

Are you Hiring People With Ideas?

By Dave Lefkow

Over the last decade, we've seen a wave of innovation that the world has never seen. And this decade will move even faster. In an innovation economy, recruiting can play a central role in how new ideas are developed and taken to market.

According to Ray Kurzweil, recipient of the National Medal of Technology and a member of the national inventors' hall of fame, "we're about to experience a merger between humans and computers that is so rapid and so profound that it represents a rupture in the fabric of human history." His chart of the major paradigm shifts over the course of human history illustrates a change trend that he calls "The Law of Accelerating Returns." It shows that with each passing year, big changes in human history are happening faster and faster.

One might argue that this merger on some levels has already taken place. The Internet has already dramatically changed the way we access, process, record, and communicate information.

Technologies like the iPod and the BlackBerry are making our access to this information more portable than ever. New venues like social networking, blogs, and multimedia online role-playing games like Second Life are even changing the way we interact with each other. One day, your entire life may be digitized. The adoption of new technologies and communication tools has had an additional side effect: business is moving at an accelerated rate. The barriers to starting a company, launching a website, creating a product, or publishing a book have come down significantly.

Consumers are smarter than ever, knowing in almost real-time the range of options that are available to them. New products continue to come out at an incredibly fast rate. For example, Apple's first generation of the iPod was conceived, developed, and launched in under six months. Competitive advantages don't tend to last very long. As soon as you hit the market with a product that gains adoption, there are very often a wave of imitators in your wake.

Success in this environment all starts with human capital

Gaining an advantage in this hyper-competitive environment comes down to two things: ideas and execution. For companies like Microsoft (at \$7 billion per year, it spends more on R&D than most countries) and Google (it spends \$500 million per year on R&D), developing new ideas are built into their DNA. For companies like Dell and more recently HP, the idea is the execution (i.e., they use innovative manufacturing and operational techniques to gain an edge).

Even in manufacturing-centric companies like Boeing, innovations are now the primary driver of business success. If not for the new thinking that drove the creation of the 787, Airbus might still be beating Boeing in its commercial airplanes business.

Most managers are focused on hiring on the execution side of the business (i.e., hiring individuals with 10 years of experience in X role, with Y skill-set to handle Z responsibilities). We test individuals based on cultural fit, somewhat correctly assuming that to execute certain projects in our companies, individuals will need to have a specific type of personality, level of drive, and an ability to interact well with others.

Yet great ideas don't always require pedigrees, long resumes, or executive compensation packages, and they can come from anywhere, even the mailroom. Creative people don't always get along with or fit in with others. Michelangelo had a notoriously difficult personality, complete with violent mood swings and a quick temper, but his work was so great that people still hired him. Visit an advertising agency, a game or movie studio, or other highly creative company, and you might feel like you're on another planet, one where body-covering tattoos, piercings, and unusual hair colors are more norm than exception.

Perhaps it is time to focus on "idea recruiting." The premise of idea recruiting is that finding great ideas as much as we find great employees will drive business success.

To this end, companies like Xerox are experimenting with incubation funds and even building a presence in Second Life, where members build virtual businesses (with real dollars) based on their creativity. It's worth remembering that Bill Gates and Paul Allen dropped out of college and set up shop in their garages. As an example, Boeing launched The Boeing Challenge on Facebook as a way to build their employer brand while capturing potential interns and entry-level hires.

But there's another missed opportunity here: finding disruptors before they either find you or join forces with one of your competitors. For example, Kraft is trying to join forces with innovative minds outside of the company with its Innovate with Kraft website.

Intel, recognizing how fast new technology products are being developed, is trying to build a business by identifying Web 2.0 innovators early in their development cycle so they can be positioned to big rewards down the road. There are dozens of other examples of idea recruiting:

- World Bank Development Marketplace
- X-Prize Foundation
- Staples InventionQuest
- GoldCorp Challenge
- Bayer Material Science Prize
- Netflix Prize
- Innocentive
- Innovation Challenge
- Google's Code Jam

Clearly, many of the people identified through these challenges could be outstanding future employees. The question then becomes: does our company have an environment conducive to innovation, where innovators, disruptors, and new ideas can thrive?

While many of us have "innovation weeks" and similar things in our companies, most job promotions are reserved for people with political skills. Very often, disruptors are either shunned or shown the door while yes-men advance rapidly. We've all seen this happen.

At its heart, this is really an employer-branding exercise. Do you have the right employment value proposition to attract and retain the radical innovators who can take your business to the next level? Revamped internal mobility initiatives and performance-review processes are essential to building an innovation culture.

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