

How to unshackle innovation from bureaucracy

*We often associate innovation with freedom and creativity, but too often it is managed through heavy structures, rigid steps, bureaucratic control, and lack of empowerment. This approach dates back from the 1980s, when the product innovation cycle was much longer and more linear than today. **Gabriele Rosani** and **Alessandro Toia** advocate for a new approach that puts people and purpose, rather than processes and rules, at the heart of innovation.*

Innovation and bureaucracy may appear two concepts that do not go hand in hand: innovation is associated with freedom, creativity, imagination, while bureaucracy is synonym with strict rules, procedural control, and hierarchical authorizations.

However, this is not what we find in most large corporations. Too often innovation is managed through heavy structures, rigid steps, bureaucratic control, and lack of empowerment. To make just one example, let's consider how a giant chemical company structures the product development funnel: a linear multistep process from idea generation to product launch with six major gates and many sub-gates, each with a steering committee. Such a process, at the heart of the company's innovation management, is described by a thick manual detailing all the steps, responsibility assignment matrix (RACI), and a long list of mandatory requirements. The issue with this approach is that, although rigorous and disciplined, it sees innovation the same way as any other process: setting standard templates and pursuing compliance by checking boxes and filling forms. This way, it bureaucratizes innovation as if it were a manufacturing flow, aiming at reducing errors and favouring incremental improvements rather than radical disruption.

This innovation management approach dates back from the 1980s, a time when the cycle of product innovation was much longer, stable, and linear compared to the fast-changing needs of today's hyperdynamic markets. More recently, in the attempt to make the process more fluid and flexible, some companies have introduced dual-track processes (fast track vs. full track) reducing the number of steps and gates for the fast tracks. While these adjustments may bring some benefits, the underlying bureaucratic logic remains unchanged (in fact, they have come up with two thick manuals, one for each process).

The fundamental issue is that companies keep viewing innovation in a process-centric way. But Innovation is made by people. The process should serve the people not vice versa. We advocate a people-centric view of innovation where individuals and teams have more freedom and empowerment to explore and experiment (and even fail) under the guidance and coaching of managers who trust them rather than control them.

One key lever to favour people-centric innovation is to fundamentally rethink the '[decision and control systems](#)', shifting from the traditional 'preventive model' (where proposals at the various stages need to be formally submitted to steering committees for vetting and authorisation) towards a more fluid and empowering system of simple rules and boundary conditions coupled with more modern forms of control.

Let's take a concrete example. A European industrial corporation we recently worked with was pressed by top customers to speed up the New Product Development cycle (NPD). Until that time, the industrial development of a new idea included more than one hundred (!) steps, perfectly illustrated in an NPD handbook. A successful project manager would 'check all the boxes' and follow the 'letter of the law' along the way. Rather than serving their customers, project managers were serving the process. To radically change the approach, the company introduced room for flexibility and judgement by clarifying simple rules and guidelines for the people to make decisions on which steps could be skipped based on the specific situations (now the steps are seen only as a reference from which to choose and determine the unnecessary tasks that can be eliminated). In addition, rather than having a project manager checking the boxes, they created a small dedicated cross-functional team that is empowered to determine the most appropriate process depending on the actual conditions. The role of project manager shifts from controller to 'product owner', setting the context (the 'why' and the 'what') and the requirements (e.g., quality, volume, time) to the team. Plans are not only in the hands of the project manager but are visible to all the team members and are intended as living documents. Control from executives takes place more as a sounding board: they can join team sessions, ask the right questions, provide advice, remove barriers. The setting is more informal than official steering committees, which have been reduced in number.

This and other examples show that new forms of managing innovation are not only possible but also desirable to create more empowerment and motivation in employees, and ultimately drive speed, compressing cycle time for new product development. The corporation, mentioned in the example was able to cut delivery time to a major customer by forty per cent, at the same time improving employee engagement.

It's time for all companies that are serious about innovation to embark in this transformative journey with the ambitious to put people and purpose, rather than processes and rules, at the heart of it.



Notes:

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