

# Developing self-awareness using adaption- innovation theory.

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This paper outlines how adaption innovation theory can help leaders of public services respond effectively to the major challenges they face in the next few years. The context for their leadership is summarised with two specific challenges identified. Dr Kirton's adaption innovation theory is introduced and examples offered as to how this can be applied in a number of situations.

## Context and challenges

Few people would disagree that we lead in challenging times; increasing demand for public services particularly relating to health and social care combined with five years of recession and deep cuts in public sector spending have created an environment which is novel, uncertain and complex.

Public service leaders are under tremendous pressure to reduce spending, whilst maintaining if not improving, outcomes for service users and citizens. Whilst pressure to improve performance is hardly new the scale involved and short timeframe involved poses a massive challenge for politicians and officers at all organisational levels. This challenge can be broken down into a number of lesser challenges, including the need to innovate and the need to collaborate, both detailed below.

### Challenge 1: To innovate

Traditional approaches to public service management and leadership tend to be incremental in nature. Continuous improvement and pro rata budget cutting, often referred to as 'salami slicing' are two examples of this incrementalism, the latter illustrated in Figure 1.

Incremental change relies on adapting structures, systems and processes in ways that leave underlying services in place. Broadly the same clients will receive broadly the same quantity and quality of services, delivered in broadly the same way. Recent years of budget pressure have been met with adjustments to eligibility criteria, targeted bans on specific areas of expenditure, minor changes to how services are offered and organised etc.

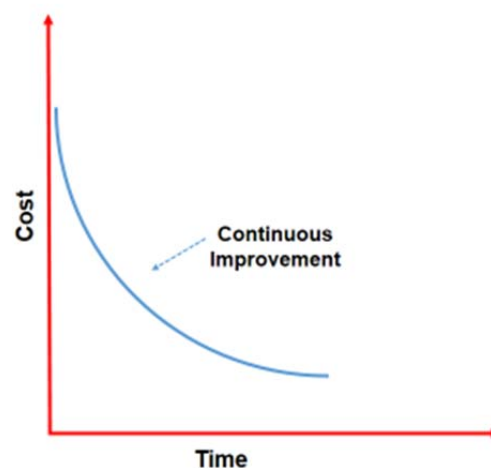


Figure 1: Continuous Improvement

Adaptive reductions often lead to across the board budget cuts, the impact of which are hard to predict and often indiscriminate. Whilst adaptive action may result in reduced spending care has to be taken regarding potential consequences for other aspects of performance.

Apparent savings are often achieved by passing costs to other agencies or future generations or allowing aspects of quality to fall in areas that are not easily measured. In health and social care the consequences of cutting budgets are often felt by the most vulnerable members of society, their relatives and carers. Witness recent calls for greater respect, dignity and safeguarding.

At some point diminishing returns apply; where the relatively high effort required to make cuts yields small improvements in total cost. Furthermore the position may be reached where cuts have gone too far and additional resources may be required, for example years of delayed building maintenance resulting in larger and more expensive repairs or rebuilding.

The current situation is different from recent years and adaptive change will not be sufficient, at least not on its own. The scale and speed of required reductions in spending coupled with a requirement to maintain if not improve outcomes makes innovation essential.

Public funds are finite and should be used to best effect. Doing the right things at the lowest possible cost is at the heart of public service performance or in today's management speak 'best outcomes at least cost'. We should buy inputs at least cost and maximise their use thereby ensuring economy and efficiency whilst maximising service effectiveness. In Local Government the root of this drive is the Local Government Act 1982 which established the audit commission giving their staff the power to 'undertake or promote comparative and other studies designed to enable it to make recommendations for improving economy, efficiency and effectiveness'. Later best value was introduced through the Local Government Act 1999 which required certain authorities to 'make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness' (1999). Thirty years of experience should mean we are closer to achieving best outcomes at least cost than ever before but sadly improvements in cost have often been achieved via reductions in effectiveness rather than improvements in economy or efficiency. The requirement to continuously improve as embedded in the 1999 act plays to adaption where the paradigm is unaltered, where decisions reflect a web of assumptions, professional norms, precedent, stories and myths. This web frequently leads to unchallenged acceptance of the purpose of the service, target recipients, delivery means, staffing structure, roles, responsibilities etc. A current example is the recent move to commissioning where some organisations still focus on commissioning services whilst others now focus on commissioning outcomes. Focusing on outcomes rather than services leads to consideration of a much wider set of possible strategic responses to the current situation and the emergence of a very different view of roles and responsibilities.

If current paradigms remains unchanged it greatly limits the scope for improvement for example

A few years ago assessment of clients seeking funded care would normally have been undertaken by qualified social workers – if this is accepted as a given in service design minimum cost will be achieved when qualified social workers achieve maximum efficiency. Further cost improvement is then only possible by cutting staff pay, reducing assessment quality or ‘over-sweating’ assessment staff all of which have negative implications for clients, organisations or staff.

If the assumption that qualified social workers are needed to undertake care assessments is dropped costs could be reduced by designing a process that more junior and less qualified members of staff could undertake. A new minimum possible cost is set based on a lower pay scale and maximum efficiency – once this target efficiency is achieved further cost improvement is unlikely without reducing pay, assessment quality or ‘over-sweating’ assessment staff.

If the assumption that authority staff need to undertake assessment is dropped and the possibility of clients undertaking some or all of this for themselves is accepted the cost to the public purse falls significantly.

Significant improvements in performance can come from challenging existing paradigms and restructuring the problems we face. Such restructures might be beneficial in improving realised outcomes, reducing total costs and/or reducing the level of state funding required.

Shifting the paradigm requires a willingness and ability to challenge assumptions, professional norms, history and precedent, stories and myths; to go back to first principles and beyond, to think the unthinkable, to say the unsayable. Innovation is required and for a short period this will be the main game in town; the primary means by which significant improvements in performance can be achieved. In health and social care this means challenging

- Which outcomes should be pursued?
- Which clients should have their needs met, which needs and how well.
- Who should contribute to the cost of meeting these needs and on what basis?
- How support should be organised and the role of the state
- The relationship of the state with the citizen

This is not to say that continuous improvement is dead and somehow discredited, far from it. Early in the life of significant changes to activities, processes, structures and operations it is unlikely that any organisation will be 100% efficient and this is where adaptive improvement is vital. Although the public sector might be crying out for innovation at present there remain a significant need for adaptive improvement which will only increase as radical change is implemented.

The first major challenge for public sector leaders then is to foster innovation whilst at the same time adapting where appropriate; a crucial balance needing to be struck that fits the environment. In practice this often leads to an alternating sequence where periodic innovation leads to step improvement in performance followed by a period of continuous improvement. After a period of time further improvement is only possible if the paradigm is again restructured, followed by another period of continuous improvement a long term sequence as shown in Figure 2.

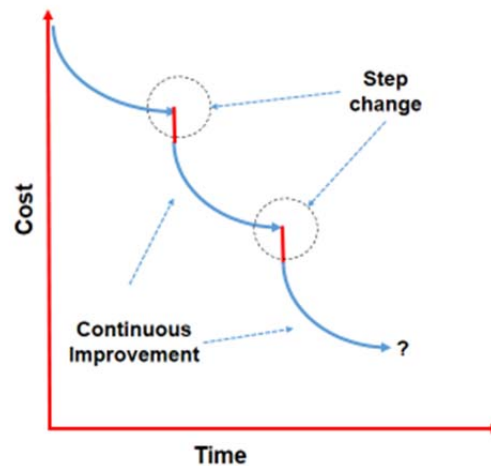


Figure 2: Step Change and Continuous Improvement

### Challenge 2: Collaboration - Harnessing and Working with Diversity

Very few outcomes are delivered by one service acting in isolation; currently most client and patient pathways weave in and out of agencies, providers, other organisations and the community. Improving pathway design and operation is a potential means of realising better outcomes and reduced cost. In addition collaboration can lead to economies of scale realised through sharing back office services, creating one-stop shops, jointly procuring goods and services etc. During the last few years there has been considerable pressure to collaborate; within and between public organisations and beyond with providers and ultimately service users and citizens. Customer pathways often comprise many stages and 'handoffs' with a significant potential for loss of value and unnecessary cost within each stage and during each handoff. Whilst improved outcomes is a major impetus for collaboration so is cost reduction through greater economies of scale, improved steps in customer pathways and greater efficiency.

The wisdom of looking at whole systems is relatively well understood and for some time there have been deliberate attempts at collaboration through, for example, multi-agency partnerships focused on youth offending and community safety, the creation of large multi-professional GP practices and more recently Health and Wellbeing Boards. Total place, community budgeting, localism, big society, the quest for health and social care integration, multi-agency or community commissioning and systems leadership are further examples of a general movement towards collaboration.

Bringing together different organisations with different aims and cultures, different people from different professional backgrounds with a heady mix of personality type, educational background, religious and other beliefs, offers three main benefits;

- firstly whole pathways are within the influence and perhaps the control of the collaborative group

- Secondly the level of diversity within the group should mean a wide range of problems can be tackled.
- Finally this level of diversity is likely to generate additional conflict and passion which in turn may encourage innovation.

Dr M Kirton originator of adaption innovation theory recognises the value of diversity in tackling what he refers to as Problem A's; the problems we are called to solve collaboratively. Kirton argues that the more novel, complex and dynamic a situation the greater the level of diversity needed. Such diversity increases the range of problems that can be tackled by the group and increases the chances of innovation occurring.

However high levels of diversity can prove difficult resulting in what Kirton refers to as Problem B. Kirton considers that individuals therefore have two problems when collaborating; 'to solve the problems requiring their collaboration (Problem A) and the management of each other (Problem B)'; successful groups spend much more of their energy on Problem A than Problem B' (Kirton; 205).

Collaborating across the wider system requires leadership by everyone, not just senior managers. Successful collaboration is more likely where those involved exercise leadership, where ideas are heard and encouraged; where those to whom ideas occur are able to exercise influence, build alliances and cause others to follow. Successful collaboration requires an ability and willingness to work with people we may not yet understand and may struggle to get on with, at least initially.

The second leadership challenge then is how to work effectively with an increasingly diverse and ever changing mix of people. It is not enough to simply tolerate or be able to cope with another person's differences as we experience them. Valuing difference might be a helpful starting point but more importantly we should be harnessing this to the point when we seek to work with people we anticipate or experience as being different knowing the value that this difference may bring. The wider the collaboration the greater the potential benefit to outcomes and the greater the level of diversity.

Whilst some people appear to have a natural ability to work effectively with a wide range of people for others this needs to be learnt. A developed awareness of self, of how others might be and the effect our behaviour might have or be having on others is required.

The effect of this will be felt by the individuals involved and in their relationships as well as impacting on the task in hand. Awareness can be developed in a number of ways, for example through feedback, reflecting on experience and theory and completing psychometric instruments. Adaption-Innovation theory is one way of developing awareness and the capacity to work with a diversity of people

## Adaption-Innovation Theory

It is generally recognised that in order to survive we need be creative and over the years many attempts have been made to define and measure this quality. This is not easy as creativity and terms such as invention, innovation and entrepreneurship are defined by different people in different ways many of which overlap or confuse. Similarly attempts to measure creativity in terms of outcomes or output in the volume of ideas, size or value is very difficult and to a degree, subjective.

Kirton's Adaption Innovation theory (KAI) however focuses on style of thinking, something which can be measured and which offers valuable insights regarding creativity. Different styles of thinking are represented as a continuum the two ends of which are labelled as adaptor and innovator as shown in Figure 3 below.

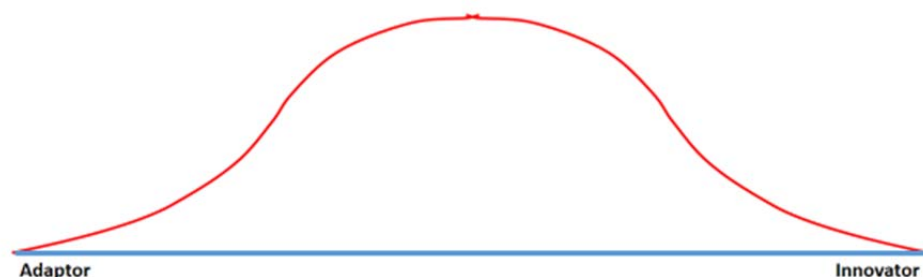


Figure 3: Adaptor Innovator Continuum

This theory does not address volume or value, just how people tend to think and act. Neither style of thinking is better but in certain circumstances, at least for a while, one might be more helpful than another.

Those of us with a clear preference for adaptive thinking will normally generate ideas that fit the current rules, regulations and other frameworks within which we operate. Change initiated by adaptors tends to be incremental in nature and results in continuous improvement. In relatively stable times adaptors help organisations carefully respond to relatively minor shifts in the environment. With for example pre-recession exhortations to reduce spending or improve performance small adaptive actions tended to yield the required savings although not necessarily the best overall outcome. However once the recession hit, the level of budget reductions required could not be met through small pro-rata cuts especially after years of adaptive reduction. What is now required is the capacity to think differently and act courageously.

Adaptors tend to know the system, rules and frameworks they operate within and use these structures to tackle problems. Adaptive thinking normally results in ideas that are legal, within the rules and based on variations of previous action. In relatively stable environments adaptors make a significant contribution to improving performance; taking an existing paradigm and making it work more efficiently. Equally after a major step change such as the recent introduction of GP commissioning, Clinical Commissioning Groups and Health and Well Being Boards adaptors have a significant role to play. With innovation it is unlikely that



any change will work perfectly in the early days and there is often significant scope for adaptive improvement. Adaptors like to be clear about work they are asked to undertake and use rules, regulations and precedent to guide them. With this clarity adaptors can solve a large number of problems quickly.

Those of us with a preference for innovative thinking often generate many ideas some of which are likely to challenge assumptions, fly in the face of current practice and convention and may involve 'rule breaking'. As it is likely that many innovative ideas will ultimately not be adopted it is essential that innovators proliferate ideas in the hope that one, or several in combination, might lead to a breakthrough. Innovative thinking tends to involve restructuring problems and is particularly helpful when a breakthrough is required; developing a new product or process, achieving a step change in performance or a significant reduction in spending.

Innovators tend to have less interest in and commitment to organisational status quo. Being less familiar with rules, regulations and structure, innovators are more likely to view situations in new ways and to generate a good number of ideas, some of which may be quite radical. It is likely that a good percentage of the ideas offered by innovators will ultimately be ruled out for not being legal, feasible or acceptable. It is therefore important that innovators generate a good number of ideas and their natural tendency to do so serves the innovator well when faced with situations like the current financial challenges facing public service leaders. A new paradigm is required as the scope for improvement within the existing one is largely exhausted.

The preference for adaption or innovation is stable over time and generally people are drawn to careers where their preferred style of thinking is called for on a regular basis. As might be expected adaptors with their preference for and ability to work with rules and regulations are likely to be found in careers where this is required for example accountancy, law and banking. Innovators however are more likely to be found in environments that depend on thinking differently such as the fashion industry. This is not to say that any career or profession is closed to adaptors or innovators but where personal preference differs from what is required generally individuals will need coping skills or to find a niche where they can 'be themselves'.

Occasionally, at least, most of us have to behave in ways that do not play to our natural preference and a cognitive gap exists. The innovator that is asked to write a procedures manual in a 'house style' or the adaptor called to lead a fundamental review is likely to experience a cognitive gap between preference and requirement. (Figure 4).

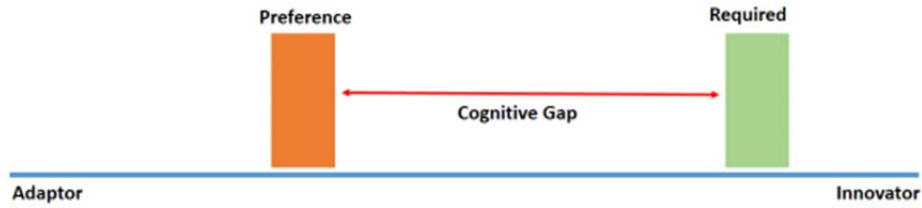


Figure 4: Cognitive gap

In the short term there are a number of coping strategies that can be deployed to bridge cognitive gaps including

- Engaging someone with a cognitive preference that matches the task in hand
- Leaving the task with a cognitively diverse team
- Using creativity tools or techniques that replicate patterns of thinking required for the task in hand.

In the short term, thinking in a non-preferred style requires a degree of coping behaviour which often causes some stress. If the nature of a job role shifts permanently from adaption to innovation or vice versa then the cost of the coping behaviour might prove unsustainable.

The effect of cognitive difference plays out in many situations, three of which are outlined below

#### Situation 1 – Team or Group Development

A considerable amount of leadership work is undertaken in teams or at least groups including management teams, project teams, partnerships and various collaborative bodies such as Health and Wellbeing Boards. All teams or groups have tasks to do, are to an extent diverse in make-up and therefore share the common challenge of managing Problems A and B. Figure 5 shows the KAI profile of two quite different teams.

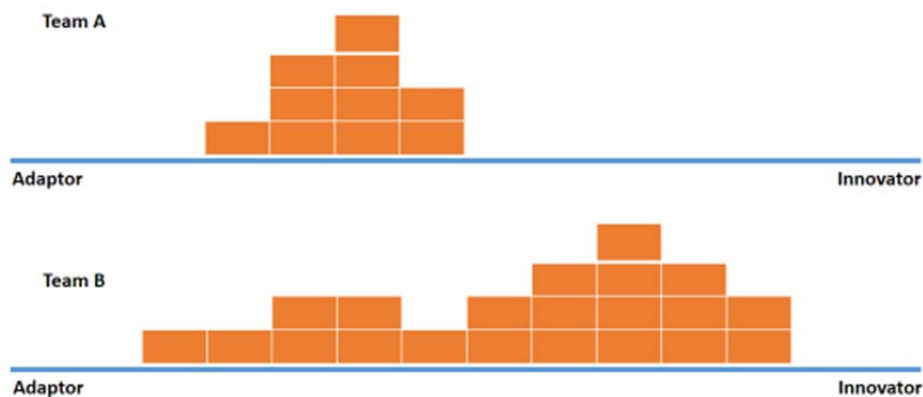


Figure 5: Team profiles

Some teams comprise members drawn from the same profession, working within a single organisation and probably sharing some personality traits. It would not be unusual for their KAI profile to be less diverse; in the case of Team

A being somewhat adaptive (Figure 5). Whereas other teams comprise members drawn from different professions, organisations, sectors who may not share the same values, are not necessarily driven by the same motivations and have very different personality types. It might be expected that the KAI scores are more diverse as in Team B (Figure 5).

Team A might be expected to be easier to manage and to work well in stable times. However faced with a novel, complex and uncertain challenge this team might find it more difficult to perform. A team that comprises a high number of adaptors may well have successfully squeezed all the increased performance that is possible within the current way of working. This team is less likely to develop ideas that will lead to different ways of doing things which yield significant benefits. Whilst economic and efficient within the existing paradigm the services or activities undertaken by this team may not be as effective as they could be.

A team that comprises a high number of innovators is likely to generate ideas from which an innovative response to a challenge may be developed. Strong in the area of paradigm busting and idea generation this team might find it more difficult to move to implementation and stick with an outcome that is not immediately working as well as it might. There is a risk that this team will be tempted to prematurely try something different again. In value for money terms this group may improve effectiveness but may fall short on economy and efficiency through failing to continuously improve.

Team B with a higher level of diversity may well be better placed to tackle a wide range of problems including those requiring a 'breakthrough'. A team that comprises an appropriate mix of adaptors and innovators is likely to have sufficient diversity to achieve a breakthrough and then continuously improve leading to better outcomes achieved in an economic and efficient manner. Critical to the success of this team will be the way in which the diversity is handled in terms of process, contributions and behaviours. Individuals towards the middle of the KAI distribution of this team are well placed to act as bridges between those with clearer adaption or innovation preferences. Whether they successfully bridge will depend on skill, motivation and opportunity.

Dr Kirton's theory is accompanied by an inventory that helps individuals identify their cognitive preference, the outcome of which is a total score that can run from 32 (strong adaptor) to 160 (strong innovator) with the UK managerial average scoring 97. If undertaken for a team, and assuming individuals are prepared to share scores, the distribution of adaptors and innovators can be illustrated. An understanding of KAI within a team can help members become aware of collective strengths and challenges and to capitalise on the cognitive diversity within the team

The current push towards health and social care integration, community budgeting and system leadership is leading towards vastly more diverse teams and complex relationships. The future performance of public services and community wellbeing depends on the capacity of individuals and teams with quite different KAI profiles to collaborate.

The diversity present in situations similar to that illustrated in Figure 6 should be beneficial providing the collective membership develop strategies for effective working. However there is a risk that the benefits do not materialise – the lack of an obvious bridge between the two groups could lead to a sense of ‘them and us’.

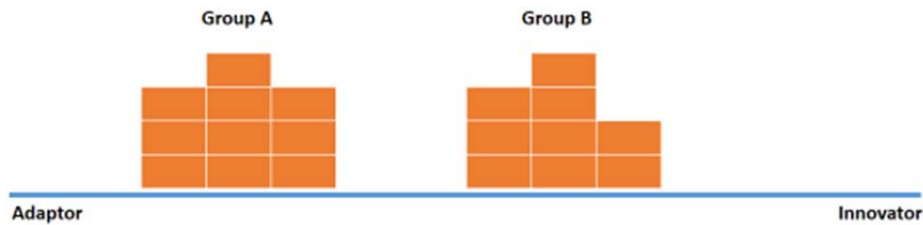


Figure 6: Groups in collaboration

### Situation 2 – A lone adaptor or lone innovator

It is not uncommon for group members to mostly cluster in one place on the continuum yet for one or perhaps two people to possess quite different cognitive scores as shown in Figure 7.



Figure 7: Lone presence

The risk with lone representatives is that they can feel isolated and seek inclusion by behaving like the main group (in this case relative innovators), decide not to contribute or to leave the situation; in all cases a potentially invaluable contribution is lost to the group. A little coping behaviour by all concerned can enable a minority representative to feel they belong and that their contribution is valued.

Often the situation is more complex as shown in Figure 8 where a team member occupies the space between a lone representative and the rest of the group. If skilled and motivated this member is ideally placed to bridge the cognitive gap. Whilst others could bridge the gap the adjustment required of them would be higher.

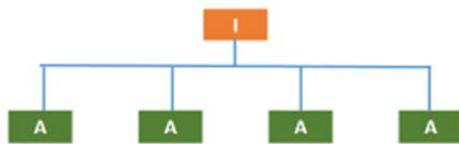


Figure 8: Bridgers

### Situation 3 – Line Management Cognitive Gaps

A second context for using KAI theory is in line management relationships where the behaviour of one person in the relationship can result in problems for others.

Imagine a senior manager with a relatively high preference for innovation who has a team of direct reports all of whom are relative adaptors.



At the regular team meeting on a Monday morning the manager outlines three really interesting ideas that could radically change the shape of the service and way things are done by the team.

Team members groan as this

manager often comes up with really interesting and challenging ideas, in fact they are still working on four that have been proposed in the last few weeks. In their experience they waste a lot of time exploring ideas that actually go nowhere due to problems with legality, feasibility and resources.

In this situation it would be helpful if the innovator manager were to

- i) Keep generating ideas but filter these a little before sharing them
- ii) Present ideas in relatively neutral ways avoiding overstating their radical nature
- iii) Handle classic adaptor responses to their ideas in a way that is valuing of the person and their contribution and ensures a fair hearing for their ideas.
- iv) Track ideas released to adaptors to make sure they are given a fair hearing

In return adaptors would be wise to

- i) Suspend judgment and approach ideas with an open mind
- ii) Avoid using the word 'but' as this tends to frustrate innovators

Taking the case of a relatively adaptive manager with relatively innovative reports a different dynamic is often observed. In these situations there will be a tendency for direct reports to generate ideas, potentially feeding off each other.

As innovators can be a little cavalier with their contributions the adaptor manager may feel under attack – lots of ideas being presented that challenge the status quo and implicitly 'their way of leading'; it may feel like there is an 'idea cauldron' bubbling underneath them. The risk here is the adaptor manager, striving to deliver today's service to challenging targets quickly assesses these



ideas to see if they comply with the rules, regulations and 'how we do things around here'. The natural quality of the adaptor to check for feasibility coupled with the power of their position can easily lead to ideas being quashed, certain conversations curtailed and frustration for the innovators who can see something that might improve outcomes but cannot get support from line managers

The wise adaptor manager will

- i) Encourage ideas from their staff perhaps channelling these into particular meetings or away days
- ii) Remember that the combination of their preference and positional power can cause innovators to feel their ideas are not being treated properly.
- iii) Manage their initial reaction to ideas – suspending judgment.
- iv) Replace the 'but' word with 'and' when responding to an idea

Innovators in this situation would be wise to

- i) Time and temper their contributions
- ii) Take care about how ideas are framed to avoid implicit criticism of their manager
- iii) Avoid giving the impression of 'ganging up' on the adaptor manager

## **Creativity Techniques**

Creativity techniques, routines and rituals can greatly assist individuals and teams in accessing ways of thinking that are helpful to the situation in hand. Brainstorming for example can help relative adaptors think more divergently leading to the generation of a number, range and type of ideas normally associated with innovators. By the same token tools such as star count offer innovators a means of converging on a way forward, solution etc.

Tools, routines and rituals that encourage adaptive thinking tend to be more structured and convergent in orientation whilst feeling less risky from both personal and organisational perspectives. Whilst adaptors may feel relatively safe with these tools innovators may on the other hand feel trapped.

Those tools, routines and rituals likely to assist with more innovative thinking tend to have less inherent structure, feel relatively risky and may make relatively adaptive users feel uneasy.

All tools have a degree of inbuilt structure even those that might stimulate more innovative thinking where the rules are intended to create an environment free from judgment, where the absurd is welcomed etc. We ignore this inherent structure at our own risk, the likely end result being that intended outcomes are weakened or that unexpected and unwanted outcomes result. This is a particular risk with second and subsequent use of tools where familiarity and time pressure often combine to tempt users to short-cut the system. As an example failing to include a warm up exercise or to remind participants of basic rules

such as banning censure or premature rejection of ideas when brainstorming will create a situation where people will filter and check what they say, perhaps choosing not to suggest ideas for fear of judgment. Adaptors are more likely to have repeated success with innovative tools as they are more likely to know and follow the rules associated with their use. A paradox operates here - 'if you want to be free thinking then follow the structure'

## **Summary**

The size and nature of the challenges facing those leading public services should not be under-estimated. Ever increasing demand coupled with static if not diminishing resources are fuelling an ever increasing resource gap. Traditional incremental, adaptive management with its focus on continuous improvement and unconscious maintenance of existing paradigms cannot hope to close the gap.

All public service organizations face the same resource challenge although the size varies. Similarly those that work for, with or provide services to public service organisations experience this challenge via pay restraint, redundancy, increased workload and sustained downward pressure on prices. Further downstream are vast numbers of public service users and members of the community silently absorbing the cuts through reduced quantity and quality of provision.

It is possible for public service organisations to meet this challenge but not through doing what they have done in the way they have always done it. Future success requires three ingredients

- Increased innovation so that basic assumptions regarding publicly funded services are challenged. It is time to question which needs are met, the intended frequency and quality, how and by whom etc.
- Collaboration across the system to improve outcomes and pathways, access to other community resources and better use of public funds.
- Skilled adaption at the correct point to ensure that innovative improvements are secured and built upon.

CLiMB includes experienced and qualified KAI practitioners who use the theory and instrument to help individuals, teams, organisations and communities achieve their desired balance of innovation and adaption with effective collaboration. In other words the best possible resolution to Problems A and B leading to the best possible outcomes for individuals and communities.

## **References**

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