to turn down the “afraid” volume. Jim Collins agrees that “blameless autopsies” are necessary. Not every idea will work or work as well as it might. Risk must be managed for the individual, just as it must be measured for the organization.

The culture of innovation at Penn State Outreach calls for both engagement on the part of the employee and acceptance of risk on the part of the organization. Often in academe, we believe that we readily embrace new

ideas and practices. However, if they are too different, we find ways to question or undermine them by characterizing them as “risky.” Innovation is necessarily uncertain, and as an organization we needed to define for ourselves the threshold of risk that we were willing to accept.

The last ingredients in our recipe for a culture of innovation were creating space and a process for innovation. We had to allow individuals to take time to focus on innovative solutions and the shape of the future, and to provide a common space for collaboration.

For instance, Google applies a 70-20-10 rule to its work. As one of the most innovative companies in the country, Google assumes that 70 percent of the employee’s time is spent on completing standard work. Twenty percent is to be spent on “pipeline” projects—things that have been approved for development. And 10 percent of the employee’s time is to be spent on “off-the-wall” projects—ones for which there is no immediate or obvious market. One of those “off-the-wall” projects is now ubiquitous—Google Earth, which allows users to zoom in on their hometowns, check directions to a restaurant in San Francisco, and even see what the restaurant looks like at street level.

Google Earth exemplifies the value of empowering individuals and giving them the opportunity to innovate. As the Gallup study indicated, and like Google, we didn’t want a separate R&D department. Instead we wanted innovation to be systemic throughout our organization by encouraging work across all areas, having staff at all levels involved, and regularly allotting time so that they could concentrate on innovative ideas.

HOW CAN WE INSTILL INNOVATION INTO OUR ORGANIZATION?

We devised a recipe for building an innovative culture at Penn State Outreach, but we had to make it work by changing the culture and instilling new habits.

We started by developing a core group within the 1,500-employee organization. The innovation, or “InnIT” team, was drawn from all our units. We looked for people who were passionate about innovation, and gave them space, time, and “safe zones.” One of the team’s first actions was to adopt “Vegas rules”—what happens in Vegas stays in Vegas—to allow free exchanges. Academe, after all, is supposed to encourage diversity of thought, if not dissent, and the team could discuss new ways of doing things, even if that differed from established practices.

InnIT team members began by conducting listening sessions with more than 150 faculty and staff. They focused on perceptions of the current climate, barriers to innovation, and policies and actions that would encourage innovation. They used the feedback to imagine a “perfect world,” which they described on a website, through blogs and wikis, and on creative posters that were put up on walls, in elevators, and even in the restrooms.

The word spread throughout Outreach. Across our organization, employees began to make up their own posters, many of which were posted on the InnIT website.

Penn State Outreach employees are not all located on the University Park campus. To spread innovation throughout the organization, we gathered staff in extension and continuing education for learning lunches that were podcast to multiple locations. We brought in speakers designed to shake up our thinking and also offered facilitated TED (Technology, Education and Design) talks. The posters for the talks echoed the perfect world posters and proved very popular. Free pizza may have been a factor.

To be fully successful, though, we had to operationalize the change in culture and actually change or instill new habits into our staff. We asked everyone to create a “stop-doing list” in order to clear the decks for great new ideas. By building the stop-doing list into performance reviews, everyone in the organization focused on streamlining processes and making room for innovation.

We also gave academic seed money for innovative programs and advertised the availability of the money to faculty, who submitted proposals—many of which were funded, at least in part. It doesn’t take a lot of funding to make a significant difference. Our funding process is based on strategic initiatives. For example, we are trying to connect Penn State with schools and communities to get more input about STEM opportunities. We sent out an RFP to a variety of researchers, including some who are school-based, and received 44 requests, a number of which we will be able to fund.

Additionally, innovation required us to “flip” our organization. Typically, leadership is seen as coming from above. If we are to be truly innovative, our employees must also lead with ideas. Leaders provide support for spreading the innovation/leadership function throughout the organization. So leadership in an innovative culture comes from top, bottom, and all sides.

Keeping all the leaders informed so that we don’t step on each other’s inspirations can also be messy; not all innovations work out. However, we have made progress in a number of areas.

Typically, the model for an independent production by Penn State Public Broadcasting (PSPB) has been to identify a topic, shoot the program, and offer it to underwriters. That model did not appear viable for “Liquid Assets,” a full-scale program that a faculty member proposed detailing the decline of our underground infrastructure; the scope of the project seemed insurmountable.

However, a new development model identified more than \$1 million in support for the project before it was filmed, allowing us to broaden the scope beyond Philadelphia and Pittsburgh to Atlanta, Boston, and many other cities. It allowed us to re-imagine production to the highest levels, using new techniques to capture the underground world that affects us all, and played a substantial part in developing materials for use in community forums and as informational publications to continue the discussion beyond the video.

Thanks to the new way of thinking about and funding this project, “Liquid Assets” was introduced at the Newseum in Washington, DC; distributed to 15,000 industry and community leaders (with a community toolkit); presented to every member of Congress and the Obama transition team; and shown in 48 states and several other countries. This new way of thinking about PSPB documentaries yielded a video that has sold more than 2,500 copies—unheard-of for a local production.

Some would say that distance education in itself is innovative. However, engaging learners who may never have been on campus required outside-the-box thinking. How could we connect a student in Alaska or Iraq with Penn State? That was the question confronting our World Campus staff.

Staff members knew that students at Penn State don’t forget their professors; however, they remember more vividly football tailgates, grabbing a cone at The Creamery, late-night study sessions at The Diner, and the aroma of sticky cinnamon buns.

To connect active-duty military students and others too far away to visit campus to experience Penn State, we collaborated with the Penn State Alumni Association to build a Penn State World Campus presence on Second Life. Students can meet with advisers, librarians, and other students from all over the world. They might even bump into me, or at least my avatar.

They can visit The Creamery and order ice cream (packed in dry ice and delivered via next-day air). There is even a representation of The Diner, where “stickies” (those cinnamon rolls) can be ordered.

The jury is still out on Second Life. We are waiting to see how many students will use it regularly. But we are moving ahead with other social networking tools including Facebook, Flickr, Twitter, and blogs.

The next example is not new, but our intranet, "our.outreach," is being used in novel ways. It is one of the means for instilling new behaviors and changing our culture from one where individual silos existed to one in which expertise and talent can be shared across the organization.

Our.outreach has the potential to save tens of thousands of dollars each year. We used to spend a lot of money to bring together outreach employees from across Pennsylvania for a daylong meeting. No more than 40 percent of them were able to attend because of the costs of travel, food, and lodging, and a one-day meeting did not lead to permanent connections. So we used funds to launch a robust intranet that houses everything from individual profiles to online workspaces and human resources. In less than two months, we created buzz throughout the organization, launched the site, and enlisted more than 80 percent of the staff. Each day, 400 to 600 individual users log on.

THE NEXT STEPS

As *Business Week's* Michael Mandel remarked of the last decade, "this has been an era of innovation interrupted." Understanding that no innovation culture can be sustained without a process for vetting the practical application of core business ideas, we tackled two key business opportunities. In partnership with The Farrell Center for Corporate Innovation and Entrepreneurship of Penn State's Smeal College of Business, and under the direction of professors Al Vicere and Tony Warren, two teams formed to envision directions for conferencing and multi-channel public media. While a few members of the original InnIT team were part of each group, we recruited enthusiastic team members from across outreach—people with experience in the two areas and people new to Penn State. The teams set their own schedules and procedures. One met twice a week, one every two weeks.

The solutions they developed were unexpected. At the end of the allotted time, the teams presented their solutions to outreach leadership. And for many innovation projects in higher education, the story would end there. But though the projects are still in process, they have been approved for beta stage. Because no venture can move ahead without resources, a champion has emerged from each team. That person's job has been modified to allow time to work on the next stage of the project. Financial support and

additional resources will be attached at the next stage—taking these ideas from inspiration to implementation.

We are still instilling innovation into every aspect of our culture at Penn State Outreach. And that is where we need to be—amid messy, tumultuous, hard-to-pigeonhole innovations.

Is creating a culture of innovation necessary for higher education? Many of us are accustomed to the centuries-old tradition of classroom lectures and use tools of the 19th and 20th centuries—chalkboards and overhead projectors—to teach the students of the 21st century. Meanwhile students capture lectures on their iPods, post reviews on Facebook, and use Google and Wikipedia more readily than the library for research. The future is already in our classrooms. We need a culture of innovation to keep up with it. 🌐

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