

CEO/COO Thinking – from the on-line survey

What is their Ideal? What are their expectations?

The 'Average' is based on an analysis of respondents (CEO/COOs and Board Members) opinions as entered in the on-line survey. Stars indicate weighting.

Factor Description <i>Comments in italics</i>	Average	Extreme left	Extreme right
1. Management's emphasis is on short-term versus long-term profit.	2.0	Emphasizes very short term	Emphasizes very long term ★
2. Management explicitly looks for or has no interest in innovation. <i>Inconsistent results suggest that not all CEOs call for innovation. Somewhat surprising!</i>	-0.8	Explicit objectives for innovation.	Has no interest in innovation.
3. Management's tolerance for mavericks or not. <i>Not all CEOs place an emphasis on having mavericks in their organization.</i>	-1.1	A lot of tolerance.	Very little tolerance
4. Planning emphasizes rationing resources or identifying opportunities.	3.1	Very much rationing resources.	Focus is on identifying opportunities. ★
5. Management's tolerance for failure or not. <i>One of the key characteristics of highly-innovative companies but it seems not all CEOs have a tolerance for failure!</i>		Very high tolerance for failure.	Very low tolerance for failure.
6. Leaders emphasize management of people and their interactions or not.	3.5	Little emphasis on people.	Very much emphasize people management. ★
7. Corporation provides career ladders, powers and titles for innovators or not.	2.3	Innovators have limited career opportunities.	Innovators have careers and recognition. ★
8. Corporation is tolerant towards variances from the corporate norm or not. <i>Survey results indicate a mixed opinion from respondent CEOs.</i>		Corporation highly tolerates differences.	Corporation has little tolerance for differences.
9. Management's tolerance for uncertainty (as distinct from risk) in the planning process or not.	-1.0	Plans have a very low tolerance for risk. ★	Plans have a very high tolerance for risk.
10. Style of communication within the organization.	-1.8	Communication is highly informal. ★	Communication is highly formal.
11. Management's discourages or encourages use of independent work groups for special purposes.	-2.5	Use of independent work groups is greatly encouraged. ★	Use of independent work groups is greatly discouraged.

12. Management makes decisions with lots of input from the rest of the corporation or not.	2.4	Little consultation.	Lots of input is sought.
13. Decision process is elaborate and formal versus short and informal. <i>Inconsistent results make it difficult to draw a conclusion.</i>		Process is short and informal. ☆	Process is elaborate and formal.
14. The corporation has specific mechanisms available for rewarding innovation or not.	-2.0	Mechanisms exist for rewarding innovation. ☆	No mechanisms for rewarding innovation.
15. The organization is planning-oriented versus action-oriented.	-3.2	Organization is prone to planning and analysis. ☆	Organization is prone to action with little planning.
16. Management has an open and relaxed attitude towards mergers, acquisitions, joint ventures and divestitures or not.	-1.9	Very open attitude to mergers and acquisitions. ☆	Very closed attitude to mergers and acquisitions.
17. Management expects people to be totally devoted to the corporation or makes room for personal development.	1.1	Insists all time and effort are devoted to corporate objectives.	Really encourages personal development. ☆
18. The organization has a decentralized or centralized hierarchy.	-2.0	Highly decentralized hierarchy. ☆	Highly centralized hierarchy.
19. Resources (budget, personnel, time, etc.) are generally available for new ventures or not.	3.0	Few resources are ever available.	Resources are generally available. ☆
20. Extent of staff involvement (as opposed to line involvement) in the decision process.	1.8	Little staff involvement in decisions.	Lots of staff involvement in decisions.
21. Innovators tend to stay with the organization or leave.	-2.2	Innovators stay with the corporation. ☆	Innovators leave the corporation.
22. The organization has or has not an innovative tradition.	3.4	Corporation does not have tradition of innovation.	Corporation has a fine reputation for innovation. ☆
23. The R&D budget is less or more than the competition.	1.5	R&D spending is much less than the competition's.	R&D spending greatly exceeds competition's spending. ☆
24. Innovation is perceived as decreasing or increasing.	2.7	Innovation is decreasing rapidly.	Innovation is increasing rapidly. ☆
25. Employee organizations discourage or encourage innovation. <i>Mixed results from the survey make it difficult to make a conclusion.</i>		Organizations encourage innovation.	Organizations discourage innovation.

Conclusions

Survey results clearly show CEO/COO thinking on 20 of the 25 Factors which make up the on-line survey. Numeric rankings are provided and give insight into the strength of opinions held by this group.

CEOs place the most emphasis on 5 Factors by indicating that their Ideal is closer to the extreme (left or right) than not.

- Factor #4, deals with the planning emphasizes; rationing resources or identifying opportunities; the emphasis is on identifying opportunities.
- Factor #6; do leaders emphasize the management of people and their interactions or not; people management is emphasized.
- Factor #15, the organization is planning-oriented versus action-oriented; a definite desire for action and not planning paralysis.
- Factor #19; whether resources (budget, personnel, time, etc.) are generally available for new ventures or not; CEO/COOs hold to the belief that resources will be available if the right projects come along.
- Factor #22; that the organization has or has not an innovative tradition; belief is that their organization has (and we presume maintains) a tradition of innovation.

Three of the 20 Factors, closely associated with what we call **idea generation and realization**, provided surprising results suggesting that CEO/COOs have a not-so-strong interest in innovation.

- Factor #2, dealing with management's explicit desire for innovation. The result is surprising since all of the highly-innovative companies which we have researched place great emphasis on the need for innovation. This is somewhat inconsistent with respondent's opinions that their companies *have* an innovative tradition!
- Factor #3, dealing with the desirability of having mavericks in the organization. 3M, which is recognized as one of the most innovative companies in the world, makes it clear that mavericks are a part of their corporate make-up and are contributors to idea generation.
- Factor #5, tolerance for failure. Also a surprising result since traditionally the assumption of risk is a feature of highly-innovative companies. P&G, for example, taken pains to monitor their risk level and steps to keep level on target. Innovation does not come without risk!

On-line survey input suggests that these Factors are not so important to the CEO/COO and yet, at the same time, CEO/COOs indicate that they are anxious to have innovators stay with their company and have taken steps to have suitable rewards, and careers in place to retain innovators. A possible explanation of these results is that our sample draws from smaller companies than the P&Gs of this world. For SMEs, failure can often mean the end of the enterprise whereas with a larger diversified company, the impact is not so severe.