The Failure-Tolerant Leader

Executives know that failure is an integral part of innovation. But how do they encourage the right kinds of mistakes?
“The fastest way to succeed is to double your failure rate.”

Tom Watson, IBM
• More and more executives understand that failure is a prerequisite to innovation.

• If it’s not willing to encourage risk taking and learn from subsequent mistakes, organizations cannot make breakthroughs.
• Organizations launch two or more projects with the same goal, sending teams in different directions simultaneously.

• This approach called “simultaneous management” creates the potential for a healthy cross-fertilization of new ideas and techniques.
• While organizations are beginning to accept the value of failure in the abstract – at the level of corporate policies, processes and practices – it’s an entirely different matter at the personal level.

• Everyone hates to fail.
• There is fear of embarrassment and loss of esteem and stature.
• Robert Shapiro at Monsanto explained to his employees that every product and project was an experiment and they fail only if their experiment was half-hearted, careless efforts with poor results.

• But a deliberate, well-thought-out effort that didn’t succeed was not only excusable but worthwhile.

• Such an approach to mistake making is characteristics of people known as “failure-tolerant leaders”. 
Failure-Tolerant Leaders

- Executives who through their words and action, help overcome their fear of failure and create a culture of intelligent risk-taking.
- Break down the social and bureaucratic barriers that separate them from their followers.
- Engage at the personal level with the people they lead.

- Avoid given either praise or criticisms, preferring to take non-judgmental, analytical posture as they interact with their staff.
- Openly admit their own mistakes rather than covering them up or shifting blame.
- Try to root out the destructive competitiveness built into most organizations.
Failure-Tolerant Leaders

• Push people to see beyond simplistic, traditional definitions of failure.

• They know that as long as someone views failure as the opposite of success rather than its complement, that person will never be able to take the risks necessary for innovation.
Move Beyond Success and Failure
All failures are not created equal!
Managing for failures

• Executives are more engaged not less.
• It does not mean abandoning supervision, quality control or respect for sound practices.

• Failure-tolerant leaders identify excusable mistakes and approach them as outcomes to be examined, understood and built upon.
They ask simple questions when the project fall short of its goals.

- Was it designed conscientiously or was it carelessly organized?
- Could the failure be prevented with more thorough research or consultation?
- Was it a collaborative process?
- Did it remain true to its goals, or did it appear to be driven solely by personal interest?
- Was the projection of risks, costs and timing honest or deceptive?
- Were the same mistakes made repeatedly?
Distinguishing between excusable and inexcusable mistakes offers two benefits

1. Gives managers a tool to build a non-punitive environment for mistake making while allowing them to encourage thoughtfully pursued projects that, should they fail, will yield productive mistakes.

2. Allows managers to non judgmentally promote the sort of productive mistake making that is the basis for learning.
Success can be approached in the same way.

- Success can be approached in the same way as failures.
- A success due to a fortunate accident is not the organizational equivalent of one resulting from a thoughtfully pursued project.
- Similar questions to those posed about failures can be used for successes.
- Managers must treat success and failure similarly, more like siblings they really are.
Treat success and failure the same?

- Shouldn’t I reward success?
- And, even if I don’t reprimand someone who fails, shouldn't I at least call attention to the mistake?
- There is a different approach.
Get Engaged
Failure-Tolerant Leaders

• Treat victory and defeat in stride.
• Rather than pursue success, they focus on increasing their organizations’ intellectual capital: the experience, knowledge, and creativity of the workforce.

• Do it through engagement.
• Take a tangible interest in the projects. Instead of simply evaluating, they try to understand the work, interpret it, and discover its meanings to the individual.
• See the work in a larger context.
Failure-Tolerant Leaders

- Process is more collaborative than supervisory.
- Shows interest, express support and ask pertinent questions:
  - What’s new with your project?
  - What kinds of problems are you having?
  - Taking a long view, what might the next step be?
- When a manager and the staff is engaged in this type of discussion, they enter the same kind of high-performance zone that athletes do when they are operating at their very best.
- In this zone, evaluation is less relevant than the subject of where to go from here.
Failure-Tolerant Leaders

- Strive to be collaborative rather than controlling.
- Create failure-tolerant work environments that invite innovation.
- Have evenhanded, open curiosity about the lessons learned and the next steps to take.
- Listen is more central than talking.
Don’t Praise, Analyze
Failure-Tolerant Leaders

• Don’t praise or penalize; they analyze.
• Psychologists question the value of praise.
• As with criticism, compliments can actually de-motivate people.
• Recipients may feel manipulated or think too much is expected of them.

• In place of perfunctory praise, many educators are shifting to a teaching style in which they ask questions, give feedback, and show interest but are spare with compliments.
• Like a salary, praise is less likely to motivate when it is given out than de-motivate when it is expected but withheld.
Genuine Engagement

- Takes more time than keeping your distance, so that occasions for doing so must be chosen carefully.
- Is demanding and risky: it can threaten a manager’s authority.
- Can hinder supervisory process.
- The challenge is to get closely involved with work without presuming to be friends.
- The open-ended, less formal nature of an engaged relationship can lead to innovation.
Earn Empathy
There are some celebrated champions who encouraged mistakes.

- “We reward failure” Welch, GE
- “You must learn how to fail intelligently. Failing is one of the greatest arts in the world. One fails towards success.” Kettering, GM.
A mistake admitted is empathy earned.

- To create a risk-friendly environment managers must demonstrate unequivocally-in deeds more than words – that failures are forgiven.
- One way is to publicize their own mistakes.
- Admitting mistakes show a leader’s self-confidence.
- It helps forge close ties with employees and colleagues.
- Leaders who admit their errors reveal themselves as humans – they become people whom others can admire and identify with.
- Both vulnerability and transparency are important for leaders and organizations alike.
Collaborate to Innovate
• Creating a culture in which people are comfortable with failure also requires getting rid of the traditional ideas about personal competition.

• Competition-based cultures are especially hard on new staff, introverts, minorities, women and those with English as a second language.

• Competition infects coworkers with the desire to win rather than to solve problems and move projects forward.

• They will want to protect information rather than share it.

• Communication technologies have opened doors for information/idea sharing.
Failure-Tolerant Leaders

• Encourage collaboration.
• They see it as the best way for tapping into the imagination of staff who are not especially competitive but who might have invaluable, innovative ideas.
Give the Green Light
Failure-Tolerant Leaders

• Emphasize that a good idea is a good idea, whether it comes from Peter Drucker, *Reader’s Digest* or an obnoxious coworker.
• This approach blunts the group’s natural disposition to squelch imaginative, though, difficult, participants.
Innovative Practices

- **GameChanger Groups** – Royal Dutch/Shell set up GameChanger meetings where various proposals were evaluated not only on the basis of what Shell stood to lose by pursuing the suggestion, but also what it could lose by not doing so.

- **Barn Raising Techniques** – Psychologist Michael Kahn suggests running meetings using the Barn Raising model, based on the way pioneers pitched in to help in as a community to help one another construct outbuildings. Rather than engaging in one-upmanship, members are encouraged to listen carefully to each person’s idea, and then add their thoughts to see if they can build that idea into a more valuable contribution.

- **Community of Practice** – A small group of employees within an organization meets regularly to discuss common interests. They arrive at ideas in a way similar to brainstormings. Members suspend judgment and allow others to toss out suggestions in an atmosphere of cooperation and support rather than competition and criticism. They are ad-hoc gatherings of people from many parts of the organization; their collective attitudes can often infuse an organization’s culture as a whole, particularly an attitude of daring. People gain confidence to share their ideas.
Failure-Tolerant Leaders

• Send clear messages to their organizations that constructive mistakes are not only acceptable but worthwhile.

• Staff feel that they have been given the green light to set out and explore, no longer thinking in terms of success or failure but instead in terms of learning and experience.

• That’s the key to coming up with breakthroughs in products and processes: viewing mistakes for the educational tools they are and as signposts to success.