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Coaching by Sustainable Innovational Values (CSIV):
Portraying the case of the 40-30-30 tri-intersectional model

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Abstract

We live in a world that is constantly changing and transforming. Some believe that strategic planning and scenarios building are almost impossible in this kind of context (Mintzberg 1994; Dolan et al, 2003). Yet, in order to survive, organizations need to constantly innovate and renovate. In this paper, we show that using the 40-30-30 tri-intersectional model of values that underlie the Managing and Coaching by Values model (Dolan, 2011; Dolan et al, 2006)—with its three essential axes (economic-pragmatic, ethical-social, and emotional-developmental)—as a perpetual process for alignment and realignment—can lead to sustainable innovation in organizations. Early research and consulting experience both show that true innovation is initiated only when the “innovator” assumes the responsibility to champion a new idea and that this occurs when passion is embedded around and within the process. Paradoxically, albeit the call for new and innovative initiatives occurs in an organization’s strategic plan and throughout its competitive life, many innovations end up in failure because of the lack of passion on behalf of the innovative agent or within the context in which the innovation is taking place. In this paper, we derive a “Coaching by Sustainable Innovational Values” model (hereafter CSIV) as a platform for use in reengineering the culture which will motivate people and organizations to more precisely identify future scenarios while also developing competencies to address just-in-time events and to provide alternative “back-up” scenarios. We argue that cultivating a culture of passion will lead to sustainable and continuous innovation.

Keywords

Open innovation, sustainable results, intersectional tri axial model, innovational coach

Introduction

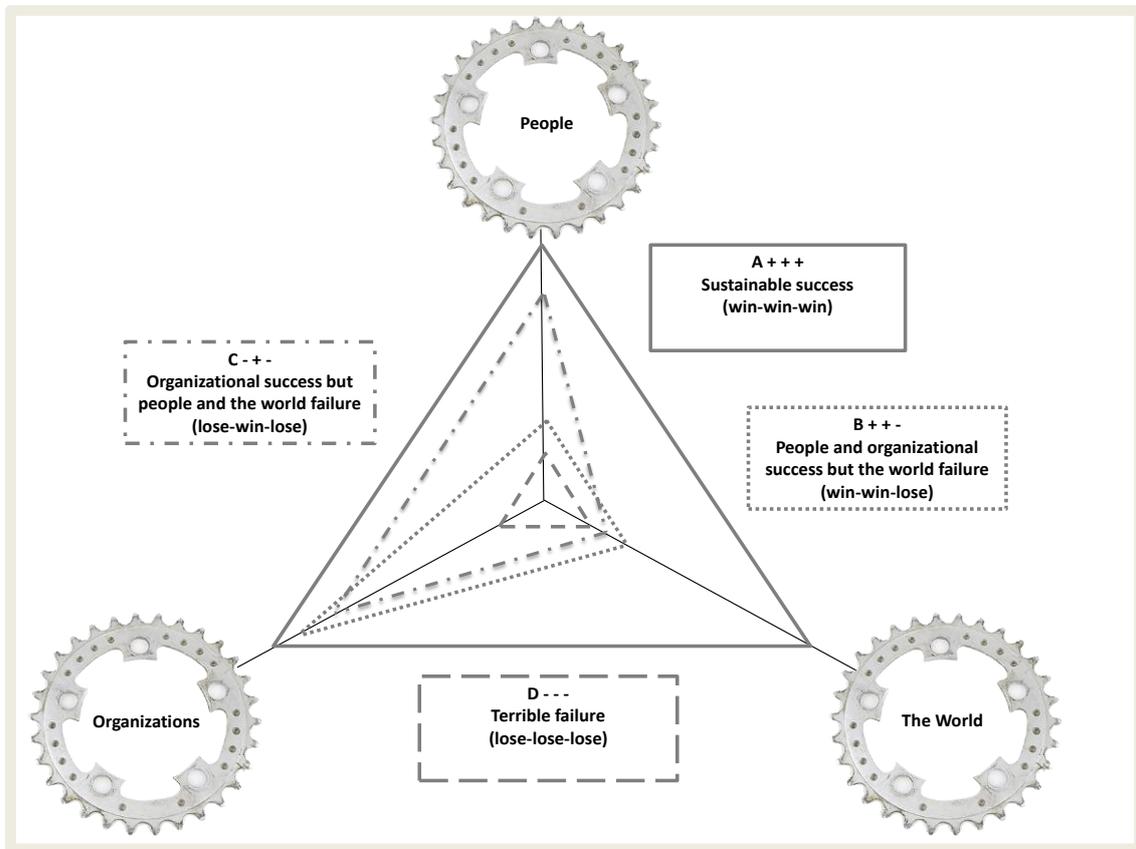
Innovation has become a popular buzzword in management. It can be simply defined as the process for recreating the old and creating the new. It's almost impossible to identify leaders and organization nowadays that do not consider innovation in their strategies. One of the reasons that many of these strategies fail is that managers talk about innovation but do not walk the genuine innovational path. One of the newest innovation strategies for firms, today, is to adopt an open innovation approach. According to Chesbrough (2003), innovation is effective when organizations really open up their innovation process and development of new products and services to external actors such as scientists, suppliers, and customers while also adapt common tools to integrate end users in the generation of creative sustainability ideas, concepts and prototypes. The main advantages of these practices are expanding the level and number of new creative ideas, thinking “out of the box”; tailoring products to latent needs and wants; and reducing the risks of market failures.

Coaching by Sustainable Innovational Values (hereafter CSIV) is presented hereafter as a leadership tool to deal with open innovation environments, helping leaders, managers, and their organizations face the many management challenges of the 21st century. Given the number of simultaneous transformations and challenges occurring around the world (i.e. the growing global population, an increasing level of migration and mega cities, a constant search for new ways of creating a decent life, the energy crisis, infrastructure collapses, the growing global divide, comprehensive access to education, and the “metaverse” and singularity of virtual reality (Raich and Dolan, 2008), we argue that managers and leaders—and all organizational members, in fact—need to abandon old paradigms and develop new ones for the sake of our survival and the survival of future generations (Raich, Eisler & Dolan, 2014).

The open sustainable innovation approach demands a new leadership model

The CSIV 40-30-30 tri-intersectional model of values is an extension and elaboration of both the “Managing by Values” (Dolan et al, 2006) and the “Coaching by Values” concepts (Dolan, 2011). In order to help leaders and managers create a sustainable innovative environment, we propose some principal scenarios within the framework of the three-dimensional definition of CSIV incorporating People, Organization, and The World. Exhibit 1 provides a schematic presentation of the proposed model.

Exhibit 1: A three-dimensional CSIV model and the principal predictable scenarios



Scenario **D** represents a lose-lose-lose situation, which is fast-becoming a real potential because, simultaneously, our new world is becoming increasingly global and complex and we now have the possibility to destroy our civilization (Dolan & Raich, 2013). Scenario **C** occurs when only organizations win, mainly due to an absence of empathy that originates from the capacity to treat people in the same way you want them to treat you (Matthew 7:12). Scenario **B** is a problematic zone, one in which organizations and people win but the world loses—any such wins are not complete because, even though both parties win, they do not care about Heaven and Earth (Sun Tzu, circa 500 BC). Scenario **A** represents a win-win-win situation and is a fertile environment for sustainable innovation—and the scenario in which CSIV may be considered a useful tool.

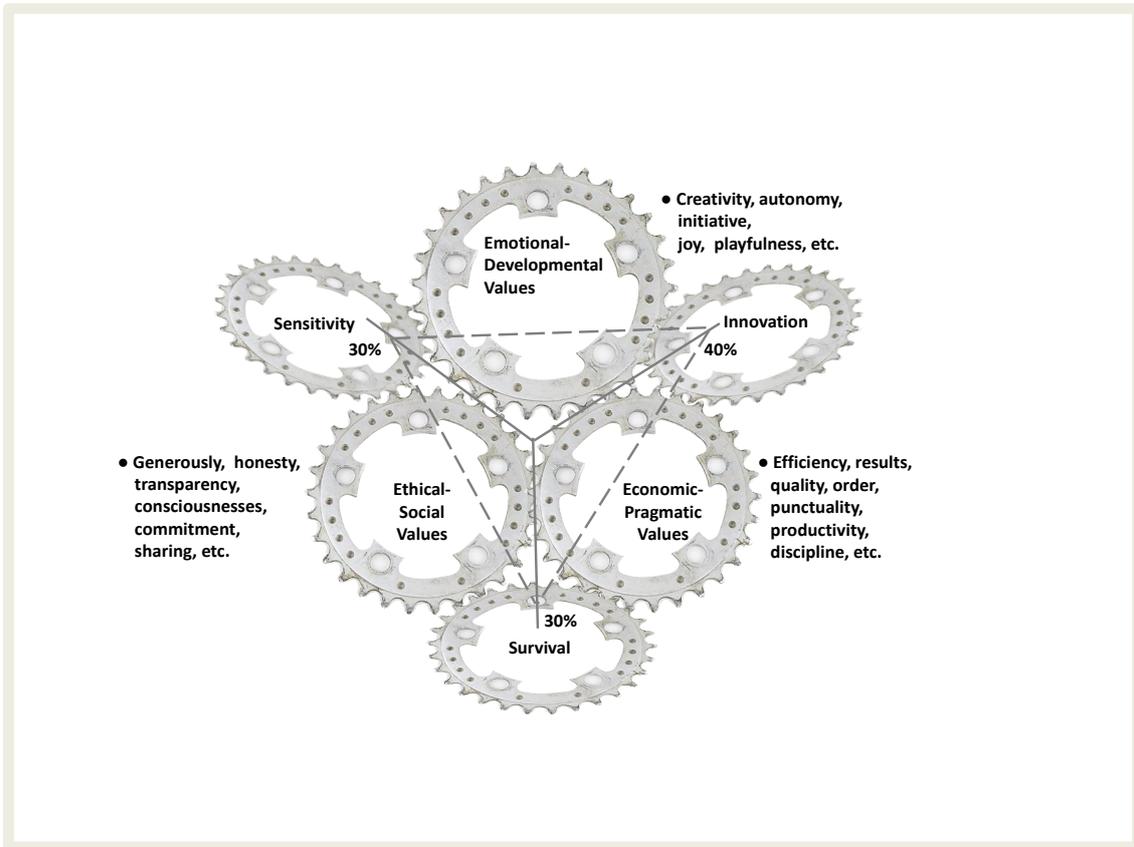
CSIV 40-30-30 tri-intersectional model of values

The tri-axial model may be used as the foundation for developing organization culture (Dolan et al., 2006). It suggests that central values, goals, and strategic objectives be circumscribed within the triangle that is formed by the following three complementary yet orthogonal axes: economic-pragmatic, ethical-social, and emotional-developmental. **Economic-pragmatic values** are a set of values related to the criteria of efficiency, industrious, performance standards, and discipline. These values guide the planning, quality assurance, and accounting activities in organizations: they are necessary in order to maintain and unify various organizational subsystems. **Ethical-social values** represent the way people behave in groups guided by ethical values shared by members of a particular group. These values come from conventions or beliefs about how people should behave in public, at work and in their relationships; they are associated with values such as honesty, consistency, respect and loyalty, among others. These values are manifested by actions more than words.

Emotional-developmental values are essential in creating new opportunities for action. These values are related to intrinsic motivation, which moves people to believe in a cause. Optimism, passion, energy, freedom and happiness are some examples of these values; without them, people would be unable to make firm commitments or be creative. Therefore, when designing an organizational culture, it is essential that people are able to do what they do best in their jobs.

The CSIV 40-30-30 tri-intersectional model of values describes a perpetual process for alignment and realignment of the three axes (economic-pragmatic, ethical-social, and emotional-developmental) at their points of intersection, which allows managers and leaders to focus on developing sustainable innovation processes in their organizations. Exhibit 2 shows the points of intersection between the 3Es: the intersection of the emotional-development axis and the economic-pragmatic axis leads to greater innovation; the economic-pragmatic axis and the social ethical intersection enhances survival (after all, when a big ethical or social scandal arises, the survival of the firm is at stake); and the intersection of the ethical-development axis with the emotional-developmental axis increase sensitivity and makes the organization more humane and more socially-responsible.

Exhibit 2: CSIV 40-30-30 tri-intersectional model of values



The following examples illustrate these linkages:

Innovation – A company who experiences emotional-developmental/economic-pragmatic values has the ability to nurture ideas and turn them into commercial reality. Royal Dutch Shell, for example, launched GameChanger, a global open innovation program, about 15 years ago. They used it to invite ideas from all their employees as well as a plethora of outside sources in order to test the technical and commercial viability of ideas that may be quickly and affordably implemented. The program has generated over 1,500 innovators and turned more than 100 ideas into reality. Some of these include the revolutionary idea of cooling natural gas to liquid at sea and the ingenious idea to more-efficiently harness the power of the sun by housing in the process of oil extraction by housing equipment in a giant glasshouse.

Sensitivity – Should the business leaders care about spirituality? ESADE Business School was founded by Jesuits, and IESE Business School was founded by the Opus Dei movement. The two business schools were created on the basis of a religiously-based ethical-social responsibility. They are inspired by the spiritual values of the founders and are supported by sound management practices. The result is that both

climbed to become leading global business schools; they are ranked systematically at the top 20 in the world (for more see: Dolan et al 2014).

Survival – Not only organizations but people can create innovations at the apex of the economic-pragmatic and ethical-social axes that enhance sustainability. Coming from a poor family in India, Arunachalam Muruganantham revolutionized the sanitary pad in South India by inventing a machine that creates cheap sanitary towels for rural women in India. During his years of research and frustrated outcomes, he never gave up. His proudest moment came from helping the girls in the village to go to school after centuries of being required to stay home during their menstruation periods. This innovation made life more sustainable for girls as well as their families and communities and also enhanced the well-being index per capita in India.

The core competencies focus on Innovational values and organization culture

Some organizational strategies emphasize the importance of core innovational competencies (Breen & Hamel, 2007) as a guarantee for sustaining the firm success. Results on the application of the tri-axial values model shows that the demands for competencies that are symmetric to these values have strong predominance of economic-pragmatic competencies (75% compared to an average of 59%) while ethical-social competencies stay on average (Brillo & Cosenza, 2013). Thus, special attention is required for developing the emotional-developmental competencies (42%), which are rated lower in many organizations. By contrast, we argue that raising the percentage of the latter can enhance the competencies that are needed to lead and champion innovation—that are also the critical factors that lead to sustainable firm success. In the 3Es application, the following competencies are proposed to be core innovational values, which, in turn, lead to stronger, more innovative firm cultures:

Self-motivation – Maintain a high level of commitment and of pride, and feel an integral part of the organization and of its results. Give your best while on duty, transmitting energy and disposition to people. Take care of the organization's things as if they were your own. Maintain motivation when facing frustration.

Constant improvement – Seek for references on excellence, identify opportunities for improvement and put them into practice. Question the status quo, and put forward

innovative solutions in the process. Take on new challenges, being ready to face them at any time.

Self-development – Take on oneself the initiative for the refinement of one’s knowledge, with respect to knowledge that is related to the work. Show a positive disposition toward the learning of new topics, to be applied on the job and to be shared with other people. Seek constant feedback related to professional upgrading and refinement.

The work of innovational coaches is to bring out the great in people in a way that honors their integrity and encourages them to work actively toward making tangible transformations (Bianchi and Steele, 2014). We argue that they must have the following core competencies to perform effectively the CSIV 40-30-30 tri-intersectional model of values:

Relationship and co-creation – Build a relationship of respect and trust with the people and create an equal and synergistic partnership with them. Listen actively and provide support to the people self-expression. Keep in touch with own intuition, centered in people needs and co-create an agenda of exciting experiences, developing a fun work space.

Questions and stretching – Help people through asking powerful questions that provoke curiosity, insight, discovery, and actions. Build together different perspectives to reframe people experience, and communication skills, mainly in detecting obvious things. Make them aware of incongruence between their thoughts, emotions, and actions. Support people to grow their self-awareness while stretching them for breakthroughs.

Values and goals – Work with people to arouse their positive passion aligned with innovational values and help them to become aware of them. Co-create SMART (Stretching, Measurable, Achievable, Realistic and Time bounded) goals. Help people to develop an appropriate, measurable action plan with their initiatives and target dates.

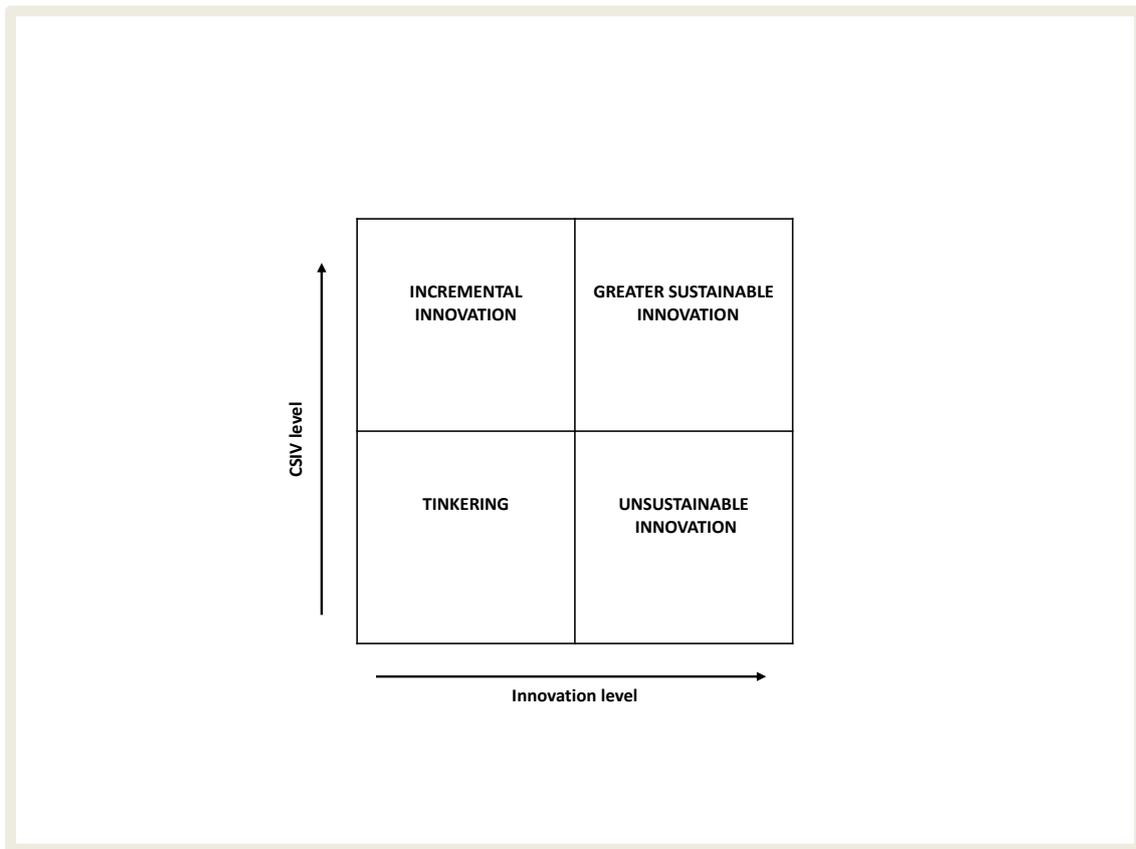
The CSIV’s quadrants

More and more research as well as our consulting experience suggest that the underlying meta value of CSIV is **trust**. In the past, organizational leaders applied an old paradigm that said: “Trust is good but control is better.” Today we propose to use a new

paradigm where we should insist on saying: “Control is good but trust is much better.” We are still progressing from a dominance culture to a virtual culture at an accelerated rate, and the older success stories about effective management practices will no longer be valid. Our MBA’s students have gotten used to the joke about managers that fail while still insisting on heavily using command-and-control systems. The typical example of controlling people is the modern turnstile, which guarantees the physical presence of employees but does not integrate their minds and the souls in their work. According to the Management by Values philosophy, the successful leader in “tomorrowland” is the one that can obtain the commitment of their followers by sharing their values and ensuring that they are aligned with the strategic objectives of the firm. The sharing of values guarantees that the minds and souls of employees are committed as much as—if not more—than their physical presences. Moreover, values represent something constant while everything else might be changing. So values are the DNA on which to focus, hence they are the ingredients for sustainability.

In order to develop CSIV as a co-creation process, we propose to adapt the DART model of Prahalad & Ramaswang (2004). D stands for **Dialogue**, which encourages knowledge sharing and improves the understanding between coaches and people, giving them the opportunity to interject their point of view about the innovation process. A stands for **Access** to knowledge, tools, and expertise helps people construct their own experience outcomes, broadening their views of innovational opportunities. R stands for **Risk** sharing means that the co-creators of innovation are responsibility for dealing with both success and the risks of failure and overcoming any associated frustrations. T stands for **Transparency** of information in the interactions, which is fundamental to enhancing participation between people participation and building trust between employees and their coaches. Exhibit 3 shows the CSIV 40-30-30 tri-intersectional model quadrants:

Exhibit 3: CSIV's quadrants



The **Tinkering** quadrant tends to be uninteresting because there is no driving cause for innovation, here. The **Incremental Innovation** quadrant is related to curiosity-driven search and doesn't utilize the foundational knowledge of CSIV thus doesn't lead to breakthrough innovation. The **Unsustainable Innovation** quadrant aims at finding a solution to meet pressing market needs, and depicts no interest in applying CSIV foundational values. Finally, the **Greater Sustainable Innovation** is the quadrant that represents new creative sustainable ideas, "out of the box" thinking, and the tailoring of great products and services that serve latent market needs and wants.

Conclusion

The Coaching by Sustainable Innovational Values Model (CSIV) is a strategic leadership tool that helps leaders, managers, and organizations successfully deal with open innovation environments and face the numerous significant management challenges of the 21st century. A critical success factor of CSIV is the development of an open innovation environment and management approach where we must both “talk innovation” and walk its innovational paths. An open innovation approach is effective when leaders expand the sourcing of ideas and innovation practices beyond the walls of their organizations while also integrating the inputs of employees and end users. In theory, everyone in an organization can become an innovative coach, helping colleagues or team to define (SMART) innovational goals and move toward their effective and efficient fulfillment. For this to happen, we must develop core competencies that focus on defining and employing innovational values and building an innovative organizational culture that enables firm to recreate the old and create the new while meeting the constantly changing and transformative needs of the firm. Finally, we would like to invite everyone who has positive passion for creating and implementing sustainable innovation to participate in the development, implementation, and improvement of this tool.

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