



# Innovation and the role of leadership

A whitepaper based on national research





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## Executive summary

Every successful organisation around the world can point to its ability to harness the power of good ideas. Innovation is inextricably a part of any sound organisation's DNA, and is among the most important strategic pillars driving dynamic businesses.

From ensuring continued financial success to bolstering recruitment, innovation keeps an organisation adaptable, dynamic and progressive. Without the ability to innovate, organisations become static. Services remain the same, new products are never launched, processes never get leaner, productivity lags behind that of competitors, and ultimately the culture of the organisation does not evolve. It is doomed to failure.

The importance of being innovative is why the UAE Government has made innovation the basis of its plans to exceed international indices of socio-economic success. Central to this roadmap to prosperity is the UAE National Innovation Strategy, launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, in 2014. This plan identifies renewable energy, transport, education, health, technology, water and space as sectors to further embrace innovation. Since the strategy's launch, Federal and local governments, and organisations operating in the UAE, have made great strides to realise His Highness's vision of making the UAE one of the most innovative countries in the world by 2021.

These efforts were time well spent. In previous research commissioned by EGA, 94 percent of people said that the country is more innovative than it was five years ago, and a similar number believe that innovation at companies contributes to national competitiveness.

At EGA, innovation is at the core of how we operate. We have run a suggestion scheme for decades that has resulted in employees submitting up to 34,000 actionable suggestions per year (and over 240,000 in total so far).

Last year our employees averaged eight ideas each, delivering audited savings of over AED 36 million.

It is our belief that the people closest to a work process can devise the best solution to a problem. This philosophy, however, only works as long as the right culture is put in place to recognise, and act upon, people's ideas.

Our focus on innovation has also enabled us to develop our own technology through a dedicated research and technology division, and it is now used in all our production lines. EGA became the first UAE industrial company to license its own large-scale industrial technology internationally in 2016.

Placing innovation at the heart of organisations is how this country is going to continue to thrive. Business leaders today need to ask themselves how they are faring in their efforts to innovate in the workplace. How can they ensure that processes are put in place that capture the small ideas that can make big differences. How can they allow teams to spend time innovating? And how can they also establish effective departments specifically for research and development that create big ideas?

This whitepaper, based on independent research carried out by EGA, focuses on unlocking innovation from everyone in an organisation. It outlines the challenges facing organisations striving to create an innovative working environment. It looks at how organisations can uncover and generating new ideas from their workforce, promote the inclusion of all staff in the innovation process, and recognise that looking for new ways to tackle old problems creates a self-perpetuating culture of innovation.



### Key findings include:

1. The vast majority (89%) of employees would be more motivated to innovate at work if they knew they would receive a personal thanks from their organisation's CEO
2. Younger employees (18-24-years-old) are significantly more likely (90%) to be motivated by recognition from their CEO
3. Nearly three quarters (73%) of employees believe innovative ideas that benefit the business should result in financial rewards for every member of staff
4. The majority of employees (74%) feel they have a personal responsibility to innovate as part of their job
5. More than half of employees in the UAE (59%) have had an innovative idea in the past but were unsure about how to submit the idea or who to tell
6. Nearly half of all respondents (40%) are not convinced they work in an organisation that encourages innovation



## Nurturing a good idea

Creativity is not the exclusive preserve of an executive sitting behind a desk. For an organisation to be truly innovative, creative thinking needs to be unlocked at every level of the organisation.

An innovator could equally be a worker on the shop floor, a team analysing a set of big data, or a director exploring the next big invention at their organisation

At EGA we have focused on technology development for more than 25 years, and our research and development team has been very successful. Our latest smelting technology is amongst the most efficient in the global industry, and we have even licensed it internationally. But this is not the only innovation in our company.

We believe that the people who are dealing with a work process day in and day out are the people best placed to suggest ways of solving the routine challenges they face. For some, this will be based on what they observe from doing their job. For others, it will be about working as part of a team to come up with an answer. Essentially, every part of the organisation should be contributing to the innovative culture in some way.

Evidence of this is that the most innovative organisations around the world leave job titles at the door when they are looking at problem solving. They accept that for a business to continue to grow and succeed, every employee needs to feel as though they can positively contribute to the future health of the organisation. This can mean anything from suggesting a new more cost-effective tea brand in communal areas to studying analytics and figuring out a way of improving them. Innovation needs to be that broad.

While that may seem daunting, the good news for organisations is that employees in the UAE are already willing to be a part of the process. One of clearest indications from the research conducted for this paper is that the majority (74%) of employees feel that they have an obligation to contribute their ideas to their employer. Business leaders do not need to fight the tide. But they do need to actively encourage

innovation within their organisations - the willingness of their staff is already there, it is about making them feel like a valued part of the process.

There is a clearly a challenge for business leaders as, despite employees feeling they need to play a part, less than a fifth (19%) have submitted an idea in the past year. While implementing grand changes from the top is exciting, the benefits of everyone feeling empowered to suggest small changes to their own work processes can cumulatively have an equally important or even bigger impact.

This is where the culture of organisations needs to be addressed. Employees need to feel they are encouraged to innovate and are listened to when they do. The research conducted for this whitepaper found one in five employees (20%) feel their organisations lack the proper resources to innovate, and 40% of all workers are not convinced that they work in an environment that encourages innovation.

Organisations need to change these perceptions and make sure their staff feel their good ideas will eventually lead somewhere, instead of feeling it is folly to even suggest them in the first place. Organisations that choose not to listen to their employees, and do not constantly look to change, will be those that become stagnant and fall behind their competition.



74%

OF EMPLOYEES FEEL THAT THEY HAVE AN OBLIGATION TO CONTRIBUTE THEIR IDEAS TO THEIR EMPLOYER.



Our commitment to continuous improvement:

**“We are focused on continuous improvement that involves everyone at the organisation. At EGA we have created an innovative culture which captures new thinking from across the organisation and provides teams with the headspace to explore new ideas. Fundamentally, we believe the people closest to a work process can identify what improvements are required and devise the best solution. Providing them with the tools and opportunity to implement change is the challenge, and we have spent decades building our approach to make that happen.”**

**Abdulla Kalban,**  
Managing Director and Chief Executive Officer at EGA



# Changing minds, capturing lightning in a bottle

Every day millions of people around the world will have lightning bolt moments. They will see something that no one else will. They will come up with a unique approach to a puzzle or work out a solution to a complex problem. Yet millions of ideas are wasted because people do not have the means to act on them.

If this is happening within an organisation, it is missing potential opportunities to create value on a daily basis.

Successful organisations judge ideas based on their merits rather than if they come from a director or an intern. Yet despite the obvious benefits of encouraging staff to contribute, more than half of UAE employees (59%) are unsure about who or how to tell their innovative idea to improve their organisation.

Putting in place a structure that helps to avoid this situation is critical. Commonly, chains of command begin with line managers. They are accessible day-to-day contacts who can take suggestions up the ladder where its feasibility can be gauged. Whether that chain continues to an executive judging panel or to an existing department, such as human resources, is a matter for internal discussion, but clarity is critical to ensuring that good ideas see the light of day.

Once the structure is established, most organisations will have a policy to reward employees who have put forward an actionable idea. But simply having a policy in place is not good enough. The policy needs to be constantly promoted, refreshed and adapted. It cannot be a system that is established and then left to collect dust. Unfortunately, 56 per cent of UAE employees today have little or no clarity about the rewards available to them.

Failure to promote these benefits can lead to apathy among staff, and may be the reason why nearly a third (29%) of employees in the UAE are not convinced that they work in an environment that encourages innovation. If nearly a third of the workforce does not feel it is working in an innovative environment, then imagine just how many potentially ground-breaking ideas are going untapped.

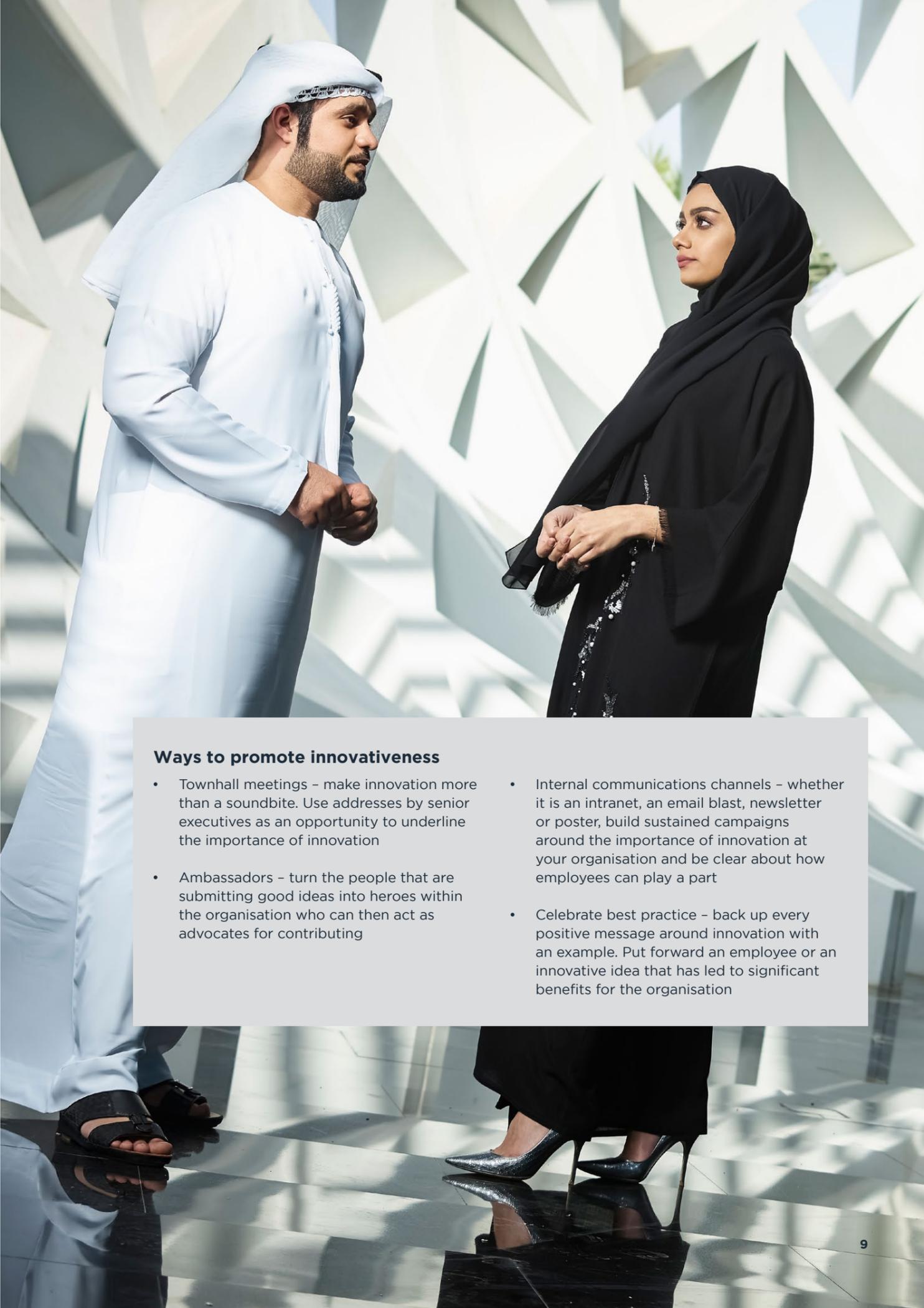
Employees need to feel as though they can participate in the process. They cannot look at a problem and assume that, even if they have a good idea, it is someone else's job to come up with a solution. One of the ways to judge if an organisation breeds an innovative culture is by the number of ideas employees feel empowered to share. Organisations should feel more comfortable trying to deal with the volume of ideas rather than needing to chase down ideas.

Communication is key to ensuring the pipeline of new thinking is kept full. It is the responsibility of the leadership team to make abundantly clear about the opportunities available to employees and the importance of their proactivity. By continually reinforcing the positive message around innovation and the need to participate, organisations can go a long way in changing people's minds about the environments in which they work.



## 56%

OF UAE EMPLOYEES HAVE LITTLE OR NO CLARITY ABOUT THE REWARDS AVAILABLE TO THEM.



### Ways to promote innovativeness

- Townhall meetings – make innovation more than a soundbite. Use addresses by senior executives as an opportunity to underline the importance of innovation
- Internal communications channels – whether it is an intranet, an email blast, newsletter or poster, build sustained campaigns around the importance of innovation at your organisation and be clear about how employees can play a part
- Ambassadors – turn the people that are submitting good ideas into heroes within the organisation who can then act as advocates for contributing
- Celebrate best practice – back up every positive message around innovation with an example. Put forward an employee or an innovative idea that has led to significant benefits for the organisation



## Leading with gratitude

Our research shows that fixed financial rewards are still an effective way to motivate staff, and indeed are the most effective way according to 73 per cent of UAE workers.

Despite this, it should not be the only way employees are compensated for contributing to the innovation process. One of the major motivating factors for staff is knowing that they will be recognised by their senior management team for submitting a good idea. An overwhelming majority of UAE staff (89%) would be more motivated to innovate at work if they knew they would receive a personal thanks from their organisation's CEO.

In other words, a simple pat on the back could encourage employees to collectively deliver significant benefits through innovation. It is interesting to note that the youngest members of the workforce (18 and 24-years-old) (90%) are most likely to be motivated by this kind of recognition. Putting in place a robust and clear suggestions scheme is one thing, but organisations can go the extra mile by adding this personal touch.

In addition to the personal touch, another option is to offering additional days of holiday. This was seen to be one of the most effective motivators by over half of employees (61%). However, being recognised by their peers is even more motivational for staff than an extra day away from work. When asked what would be the best way to reward employees for ideas that are used by their organisations, 64 per cent said just being recognised in front of their peers would be best.



89%

WOULD BE MORE MOTIVATED TO INNOVATE AT WORK IF THEY KNEW THEY WOULD RECEIVE A PERSONAL THANKS FROM THEIR ORGANISATION'S CEO.



### Effective methods for recognising employees for good ideas:

- A face-to-face meeting with a senior member of the organisation. Employees respond well to managers who take the time out of their days to personally thank staff members for going above and beyond
- Using internal communications channels to call out a member of staff. Use internal channels to feature top ideas with some background on the employee in emails, text messages and on intranets
- An employee recognition ceremony is a forum to thank the individuals that have contributed the most
- A symbol of their value to the organisation - be it a badge, an email signature, or a parking spot- is a visual reminder to others that the employee has significantly supported the company with their innovative thinking



## Conclusion

A good idea can come from anyone, at any time. Whether it is a lightbulb moment or the result of long and painful deliberation, everyone is capable of identifying a challenge and resolving it with ingenuity and creativity.

For organisations that want to continue to grow and improve, the challenge is harvesting these good ideas. Doing so can be akin to capturing lightning in a bottle. However, there is not an organisation on the planet that can afford to ignore the possibilities for growth.

For the organisations that want to tackle this challenge head-on, there are a number of best practices that they can employ to get started.

Effective internal communication is essential. Too many employees in the UAE have reported that they do not know how to submit their ideas for improvements or that they do not feel entitled to do so. Employees should feel as though they are working in an innovative environment and feel confident their idea will be listened to when raised. This can only be achieved when everyone from top to bottom is clear about who they can talk to about an idea and the processes for taking it forward.

Yet having clarity about the channels for ideas is just half the battle. Organisations need to continually engage with their workforce to drive home the benefits of making suggestions. They need to know that their new ways of thinking contribute to the greater good, as well as to personal benefits. People want their organisations to succeed. The research shows there is a groundswell among staff to contribute.

Good ideas and the people who generate them need to be celebrated.

Part of this reinforcement is in itself about being innovative. The temptation is to offer ever-increasing financial rewards. But it is here where organisations can have more options. What are the other things that can be done to reward staff? Can CEOs take time out of their day to thank staff personally? Can particularly innovative individuals be recognised among their peers? Can teams be encouraged to work more closely to benefit the whole?

For business leaders in the UAE, the challenge is clear – foster an innovative culture which generates and captures the new ideas that will ensure future success. Leaders cannot innovate on their own. But they can lead the creation of a culture of innovation that will deliver their organisations future success.

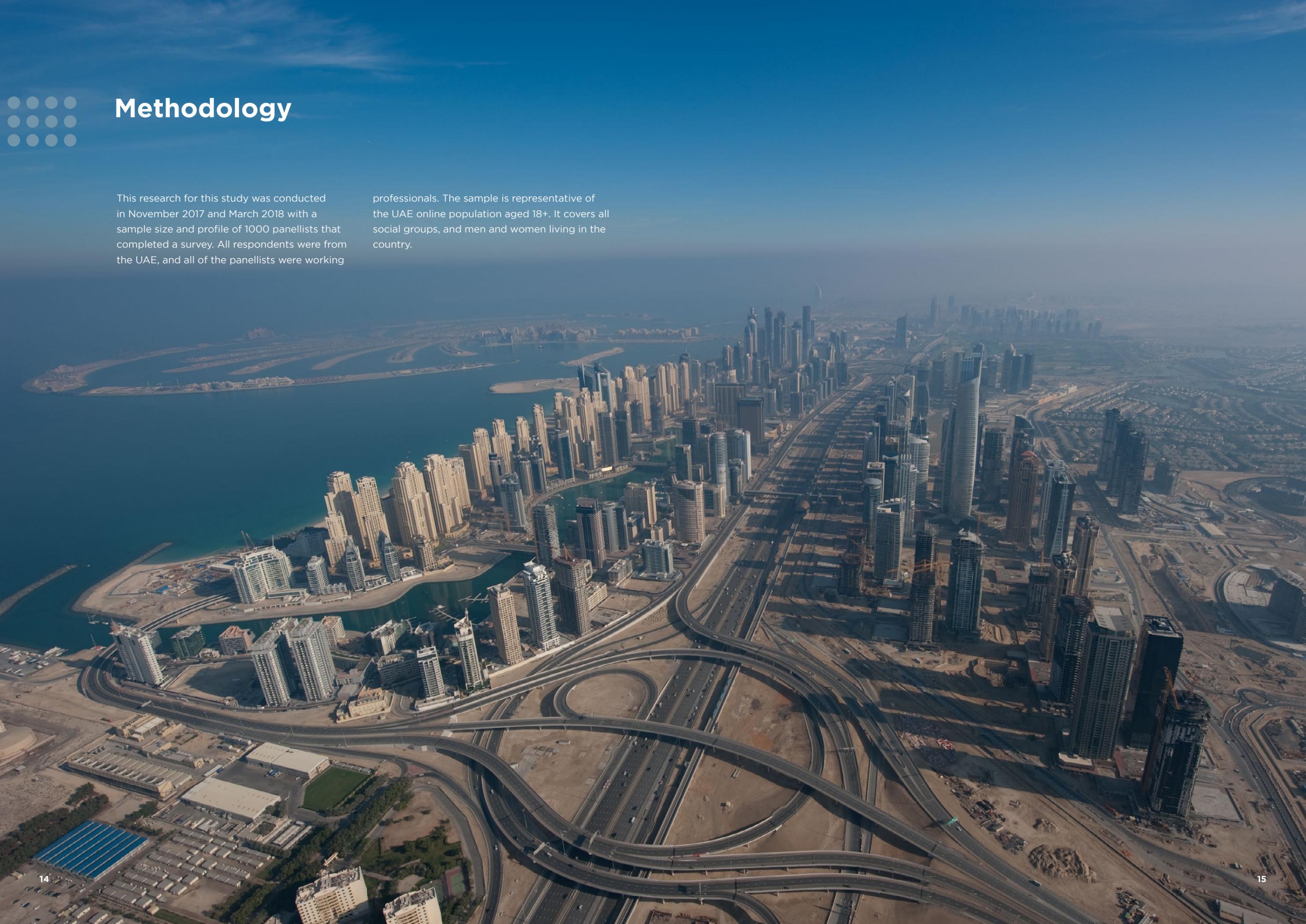




# Methodology

This research for this study was conducted in November 2017 and March 2018 with a sample size and profile of 1000 panellists that completed a survey. All respondents were from the UAE, and all of the panellists were working

professionals. The sample is representative of the UAE online population aged 18+. It covers all social groups, and men and women living in the country.





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