



## SECTION 2

# Metamorphosis of Systems

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## CHAPTER 7

# Failure and Resilience: Driving Sustainable Innovation

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### CHAPTER OBJECTIVES

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Upon completion of this chapter, the reader will be able to:

1. Examine the elements and characteristics of failure in the innovation process and appreciate its contribution to sustainable innovation.
2. Identify the recovery strategies related to managing failure on the trajectory toward successful innovation and its implementation.
3. Use particular strategies and processes directed toward managing the landscape of failure and strengthening personal resilience for transforming the future.

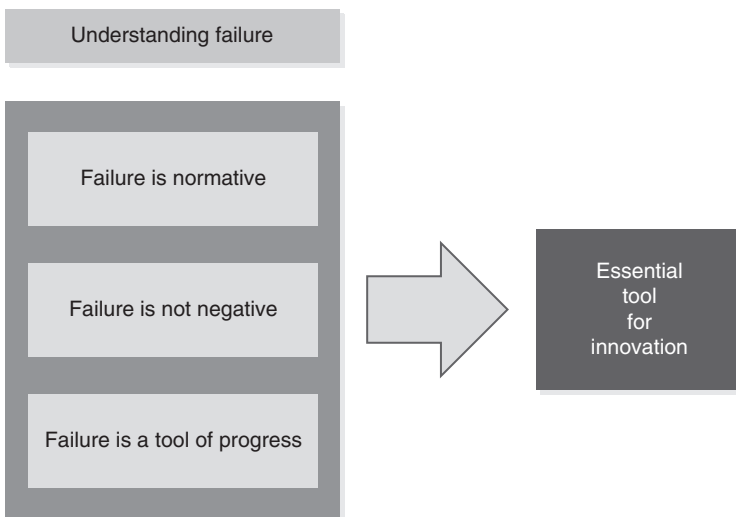
## Understanding Failure

In the contemporary age of technology, a myriad of failures line up to demonstrate that success is not a straight line. The visual witness of products (Google Nexus Q, \$17,000 Apple Watch Gold, JOO-JOO tablet, Secret Software, etc.) and companies (Facebook, Tesla, Twitter, etc.) confronting spectacular failures litter the skyline. In fact, in business and science, there are significantly more spectacular failures than huge successes. None of these companies and products actively sought failure, yet all of them experienced it.

The point here is that failure is not the exception. It is not even unusual. It is, in fact, common, usual, and ordinary. It is the parental, social, cultural, and psychological affirmations that often generate early and lasting negative notions and sentiments surrounding failure. It is precisely these negative sentiments that give failure its social and personal impact that often leaves us with bad feelings and adverse reactions to the experience of failure. In truth, failure is an ordinary and essential element of every effort that will ultimately lead to success or a desired outcome. Separated from its emotional content, the rational contribution of failure

can be acknowledged and examined to determine its significance and contribution to a necessary clarity of understanding regarding the role of failure in the accomplishment of any sustainable goal.

Failures occur daily in organizations in every place on the globe in ways that reflect errors arising out of routine activities. Enormous numbers of activities are undertaken in routine and ritualistic ways every single day in every workplace in the world. These ritualistic and repetitive activities are often quickly noted, briefly addressed, then placed in the historical dustbins of the organization, long forgotten while anticipating and addressing the next opportunity with all the potential errors of previous initiatives. Error and failure are central to the human experience. Failure is a requisite on everyone’s journey through life, learning, and adaptation. Without failure, there is simply no measure for success (Bennis et al., 2015). Within this context, success can be said to be the appropriate aggregation of sufficient error. Failure can serve as both a stimulus and a deficit, depending on how it is perceived and addressed. Regardless of perception, the action of error can be a productive and important part of all or any of the elements of innovation. Innovation depends on failure and error as its way of both discerning and delineating the stage of the innovation process and what works and what does not work (**Figure 7-1**). Without this demarcation, there is no way to ascertain progress, or lack of it, toward the creation of the new, the different, and the previously unconceived (Akintoye et al., 2012). As James Joyce suggested, mistakes can create opportunities to uncover new discoveries (Cleary, 2014). Innovators stimulate reflection and recalibration, suggesting new tweaks or approaches or ways of undertaking an issue or finding a solution to a problem. The millions of silly and even monumental errors that one will confront on the journey to innovation serve as the highway to the seminal or more significant failures that provide the demarcation between the major movements or processes and their challenges on the journey to producing an innovative outcome.



**Figure 7-1** Understanding failure.

Most of the time, errors and failures are essential constituents of the journey of innovation. The landscape and processes associated with successful innovation require embracing error and failure and incorporating them into the operational mechanics and processes associated with successful innovation dynamics. Good leadership of innovation counts on the utility of failure and uses it as a part of the measurement mechanism essential to determining the viability and validity of decisions, choices, and processes associated with the positive movement toward successful innovation.

## **The Truth About Failure**

Innovation research consistently shows that most systems, organizations, and innovation processes are not terribly comfortable with accommodating embedded failure (Mirvis, 2020). Most leaders are uncomfortable with failure because it is often seen as a reflection of one's competence, capacity, and success—or lack of it. Historically, failure was used as a template to assess whether companies or individuals were successful in their undertakings and efforts. Failure, of course, was deemed unacceptable. This attitude created a perception of failure that alienated it as a legitimate part of organizational dynamics and clearly defined it as a deficit when assessing leadership behavior. In short, organizations and their leaders abhor failure. The emotional response and reaction to the presence of failure is so palpable in leaders that any mention of failure as a value generates a sense of incongruence, contradiction, and disbelief. In the history of leadership, there is only horror and negative reaction to the remotest suggestion that error and failure contain anything of value.

At a personal level, the deep pain associated with the negative notion of failure leaves a lasting imprint on both mind and experience. Because the negative impulses create much more reactive pain and depth of feeling than do pleasure and success, failure is deeply remembered and recalled often with only the darkest of images. The intensity of these memories creates a painful psychodynamic relationship to the concept of failure and error and thus any belief that they could be used as a positive force and an essential measure of success simply strains individual credulity. Therefore, from every place in the organization, from personal to collective experience, the notion of error and failure as a positive dynamic creates such cognitive dissonance that it is virtually impossible to overcome and creates an organizational psychology that makes embracing failure inconceivable and unlikely. Simply, learning to love failure violates every notion we have of organizational and professional integrity.

The conceptual and actual vision of failure are experienced as a bitter pill that, at best, is taken as bad-tasting medicine and, at worst, considered a terminal event. Therefore, organizationally and personally, failure is seen as something to be avoided at all costs, whether in our thoughts or in our deeds. Any notion of incorporating it into our legitimate operating processes or using it as a measure of progress goes far beyond the realm of possibility and creates a cognitive and organizational noise that makes it impossible to explore error and failure with any level of objectivity or intentional examination in a way that can make it useful and viable as a learning tool. There are five basic scenarios or circumstances within which organizations and leaders approach the notion of failure that are negative

and nonproductive but are common and consistent with contemporary management practices:

1. The organization completely rejects mistakes as legitimate. In this case, the organization finds mistakes completely unacceptable; rejects them; and does everything possible to eliminate them, hide them, ignore them, sweep them under the rug, or simply let them fall into oblivion. The organization has no mechanism for engaging or addressing error or failure and undermines its capacity to create the milieu that provides the opposite: a perception of success, good choices, and positive attribution for all its processes and accomplishments. The failure-evading organization creates a leadership climate that is only superficially positive and reacts strongly to failure in any of its forms.
2. The organization can acknowledge error and failure but works diligently to hide and cover both. In this scenario, leaders in the organization recognize that error and failure do occur but consider them, at their foundation, exceptions, unusual circumstances, and unacceptable. Because they do occur, it is important in these systems to identify errors, not to give them value but to find where the blame needs to be placed to isolate each error, eliminate it, or punish it so that it will not again raise its ugly head. In these organizations and management cultures, error and failure are to be feared, and those who are associated with either are to be shunned and/or punished in a way that leaves a message to the organization and its people that error occurs, but it is unacceptable, and failure is not a strategy that leads to rewards or positive relationships in the organization.
3. The organization recognizes that error occurs and that it occurs regularly, and it can turn up at any time and any place in the organization. Still, in this organization, error and failure remain unacceptable— anomalies to which leaders must object. If an error is found, it is to be analyzed and studied deeply to find out its characteristics and genesis, why it arose, what it means, what went wrong, and how to eliminate it from the processes and functions of the organization going forward so that it will not have an opportunity to arise again. In this case, error is seen as a necessary and present deficit that, if studied carefully and deeply, can be managed and eliminated from processes in a way that minimizes it and, hopefully, over time, diminishes or eliminates it. Here again, error and failure are seen as deficits, but if studied appropriately, they can be acknowledged as part of identifying the root cause in an effort to diminish or eliminate both and replace them with positive and successful processes that reduce the chance of error or failure arising again.
4. Error and failure are recognized as parts of any process of implementation and are present in unrecognized forms in every design and project. Here again, error and failure are seen as deficits, uncontrolled outliers, or variances that invariably rise to the surface because of the normative imperfection of planning, strategizing, or acting on an initiative or undertaking. Error or failure in this case will always arise and must be accommodated and expected as one of the normal vagaries of any human undertaking. Still, the accommodation of an error is not the engagement of it. In this scenario, failure is still visualized as an arc of unaccepted variants that must be accommodated because it invariably appears, not because it is a tool of measure that may indicate specific viable and valuable data regarding effective processes and decision-making. Here again, the accommodation of the organization leads to an effort to reduce the impact

of error and failure and manage it in a way that reduces its risk and negative influence. If not for the error or failure, the situation is seen as an otherwise positive and successful process.

5. A standard of behavior in many organizations is the consideration that there are some people in the organization who are either personally committed to the failure of a project or do not actively embrace the project, ultimately leading to its failure. Here again, failure and error are seen as deficits, in this case, personal and intentional ones, where stakeholders do not invest or commit to the strategy or undertaking of the organization in a sufficiently robust way to ensure that an innovation or initiative will be successful and sustainable. This lack of engagement and embracing the strategic imperative or design trajectory of the organization causes or creates error and failure, thus affecting the organization's viability and measures of success. In this case, it is believed that if the leaders in the organization can obtain sufficient engagement and embracing of a project or initiative by all the affected stakeholders, they can diminish the potential for failure and accelerate the potential for success. Here, the notion of error and failure is invested in the insight regarding whether individual commitments or participation operates at a sufficient level of intensity to minimize the chance for failure and maximize the opportunity for success. The belief of leadership in this scenario is that engaging and embracing the initiative or activity is positive. The risks of error and failure are minimized because of the offsetting energy of the collective commitment, ownership, and engagement of stakeholders in the work of the initiative or innovation. In this perception, it is believed that this full sense of engagement and removal of barriers creates a critical mass that inherently diminishes or eliminates the potential for error and failure in the organization (von Held, 2012). And of course, it does not.

## DISCUSSION

How has your organization historically approached the issue of failure? How has it affected your attitude toward failure as a member of that organization?

These five examples demonstrate how fear of error or failure becomes entrenched and embedded in the organization's culture. This occurs in a way that facilitates and expands individual fear, uncertainty, and downright opposition to the presence of error and failure in the dynamic processes of the organization. These sentiments create an operating milieu where the positive role of failure is significantly diminished. In truth, the chances of accelerating the potential for failure are enhanced simply because the organization fails to recognize failure as an elemental and positive force on the trajectory of good design, implementation, and outcome.

## Prediction and Failure

It appears that the survival rates of natural organisms and companies are about the same. This complexity phenomenon was studied by Paul Ormerod (2010), who found that the trajectory of the extinction rate of species over time matches

the extinction rate of companies when measured over the same period of time. No matter the intensity of the effort, most companies tend to fail over the long term (Vito & Sethi, 2020). As pointed out in Tim Harford's best-selling book *Adapt* (2012), the long-term success of companies and their ability to survive extinction had nothing to do with their degree of success in strategic planning. Although some companies, like Shell and General Electric, have survived over the decades, the vast majority of companies did not. Therefore, we should be suspicious of any predictions of long-term success for companies, ventures, or initiatives in our current age.

These same data, with regard to the predictability of the survival of companies, apply to almost every other prediction you can make. The predictions of so-called experts appear to produce no more accurate certainty than the prediction of the life trajectory of a company. Nobody can safely predict whether anything will succeed or fail. This understanding drives the notion that failure is deeply embedded in all dynamics and endeavors at every level of nature and human enterprise. Our efforts cannot protect us from the vagaries of failure and uncertainty, nor are we able to predict and anticipate sufficiently to prevent or control failure. The real issue is to demonstrate resilience in the face of inevitable and inherent failure and successfully manage the realistic eventuality of failures in the course of our experiential journey.

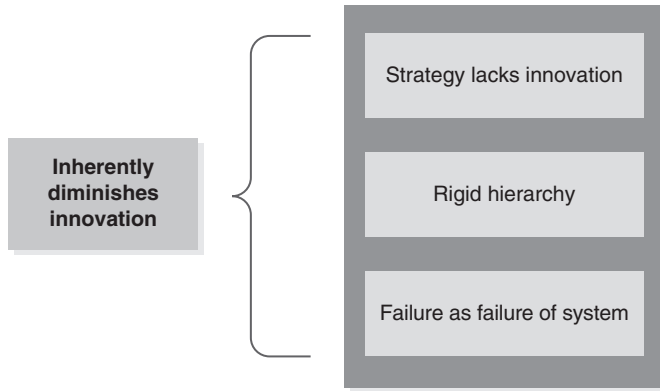
## **Structural Failure: An Impediment to Innovation**

Among others, there are two deterministic characteristics that have a direct impact on failure management: structural failure and intentional (design) failure (Kale, 2015). Of the two, structural failure is the most dangerous because it impedes the mechanics of innovation and operates in opposition to the activities necessary to stimulate innovation. Structural failure is deeply embedded in the traditional hierarchical design of most organizations and companies, and it operates in a way that opposes the dynamics essential to facilitate and stimulate the innovation process (Davila & Epstein, 2014).

Structural innovation is a metaphor for organizational hierarchy. The more rigid the organizational hierarchy, the less likely it is that it can make room for innovation. Hierarchy acts against innovation insofar as it is structured to support strategic, operational, and functional alignment within the narrow parameters of planning and acting. These structural impediments facilitate failure before any definitive action can be taken that might lead to any measurable level of innovation. Structural impediments embedded in the hierarchy create such a narrow locus of control and such rigid process protocols that it is impossible for innovation, with all the vagaries necessary to support it, to succeed. The notion that the entire organization is driven structurally solely through its strategic trajectory and its associated processes strangles any potential for innovation before it even arises.

The creativity, discourse, openness, and collateral character of the innovative environment simply have no room to thrive in a rigid hierarchy, and therefore all the elements that would contribute to the potential for innovation are skewed or missing. Almost all healthcare organizations are designed in a way that provides a structural impediment to the potential for innovation. The only work-around is the construction of some unique forum, compartment, department, or institute





**Figure 7-2** Structural failure.

that demonstrates a vehicle to get around the existing rigid parameters in a way that supports the innovation dynamic. In other words, when rigid structures and processes define the organization, innovation is either compartmentalized into a specific team, or innovation exists in the shadows, waiting to be found and stopped.

As a result, there is precious little evidence in these kinds of organizations of the action of innovation. Their structural framework does much to contribute to the long-term sensitivity of the organization to the negative vagaries of change to which organizational leadership has precious few resources to respond. The convergence of these negative forces works in concert to contribute to the decline or demise of a system (**Figure 7-2**).

Structural failure results from an infrastructure that does not allow for the possibility of trial and error and the quirks associated with the multidirectional and multilevel processes inherent in the innovation dynamic. Without a direct relationship to the strategic imperatives and permission from the structured management leadership or the functional mechanisms that support the operation of the bureaucracy, innovation simply has no place to grow. The constraints and rigidities of a clearly defined hierarchical infrastructure represent the supposition that failure and errors are simply unacceptable. This strong insulation from the risks and possibilities of experimentation and failure shields leaders from the potential that is entangled in accommodating failure and instead offers the stability and organizational rigidity that often cloisters its leaders from change and keeps the organization from anticipating, predicting, and creating its own future.

Sustainable innovation is never driven from the top of an organization and is therefore anathema to a hierarchical decision-making framework because innovation is stimulated and sustained the closer it generates and operates from the point of service or productivity that energizes and sustains it. The more involvement and interaction of stakeholders and the looser the rigidities of control and organizational permission giving, the more likely it is an environment for thriving innovation can be created. Structural rigidities are the enemy of innovation and create both an attitude and a disposition toward the essential elements of innovation, including failure, that create a context that makes it impossible for innovation to operate.

## CASE EXAMPLE Failure

The Blue Ridge National Health System has a long and storied history of success as a major health provider for a multistate region. It has been well noted for its high-quality, excellent physicians; its wonderful nursing care; and its clinical model, which has been identified as one of the best in the nation. This health system has always been identified as a unique provider, constantly out front in all measures of care and quality. In the past, its clinical model has been touted as one of the best in the country and has been broadly covered by every television network in America.

Rebecca Brown, RN, DNP, has recently been appointed as the new chief executive officer of this very successful health system. She was hired because of her major success in another health system across the country and had been identified as a strong up-and-coming, young administrator capable of providing strong and innovative leadership. When Becky arrived, she found an organization that was traditional, conservative, proud of its accomplishments, and firmly standing on its laurels. She also found many structures and systems that were highly entrenched, many medical and departmental silos, highly compartmentalized patient care services, high cost per unit of service, and leaders with a history of protecting their turf from threat or encroachment.

In addition, the medical system is beginning to experience challenges from competitors who are slowly chipping away at its clinical model and patient population and are busy innovating new kinds of care delivery systems driven by the demands of building a value-based service network. Many of its competitors are decentralizing health care, emphasizing ambulatory care, and growing community-based services. On the other hand, the Blue Ridge National Health System is highly institutional, with many buildings on a fixed site, a number of related clinics, and very little dispersed community presence. Becky also noticed that there is not much community outreach, representation, or involvement in the strategic or tactical health decisions of the community. Furthermore, many of the decisions are controlled by a handful of powerful physicians, with little engagement of other disciplines and the staff at the point of service. Becky identified that what she is confronting is a structural failure in the health system, and she saw that she had much work ahead of her to create a culture of innovation and engagement, which is essential to the health system's future success.

### Discussion

Here, we clearly see an organization with a long history of success. The organization has embraced its success as its permanent identity in a way that ultimately insulates it from the realities and vagaries of a new, different, challenging, transforming, and relevant system prepared to create its future organization. Many of the structures in place are clearly unsustainable, requiring that leadership undertake a full 180-degree shift in strategy, culture, design, behavior, and impact.

### Questions

In a team of four to seven members, discuss Becky's role and emerging priorities that will help the system confront its structural impediments to innovation (failures to innovate).

1. What makes this health system structurally unable to engage in impending and necessary innovation?
2. How does an organization's history act to position it to fail in responding to overwhelming indicators of the need for change and innovation?
3. What specific challenges must Becky confront as she assesses the organization's capacity to change its structures to support innovation at the strategic (governance), operational (senior leadership), functional (departmental and unit), and individual (professionals and employees) levels of the organization?
4. As you consider Becky's role, what would be the initial steps or activities you would suggest she take to begin the process of removing the structural impediments to innovation in the health system?
5. How will the organization need to be different, and what will be the new leadership roles that will exemplify the organization's capacity to embrace innovation and engage the staff in transforming the health system?

It is important to note that hierarchical structures are currently threatened by the emergence of complexity science in organizational contexts and the implications of network realities. The leadership of predominantly relational systems and the intersections that describe how these networks operate have served to change the very dynamics of leadership and the organization of work (Ledema et al., 2017). In health care, the emergence of value-grounded processes and the move from volume-based models to value algorithms has served to shake the organizational landscape, flatten hierarchies, and empower decisions and actions operating at the point of service (Wilson et al., 1916). This move to more point-of-service configurations and the requirement for decisions and actions generated from these places has rewritten the script for health services and has driven systems to confront their vertically controlled organizational designs. In the face of the need for entrepreneurial, evidence-grounded, and just-in-time decision and action models, leaders now have no choice but to test and experiment with new models of organizing work and structuring for innovation. The demands of collective wisdom and team-based action in the exercise of integrated clinical activity across the continuum require more local leadership, planning, and decision-making to ensure clinical relevance and efficacy. All these emerging circumstances serve to create the conditions where it is less of an option to maintain rigid hierarchies in the face of growing demand for nimble, mobile, just-in-time clinical decisions and actions, all within a digital infrastructure. The hierarchy in a well-matrixed and well-networked organization does not seek to maintain its formal control of the work; rather, the hierarchy provides guide rails, energy channels, and catalysts for innovation. The structure in an innovative organization helps innovation thrive. The structure challenges innovation at the edge of chaos, helping to maintain information feedback loops associated with success and failure, ensuring that the organization can evolve and thrive.

## **Intentional Failure: Essential Facilitator of Innovation**

Intentional failure is simply a metaphor for a context or environment that is, by design, supportive of the dynamics and processes associated with sustainable creativity

leading to useful innovation (Bolman & Deal, 2013; Guzzini & Iacobucci, 2017). Intent implies a level of understanding regarding the structural facilitators and requisites necessary to advance the elements and products of innovation. Innovation demands a high degree of interaction, relationship, communication, experimentation, and trial and error. An environment that facilitates all the characteristics and processes supporting these dynamics is the essential underpinning leaders provide to support sustainable innovation. Intentional failure implies that the organizational constructs have been carefully thought out and that the relationship between sufficient organizational structure and the work of innovation has been just as carefully constructed and operationalized in a way that ensures the presence of the structural underpinnings supportive of innovation (Hoque & Baer, 2014).

Intentional failure suggests a level of understanding of the role failure plays in innovation (Tawfik et al., 2015). In this understanding of failure, leaders recognize the central and essential value of the role it plays in the innovation trajectory and in the assessment of progress and the determination of success. The recognition is that through experimentation, trial and error, and the incorporation of the risks associated with failure, the innovator and innovative system can actually innovate (D’Attoma & Ieva, 2020). Within the paradigm of intentional failure, leaders can construct and use the tools of assessment and progress evaluation to better determine what is and what is not working. Clear to the leaders in intentional failure is the recognition that both progress and failure serve an equal role in explaining and measuring the elements of progress in determining what is and what is not working (Kumar & Kumar, 2016). In this case, innovation leadership embraces failure in equal measure to other indicators of progress, recognizing that all of them are important determinants of points of reference on the innovation trajectory. Furthermore, the judgment of failure is no different from the judgment of progress. Each serves as an objective measure of movement and provides a specific demarcation of the development and progress of any innovation. With dispassionate approaches and objective yet definitive tools, innovation leadership can harness the measures of failure as an evaluation of progress and, from it, strengthen choices, change them, and/or adjust the trajectory in any way that can facilitate the potential for positive outcome or impact (Figure 7-3).

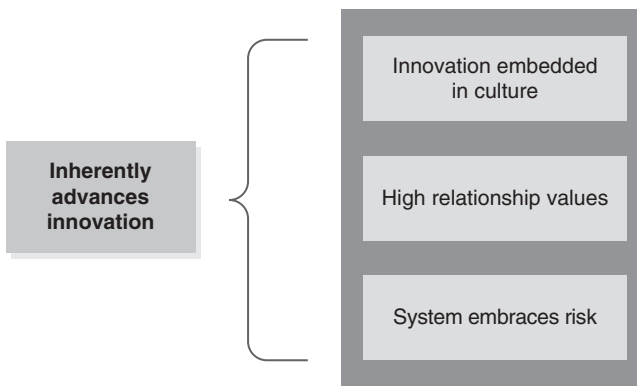
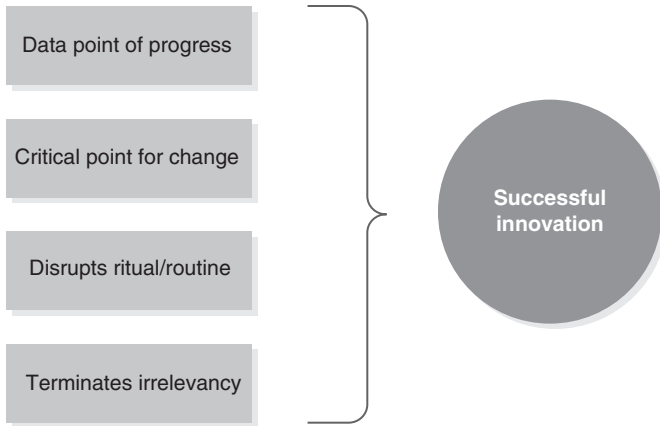


Figure 7-3 Intentional failure.

## **Harnessing Failure as a Strategy of Success**

Understanding the role of failures in innovation is understanding the dynamics of innovation. Failure through the lens of innovation is an operational element, as much a part of the processes of innovation as any other element. The purpose and work of failure are directed to the following:

- Failure is a tool and component of trial and error in which measurement of progress is essential. Error (thus, failure) is a metric that serves to identify where one is in the process of design or implementation. Failure tells innovators where they are in the process and where the trajectory leads or does not lead. Knowing where not to go or what not to do in the innovation dynamic is equally important as knowing what is affirmed or validated in the innovation trajectory.
- Failure serves as a data point, a source of information, a point of reference that helps innovators know where they are in relationship to other activities associated with the innovation process. Success in innovation can be said to be the sufficient aggregation of appropriate error. This acknowledges that the role of aggregated failure is helping to ascertain the demarcations of progress and the sum of the activities necessary to determine success.
- Failure serves to help identify the critical points of change in a trajectory or direction. A failure becomes seminal when it indicates the need for a major reconceptualization or reconfiguration of the innovation process. Although innovation is a process, it is not a straight line. Points of failure lead to moments of revolution that may require new thinking or processing and thus a complete revamping of the dynamics in a way that leads to new thinking or a new direction.
- Failure serves as a vehicle for disruption in a way that may actually cause a stop in a process or create conditions that may completely alter the path of an innovation. The disruption is usually significant enough to invalidate the current trajectory or work and is a cause for a shift or change so significant that it can be said that it is essentially not the same process. In these cases, the disruption may be so complete that the product of innovation may be entirely different from that originally conceived.
- Failure may indicate a problem with conception or with the frame for thinking about an innovation. Failure may actually challenge, even invalidate, a method of conceiving or thinking about an invention or innovation. Indeed, the opportunity to turn the corner on an innovation may actually be embedded in transforming how one thinks about what is being created or altering images of process and product such that this challenge may serve as the very catalyst for positively moving forward on a stalled or ineffective strategy or tactic in the innovation dynamic.
- Finally, failure may act to invalidate the value and the process of a particular innovation effort. The significance of the failure may be such that the innovation itself is invalidated, making further progress on it purposeless. In this case, failure serves to inform the innovator of the complete nonviability of the innovation or demonstrate that conditions have eclipsed the value or relevance of the innovation in a way that ultimately stops it in its tracks. The positive



**Figure 7-4** Failure as a positive tool for innovation success.

take on this traumatic realization is that further expenditure of time, energy, and resources is halted, and those efforts can be transferred to other initiatives or innovations.

In each of these cases, failure is a positive tool for the innovation leader (**Figure 7-4**). It serves as a strong metric at every point in the innovation process that relays important data regarding progress and the movement toward success. Free of negative emotion and stigma, it serves as simply another tool, a metric for determining progress, priority, or change.

## Trial and Error: Partnering Failure and Innovation

All innovation uses mechanisms of trial and error. Different from an improvement that advances something that already exists, innovation is primarily the creation of something that does not exist. Innovation mostly begins with an idea. However, an idea is not an innovation. An innovation is always the product of the work of translating an idea into action or a product. Keep in mind that in any health system or organization, an innovation must ultimately add value in a way that affects care, service, outcome, or price; the innovation is itself the product.

Because design is the discipline or the work of innovation and is essentially a process of creation, the ultimate product of innovation is usually not fully known. The innovation process is filled with the elements of discernment, discourse, and discovery. Through the collective wisdom and processes of the stakeholders of the innovation, it slowly unfolds and takes shape. That shape forms as a result of small tests, experimentation, and trails along its trajectory. Deeply rooted in this process are all the indicators of progress and failure, each doing its part in validating and moving the innovation process along. Tests of utility lead to further refinement or enhancements or abandonment—shifts or changes in the innovation course. Accomplishment and success validate process; failure stimulates redesign or change. Trial and error contain equal measures of both. The veteran innovator knows that

there will be a good measure of both success and failure, and each will do its part to inform the process of innovation and help make the necessary responses to keep the innovation process on track.

Failure also serves to mature innovators and deepen their discernment and reflective process. Many an innovator has suggested that the most important and definitive moments in the innovation process were driven by a spectacular failure that was so precise and devastating that it caused a dramatic demand for reflection and rethinking. In the time following a failure, new synapses, connections, and ideas are often generated in a way that serves as a tipping point such that the whole innovation hinges on the work done after the failure. Indeed, for many an innovator, failure was the catalyst that served as the incubator that ultimately redefined the innovation and served to spark a new genesis along its trajectory toward realization and success.

## DISCUSSION

How safe is it in your organization to experiment, test, and explore new approaches or different methods of solving a problem, influencing patient care, or advancing the patient experience? What are the boundaries or barriers that keep you from using trial and error as a tool for innovating practice?

Failure acts as a discipline in the dynamic of innovation. Failure is often the sobering point in the process that salts the excitement of ideation and creativity with the reality and sobriety of truth or reality, countering the realm of fantasy that fuels the dreams and hopes that stoke the energy and spirit of the innovation process. Creativity takes the innovator to the heights of possibility; failure provides the sobering foundation that supplies the stark truth about progress and the substance of the innovation in a way that helps inform the reality of the journey. In short, failure is a vital tool in assessing progress and informing the innovator about the realities and potentials of the innovation process itself.

## Failure as a Tool Set for Effective Change

When failure is recognized in its role as a part of all the elements and processes of the innovation dynamic, the leader's attention shifts from failure as error to failure as a tool for advancing the innovation process. The degree of utility and vitality brought to the use of failure in the dynamic of innovation determines the veracity and effectiveness of adaptation, adjustment, or a radical change in course. The use of the tool of failure calls the leader to understand the mechanisms associated with it and to bring intentionality to the use of failure as a normative management strategy. Some of the issues related to the utility of failure are as follows:

- Identify the potential for failure early: If failure is to prove useful, the leader must first have dealt with personal attitudes and dispositions toward the notion of failure. Structuring failure as a normative component of the innovation process seems inherently counterintuitive. Each individual's developmental

history informs the attitude toward failure by virtue of how failure was both perceived and handled in the individual's own life journey. Most of us have seen failure either as a challenge, at the minimum, or a devastating occurrence, at the maximum. On either end of a continuum, failure is identified as personal, having both an intimate and a relational impact.

These personal notions related to perceptions of failure inform the mental model the innovator and the innovation leader bring to their roles. The positive and contributing characteristics of failure operate successfully only after having recognized that the occurrence of failure is a normative circumstance deeply embedded inside the innovation journey. It is important to surrender attachment to past notions and sentiments regarding failure and equally important to recognize it more objectively as a positive tool set that helps assess points of reference, positive metrics, and potential decisions affecting the innovation process.

As the leader moves more confidently into an objective assessment mental model with regard to the innovation process and embedded error, the utility and value of failure become increasingly obvious. In this more objective framework, the only values that count in managing failure are early identification and early engagement. Much like conflict, the ability to respond positively to the failure in process, approach, strategy, or effort depends on the earliest possible identification and engagement. The sooner an emergent failure is recognized by the innovation leader and the earlier this leader predicts both the content and impact of the failure of effort, focus, strategy, or process, the easier it is to adjust and recalibrate in addressing their implications. The more positive the notion and attitude toward the dynamic associated with failure in the innovation process, the more alert the leader is for the potential contribution and value that emergent failure provides in informing and managing the innovation process.

- Failure is an indicator of the veracity of the idea: Many ideas engender excitement and enthusiasm in people who generate them and those who are affiliated with them. Often, this excitement and enthusiasm help inform the conceptual frame of reference with regard to the value and potential of the idea going forward. Although this enthusiasm is essential to generate the energy necessary to stay the course in the innovation process, it is also a trap. This conceptual trap serves to create the conditions where the energy is the driver, leading to sidelining some of the basic tenets of logic, rationality, measurement, value, and sustainability.

Besides its association with creativity, openness, and free association, innovation is also a discipline. It has stages with definitive activity identified within them and specific measures and mechanisms that test the innovation potential and viability (LaRusso et al., 2015). Good innovation leaders recognize that if the products of innovation are to be achieved, faithfulness to this process will be critical to success. Although the enthusiasm associated with the generation of ideas and the subsequent innovation process is important in keeping it going, the more rational and dispassionate phases of the innovation dynamic provide the more rigid and systematic template and tools essential to move it to successful completion. Failure of an element, component, stage, phase, or notion associated with the innovation serves as a point of measurement where the innovation leader can undertake some objective assessment of the meaning



and value of any particular failure and its impact on subsequent decisions and actions related to the innovation. In this case, failure sometimes reflects a lack of veracity or relevance of the innovative idea and causes the leadership and innovation team to reflect and discern the appropriateness of the originating idea and the substance of innovation going forward, should that be a rational decision (Weberg, 2017).

Equally as possible is the determination that the innovation idea is not viable, relevant, or doable. Knowing when to stop an innovation or the innovation process to reevaluate the value equation is a key leadership behavior that is equally as important as fostering the innovation. Whether or not it is viable should be the product of these more rational processes that subject the innovation in the moment of failure to a more rigorous, rational, and focused assessment using objective metrics that inform and effectively advise correct decision-making related to the innovation.

- Value failure for its role in destructive creativity: The leader's assessment of potential or impending failure does not necessarily need to lead to the consideration of the innovation as a terminal event. Failure serves a range of purposes. Although one of them is certainly an indicator of the viability of the innovation, there are other factors associated with a particular failure that do the opposite. Sometimes failure is simply delivering the message regarding either choices made or the trajectory of the innovation. Examination of the failure can lead the innovation leader to reflection regarding strategies or processes chosen and their effectiveness in leading to the intended innovation or outcome.

Sometimes the failure merely calls attention to errors in strategy, process, trajectory, or individual actions. In this case, a reexamination of any or all of these factors and their impact on the lack of positive progress can call the leader to reconfigure or recalibrate decisions, efforts, trajectories, or priorities. Having made the necessary course correction, the innovation leader may thereafter create conditions where better convergence around successful innovation processes emerges, and the more successful progress can be noted for the next stage or phase. Here, failure serves simply as a demarcation for measurement, a moment of reflection, and an opportunity for the innovation team to reconfigure its efforts in a way that better addresses issues leading to the moment of failure and helps the team push past that moment with renewed insight, tools, and tactics that better align with the innovation's trajectory.

- Failure is a tool for redefining the innovation: When an innovation process or the trajectory of innovation is clearly not working and the options for success following the planned trajectory are limited or nonexistent, this failure, again, may not necessarily lead to a termination of an innovation. In complex adaptive processes, often what might appear as a terminal event may actually be the ground floor of a more emergent circumstance leading to an innovation or change not previously conceived or visualized in the originating innovation process.

Often, out of the ashes of a clearly failed innovation process are born the seeds of a new innovation. This new innovation is often better, more viable, and potentially more significant than the failed innovation out of whose ashes it emerged. Indeed, in the innovation dynamic, the death of an innovation may cause the innovators to turn a corner, look sideways, dig deeper, and clear the conceptual decks in a way that makes space for a different conception and a

much more viable trajectory leading to something not previously conceived but that now demonstrates a value for which there was simply no vision while pursuing the previous innovation process that unwittingly led to its conception and generation. Here again, the circumstance is a reminder to the innovation leader that in the innovation dynamic, closing the door to a failed effort does not end the work of innovation; often it simply changes its course. Faithfulness to the discipline of innovation helps create the conditions where destruction, deconstruction, and termination can actually serve as a rich medium out of which new and more viable innovation emerges.

- Failure acts as the catalyst for evaluation of the effectiveness of the innovation process: Failure in the pursuit of a particular innovation may actually have nothing to do with the innovation. Often the failure in the innovation is a symptom rather than effect. Such a failure calls the innovation leader to review the dynamics and processes associated with the discipline of innovation. Through review of the stages and phases of the innovation process and the resources and mechanisms supporting it, the innovation leader often finds points of challenge that lead to an understanding of brokenness and failure in the process itself.

Because innovation is both a dynamic and a process, the failure to achieve the desired outcome may have more to do with inadequacy in the process than the potential veracity and value of the innovation. Here again, when failure is recognized as normative and serves as an objective tool of assessment or evaluation, information of significance regarding the dynamic is obtained. This information can then yield more effective or aligned elements or processes supporting the innovation trajectory. A regular and focused examination of the characteristics and elements of the innovation process and its appropriate support structures helps innovation leaders further refine the process in ways that make it more predictable, dependable, and trustworthy. Although each innovation has its own developmental characteristics, all innovation has a common frame of reference within which the foundational processes, and parameters routinely operate to support and facilitate the innovation dynamic.

Flaws in the process, missing elements, irregular flow, and limits on effective evaluation all converge to create conditions that negatively affect the discipline and processes of innovation. For the innovation leader, the best predictors of flaws in the innovation process are the degrees of repetition in the occurrence of patterns of failure over time. Failing to address these or lack of awareness of their operation can often cause leaders to focus on the innovation rather than on the mechanisms that advance it. More often than not, the failure lies in the mechanics of innovation, not the idea driving it.

Objectively managed, failure is clearly a viable and useful tool in refining and advancing any innovation toward success. However, it takes a manager or leader with an adjusted attitude and insight toward failure to use these objective tools to successfully traverse the landscape of innovation. Careful and serious use of the tools of the discipline of innovation helps facilitate and enhance the dynamic of innovation. This more balanced and realistic insight into the processes of innovation and its effectiveness grounds the leadership of innovation and increases the likelihood of its successful movement through all stages of development (**Figure 7-5**).

Failure as value	Failure as deficit
<ul style="list-style-type: none"> <li>• Objective</li> <li>• Assessment</li> <li>• Measurement</li> <li>• Influence direction</li> <li>• Set trajectory</li> </ul>	<ul style="list-style-type: none"> <li>• Subjective</li> <li>• Unsafe</li> <li>• Terminal</li> <li>• Negative</li> <li>• Destructive</li> </ul>

**Figure 7-5** Failure as value versus failure as deficit.

## Minimizing the Potential for Unnecessary Failure

Although it is clear in this chapter that we have emphasized the fact that failure is a fundamental—a necessary—element of the innovation process, it is important to suggest that not all failure is necessary. Sometimes failure occurs because of inappropriate decision-making, inadequate processes, or poorly constructed innovation support structures. Each of these failures is conditional, meaning it can be addressed and managed, and when it is fixed, it no longer acts as an impediment affecting the innovation process. Keep in mind, however, that correcting structural flaws in the innovation process does not necessarily diminish the potential emergence of other errors and failures inside the innovation dynamic. Operational flaws are separate circumstances and create different conditions. Structural errors embedded in the process can always have a strongly negative impact on the innovation process and therefore on the innovation itself. Errors of this type operate in a different way from operational error and failure, which more simply reflect problems with the processes of innovation.

Innovative organizations are just as intensely human as any other organization. Essentially, this means that the potential for mistakes, misjudgments, poor planning, bad choices, and uninformed decisions and actions can be just as apparent in the innovative organization as they are in any other system. With an awareness of this reality, leaders recognize that they are constantly assessing the environment for their presence and evaluating, learning, adjusting, and correcting systems to keep them on course and to support effective innovation processes.

Leaders of innovation can exhibit several behaviors to help minimize unnecessary failure:

- **Be bold:** Voicing concerns about the alignment, trajectory, and evolution of the innovation is part of the process. Laissez-faire leadership in innovation can lead to value-negative outcomes. The inaction of team members in the innovation dialogue about value, process, and alignment can lead the innovation to lose adaptability and stagnate or cause the innovation to spin into more chaos. Leaders of innovation must both speak up and facilitate speaking up.
- **Bridge structural errors:** As discussed, many organizations have structural and cultural foundations that can minimize or inhibit innovation. Leaders of innovation can work to bridge these structural gaps by building strong networks of

conspirators, external contacts, and linkages to fellow innovators. The network of agents will always be stronger than any hierarchical force. Building a network of innovation is key to minimizing unnecessary error caused by rigid structures and culture.

- Focus on the outcome: Although it is easy to become fixated on the process of innovation (brainstorming, ideation, prototyping, etc.), leaders of innovation must equally focus on the outcomes the innovation will achieve. Many times, the innovation morphs and shifts throughout the process, and teams can lose sight of what they are trying to accomplish. Keeping the vision of the outcome visible to the team will help maintain alignment of the process and minimize errors associated with wasted time, unnecessary iterations, and lack of focus.

## Innovation for Value

Perhaps one of the most significant shifts in recent history in health care is the current move from a volume-driven system to one based on value. Currently, the most significant contextual failure that innovation leaders will need to contend with is that related to the move from volume to value. Almost any innovation that emerges today needs to represent the emergence of value-based realities driving much of the strategic work of organizations. No innovation will have any sustainable meaning or even succeed over the long term in its implementation from idea to product if it does not in some way anticipate, facilitate, or advance the engagement of value. The entire arena of health services must now reflect value drivers in a way that fulfills the obligations of the Triple Aim.

As mentioned previously, innovation should relate to organizational purpose and strategic imperative. Although there is a challenge in the contest between the unique characteristics of an innovation and the opportunity it provides to undertake something that is new and/or different, the innovation still needs to reflect the major purposes of the organization. In health care, regardless of the changes that are occurring, any innovation that seeks to thrive in the healthcare environment needs to advance the service, quality, or price interests of the healthcare organization in some way or another. A sound element of the discipline of innovation is the assurance that innovation undertakings, regardless of their creativity, somehow directly relate to advancing the healthcare enterprise. In this case, it is the role of the innovation structure to provide that framework, the discipline, if you will, that keeps the generation of resources supporting any innovation undertaken within the framework of the value of the organization. Failing to do so robs the organization of its resources and its capacity to exercise good judgment and action in a way that advances its purposes and value. The following are some critical factors influencing the success of innovation:

- Innovation and strategic relevance: There are all kinds of innovations that are important, meaningful, valuable, creative, and relevant. To the innovation leader, none of them matters if all these elements do not in some way lead to advancing the interests, viability, and sustainability of the organization within the context of its purpose and the service it provides. In health care, supporting innovation activities need to demonstrate how they uniquely contribute to advancing the interests of the organization and provide a foundation for the quid pro quo essential to advancing a thriving health service environment.

The significant failure to do so relates specifically to the nonalignment of the innovation efforts with the purposes and roles of the health institution and the efforts necessary to advance the health of those it serves.

The failure to align strategy and innovation at the systems level creates a critical condition for the organization with its larger environment. Health systems are directed within the contemporary value equation to advance the health of the communities within which they live and operate. Essential to this exercise is the appropriate and careful use of organizational, financial, and human capital in ways that serve that essential purpose (Owens & Fernandez, 2014). In the value equation, evidence of having done so is delineated by the organization's capacity and success in advancing metrics that demonstrate a high level of user satisfaction, strong performance on quality metrics, and competitive pricing of the services and products of the health system. The innovation priorities of the organization that advance performance in these arenas of value measures indicate strong alignment among the priorities and activities of the organization and its strategic positioning for success.

- Failure and inadequate resourcing for value: Perhaps the most significant anticipated and predicted failure in the innovation process is the lack of organizational and financial support for innovation activities. Often what occurs in organizations regarding innovation is the provision of a great deal of verbal and personal support with no structural and financial infrastructure to sustain it. For many leaders, innovation is the generation of ideas and thus never lifts off toward a structure for change. As a result, organizations are inundated with ideas related to technological, process, and product innovation, with precious little progress toward producing something that matters or makes a difference for the health system.

Innovation projects or processes that are inadequately funded generally die on the vine. These innovations have no way to develop or thrive simply because the most obvious indicator of support—financial resources—is either inadequate or missing. Making appropriate resources available for innovation is the most concrete proof of the organizational support for that innovation. Leaders indicate significant value for any undertaking through the medium of the number of dollars devoted to move the innovation toward product or impact. Lacking that, no amount of verbal and personal support for the work of innovation will ever move the innovation anywhere near the fulfillment of its potential.

- Failure of an adequate infrastructure to support the discipline or process of innovation: As clearly identified throughout this text, innovation is specifically defined as an enumerated process with identifiable elements, stages, and metrics that elucidate its properties. In the popular press and in the imaginations of some leaders, innovation is often seen as a series of loosely defined, highly variable, often unstructured dynamics and processes that relate more to idea management than to any definitive and disciplined process that could ultimately produce a product or create an impact on the life of the organization. However, more often than not, nothing could be further from the truth.

Innovation, like any process of production, has elements and stages through which it grows that are necessary for its implementation. Ultimately, an innovation must produce something: either a change or a product. None of this can occur without the capacity to do what is necessary to produce something. Structures related to idea management, knowledge generation, product

refinement and development, experimentation and small tests of change, integration of effort, resource management, intellectual property and legal issues, production, evaluation, marketing, and so forth are embedded within the processes and functions essential to the long-term viability and ultimate success of the proposed innovation.

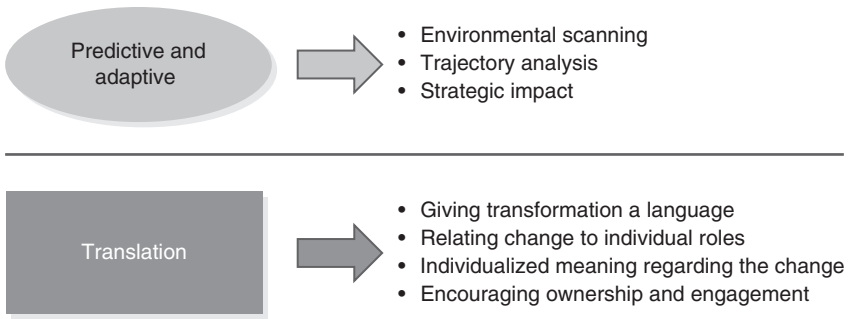
With all of these components and stages essential to the success of an innovation, it comes as no surprise that few innovations make it anywhere near completion. If organizations are to be successful in managing their innovation processes, the essential tools, infrastructure, metrics, resources, and processes must be carefully constructed and aligned to ensure that all appropriate and necessary efforts converge to positively facilitate the innovation toward successful completion. This essential infrastructure provides both the frame and the glue that enables innovators and associates on the positive trajectory to access the support necessary to accelerate the opportunity to succeed. Failure to build this essential infrastructure is a failure to equip both the innovator and the innovative process with virtually everything they will need to thrive within the process and move positively and successfully toward fulfilling the potential of the innovation. It is important to remember that even with the right set of factors energizing the innovation, failure may still occur. For example, even the most successful venture capital firms have about a 10% success rate in funding innovative start-ups.

- Failure of relevance: Leaders have an obligation to the organizations they lead to make sure that the activities and priorities of the organization best represent three critical elements: (1) the driving characteristics and demands of the larger environment within which the organization lives and operates, (2) the trajectory of the organization is traveling in a way that best demonstrates its response to the environmental and contextual demands within which it lives, and (3) the appropriate decisions and actions that represent the best response to the demands of the environment and the requisites of the trajectory.

Any organization that seeks to thrive must attend to its capacity to be relevant. Relevance represents the characteristics and activities of individuals, groups, or organizations in a way that best exemplifies the broader social, political, technological, and economic forces converging to influence their capacity to thrive. Leaders must demonstrate the essential skills that help them forget inevitable and emerging shifts in reality brought by each of these forces and the impact of those shifts on the decisions and actions of the organization in a way that is timely and appropriate. This predictive and adaptive capacity is a fundamental skill set of leadership within the context of innovation; it is no longer optional if the changes in an organization will represent a goodness of fit between the larger demand for change and growth and the organization's capacity to meet that demand, translate it, and give it form and substance (**Figure 7-6**).

## The Capacity to Be Relevant

As the digital environment expands its influence on human and organizational life, the response to it creates a new level of leadership demand, especially with regard to innovation. Because of the breadth of big data and the increasing speed and utility of the information infrastructure, just-in-time responses to the demand for change



**Figure 7-6** Two major leadership capacities.

are now the normative pattern of organizational and team behavior. Unlike traditional changes affecting health service in clinical practice, where changes in policy, procedure, and practices could transition over weeks and months, evidence-based practices now operate within an environment of immediacy where data aggregation, evaluation, and information affect practice instantaneously, with the expectation that change in practice will occur as soon as we know what that change should be. This milieu creates a new understanding of relevance. The capacity to be relevant depends exclusively on the organization and the individual's ability to predict, adapt, and change. Failure to do so now constrains the organization's opportunity to thrive in a sustainable way and its members' ability to adapt their work to meet the accelerating demands of excellence and the accelerating levels of competitive performance, spiraling upward and continually challenging all to improve performance.

## A Failure of Leadership

Fundamental to all delineations and management of failure is the role of the leader. At the end of the day, in all human dynamic organizations, the role of the leader has the greatest impact on the culture, characteristics, work, and outcomes of the organization (Yu et al., 2022). Leadership failure usually encompasses areas of awareness, insight, competence, process, and execution. Each of these areas demonstrates the critical viability of the substance of leadership and challenges leaders to be continuously aware of their capacity to lead in complex dynamic human systems, perhaps most intensively evidenced in the healthcare arena (Arnold et al., 2022).

### DISCUSSION

Have you ever personally experienced what you considered a failure of leadership? What were the circumstances that led you to that conclusion? What do you feel was missing in the leader's role? How would you have addressed the particular issue differently with what you have gained from reading this text?

With regard to innovation, there are several areas where leadership capacity can affect the successful process and trajectory of innovation work. Like every other area of organizational undertaking, leadership of innovation is as critical as the innovator's own efforts at producing an innovation. Leaders are predominantly responsible for creating a context that facilitates the creativity and work effort that lead to successful innovation. Without this context and structural and relational encouragement, the innovation process can often starve. Strong innovation leaders are advised to be aware of the critical indicators of the failure of leadership. Although they are many and varied, there are a few significant areas of leadership that have the broadest impact on either facilitating or constraining effective innovation in an organization:

- **Failure to predict:** As previously outlined, the ability of the leader to demonstrate predictive and adaptive capacity is critical to the success of an innovative organization. Organizations live within a broader context. This context exemplifies a constant vortex and continual shifting and change in ways that represent the constant, undifferentiated, chaotic convergence of the larger sociopolitical, technological, and economic forces affecting every human system.

Leaders, recognizing this constant and complex pattern of shift and change, continuously read the environment, looking deeply at the contextual issues influencing the organization in the broader setting with a lens directed to determining meaning and impact on the organizational system. These leaders devote particular and specific energies to this predictive activity as a way of translating environmental concerns and influences with a language that translates them into content that has meaning and value for health leadership and organizational members. This is especially true within the frame of innovation. Because innovation represents a relevant response to contemporary and future demand for enhancement, advancement, and transformation of process and product, it requires that there be a goodness of fit among the changing characteristics of the environment and its impact on the culture and life of the organization, as well as the organization's innovative response to those demands.

In this framework, leaders validate their capacity to manage the vagaries of shift and transformation through the mechanism of good translation. This is demonstrated by their own capacity to be available to the changes generated by the environment, to recognize their meaning and impact on the organization and its people, and to respond specifically and particularly in a way that operates in the best interest of the organization and its ability to thrive. This predictive capacity of the leader is central to ensuring the organization's viability and continuous response to environmental and contextual shifts and as a way of ensuring that the organization remains relevant, engaged, and busy constructing the positive creation of a preferred future.
- **Failure of effective communication:** Most people who work in organizations are busy fulfilling the activities to which they are assigned. What consumes their attention, for the most part, is the work that they do, the people they serve, and the impact of their specific energies and activities. Generally, most of the work they do takes their full attention and occupies all of their energies in a way that reflects a focus on the present, current working capacity and the functional activities that complete the obligations of the day. Because work is so demanding in real time for most workers in organizations, their ability to



be aware of the future, critical shifts in the environment, the emergence of the new and different, and the changing environmental and social circumstances affecting their long-term work is severely limited.

Recognizing this reality, leaders are constantly aware of the need to translate to the organization and its people the conditions and circumstances generated from the larger context or environment that will have an impact on their role. To do this, the leader ensures that there is an effective and continuous mechanism for communicating the environmental and contextual demands for currency, change, adaptation, and refinement of contemporary practices into new frames and models that best address the emerging issues moving the organization into its future. These mechanisms of communication are defined and structured in a way that makes it easy and accessible for organizational members to access what they need to know, be able to incorporate that information into their practices, and collectively challenge contemporary work functions with emerging realities in ways that encourage them to engage and embrace these potentials for change as a fundamental part of their work.

The system of communication facilitated by the leadership includes opportunities for organizational members to participate in environmental scanning, translation, and application of those dynamics. This means workers have an impact on the work world and affect their own efforts and those of their teams in the exercise of the work of the organization. An effective communication system in a responsive organization is exemplified by broad-based participation, ownership, and engagement by all stakeholders who play a role in translating and adapting environmental demands for change into effective work processes and products in the organization.

Leaders create the communication network and pathways within which this information and organizational response processes can be channeled in a way that demonstrates an effective impact on the organization. This effort continues to make innovation viable and sustainable over the long term. Indeed, organizations that have existed over generations have done so through the mechanisms of engagement and ownership at every level, using open communication models and mechanisms for ensuring that meaningful and important decisions and actions and deliberations about potential innovations have both a voice and a place where ideas are acted upon. Here is where the innovator's voice can be legitimately heard and responded to with appropriate support throughout the organization. Good communication pathways around the innovative process also help facilitate and support the various structural mechanics in the organization.

Sound communication gives form to the innovation, disciplines the process, and ensures that both the mechanics and means that advance the innovation are in place and positioned to accelerate the opportunity for the innovation to thrive. Demonstrated here is the capacity of the organization to continually enable innovation, confirmed by its open and interactive communication infrastructure in a way that encourages, supports, and advances the innovation through its various phases and stages to completion and impact.

- Failure to engage risk: So much in health care depends on the capacity of its leaders to manage risk. Historically, emphasis on danger and threats to the safety of patient care has resulted in organizations that are, in many ways, fundamentally risk averse. This constant focus on ensuring that patients remain

safe and that harm is avoided and prevented at all costs creates a mental model in an organizational milieu that sees risk as a threat and endangerment to the viability of patient care and the stability of the healthcare organization. Although it is important for patients to remain safe and for the work environment to generate the highest-level potential for patient safety, that environment of patient safety should not be confused with the capacity of the organization to engage essential and necessary risk as it addresses constructing its future.

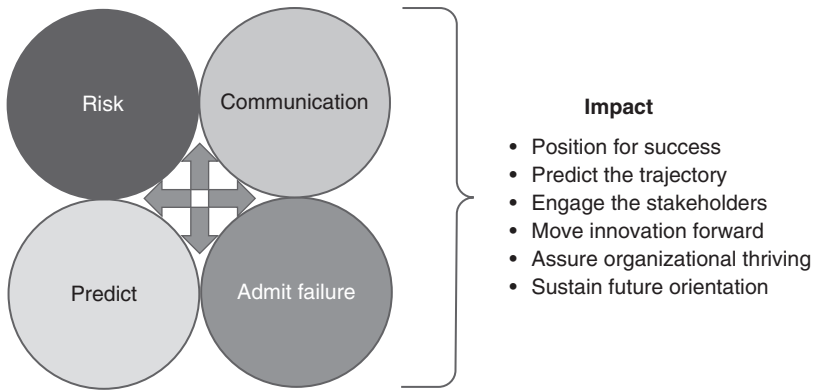
Risk cannot be eliminated. Although risk can be effectively managed, in the course of human events, there is always a measure of risk and the potential for that risk to influence decisions, actions, and impacts (Shaw, 2014). Good leaders recognize the value of risk. Embedded deep inside risk is the potential for improvement, enhancement, and creativity. Indeed, the future of the organization depends on its ability to engage risk, manage it well, and use its dynamics as a generator for creativity and innovation in a way that enhances the organization's opportunity to thrive. For the organization's capacity to succeed over the long term, its members' ability to identify, manage, and utilize risk in decision-making, planning, and executing innovation processes is critical (Gallati, 2022). The leader provides mechanisms and methods for the safe engagement of risk at every level of the organization, with an emphasis that 90% of the engagement of risk needs to occur at the point of service, where most of the opportunity for creative insight and innovation occurs.

Good leaders use risk management tools, such as scenario planning, as a way of helping to create a safe environment for exploring, experimenting, and challenging the potential deeply embedded in risk in ways that can be translated to the benefit of the organization. Through the use of case and scenario activities at every level of the organization and in ways that reflect the obligation of strategic, operational, tactical, and functional roles in the organization, patient care is ultimately positively affected throughout the organization.

Leaders make sure that through scenario or case-based work, external drivers and influences are clearly outlined and articulated, financial and economic indicators and implications are thoroughly vetted, the veracity and strength of a strategy and/or tactic are tested in safe conditions, new possibilities are considered, and process mechanisms can be generated and safely tested to determine their viability and efficacy. The leader providing this kind of a platform in the innovative process ensures that innovation is incorporated as a regular expectation of the work of everyone in the organization and is structured in the organization in a way that ensures its utility and viability as a fundamental and functioning part of the work of the organization.

- Failure to admit failure: As this chapter clearly emphasizes, failure is a normative, functioning part of the role of leadership in assessing the viability and effectiveness of the innovation process inside the system. Failure is not a deficit for either the organization or the individual if managed properly and with careful leadership wisdom.

Failure serves as a metric, helping leaders know precisely where they are on a specific trajectory related to any innovation. Incremental failure lets the individual and innovation team know about the veracity and appropriateness of any particular element in the innovation dynamic. Failure helps leaders understand, through the use of specific enumerated evaluation elements, where the innovation is currently and its potential, along with the choices and actions that can facilitate that



**Figure 7-7** A Failure of Leadership.

potential. Failure also helps leaders identify what does not work, what is no longer appropriate, when a change in course needs to occur, or when a process or project has reached a terminal point in its current trajectory. All of these are objectives and viable tools that suggest to the leader subsequent choices and adjustments in the innovation process necessary to sustain and support it.

The requisite of failure is that it be used objectively as a tool. Failure must constantly be identified as a part of the metrics that assess the trajectory of an innovation and help determine choices and actions that need to be taken as a result of the information that a failure provides to leaders of the innovation process. As outlined previously in this chapter, if failure is engaged as a productive and positive tool set for defining the success of a particular innovation trajectory, the emotional and personal content often affiliated with it can be minimized and potentially eliminated. In this case, it is the obligation of leaders to create that objective and safe approach to the utility of failure as an objective and meaningful tool along the continuum of innovation work. Leaders who do not create this safe and productive capacity for the use of failure metrics actually contribute to the emotional trauma and debilitation. Negative feelings and responses to failure in the organization should come as no surprise to leaders if their organizational members are failure sensitive and risk averse. If the leadership climate generates and supports those negative sentiments and punishes or creates an adverse response to notions, mechanisms, processes, and outcomes that result from the aversion to risking and failing, then debilitating failure is guaranteed. Failure is good only if it is perceived as good and only if it produces values that result in better decisions, more effective action, and exciting processes and products that demonstrate the positive use of failure analytics as a part of the process of producing a dynamic outcome (**Figure 7-7**).

## Resilience as the Counter to Failure

Resilience is not simply a way of behaving; it is a way of being, a characteristic of human expression that demonstrates a well of strength deeply embedded in the life of an individual (Sihvola et al., 2022). It is the substantive counter to the negative elements of failure. Resilience is a demonstration of positive characteristics in many forms that evidence perseverance, determination, emotional integrity, and a personal

vision that represents an understanding of life in the long term and where crisis, uncertainty, and failure fall in the longer journey of effort and accomplishment.

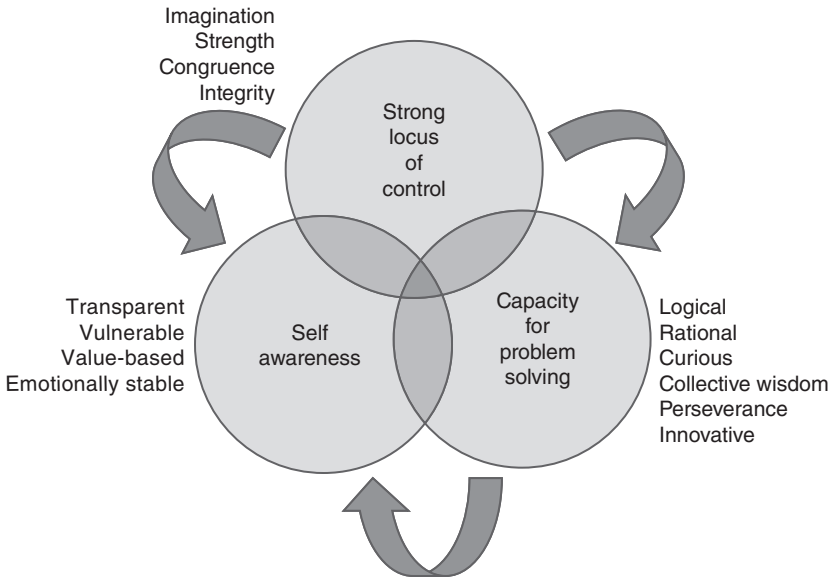
Persons who are resilient do not see failure as a terminal event. Bringing their sense of surviving and thriving, resilient individuals look through the failure moment with a lens to what it is saying about progress rather than as a barrier to that progress (Jefferies et al., 2022). Failure for them becomes a stumble rather than a cliff and raises questions of why, what, and how, requiring a deeper exploration of what the failure means rather than what it might do to intended progress. Through their survive/thrive perspective, resilient people know that even though the moment is difficult, it does not haunt progress; instead, it stimulates inquiry and investigation in a way that may reinform future decisions and actions.

In the face of the stress that comes with the emotions associated with failure, resilient people are able to regulate their emotional response to it (Drach-Zahavy et al., 2022). This is not to say that there is no emotional response that reflects the pain and discomfort of the failure moment. Still, while the failure may be devastating, the capacity for regulating and managing emotional extremes helps these individuals to move through the pain. They can even harness the related emotions to stimulate and reengage their passion and the energies required to move through the moment and construct new thinking or alternative strategies for recovery and moving ahead.

Resilient individuals rarely lose control. Through a highly developed internal locus of control, these individuals have a strong sense of self and a sense that they can influence and control circumstances in a way that can influence and change processes and outcomes. These individuals believe in their own role to manage circumstances and to change events and often are the first to begin the efforts to recalibrate and undertake necessary changes in trajectory. These individuals are often found gathering others around new thinking and solution-seeking, facilitating dialogue and strategizing toward different mechanics and solutions (Antonsdottir et al., 2022).

Resilience is demonstrated through a strong set of problem-solving skills. In fact, resilient individuals draw on objective tools to see failure objectively with a level of rationality that gives them the capacity to sort through the elements of the failure to garner a deeper understanding of its occurrence and impact. Being highly goal-oriented, resilient persons are driven by a focus on effect, working diligently to tie effort with outcome and in a way that sees what facilitates or constrains intended results. The intersection between effort and impact drives resilience. As a result, the responsive strategy of the resilient person is to dig in, sort through, find alternatives, and renew the effort to change and create (Carmeli et al., 2021).

At the same time, resilient individuals show a high level of self-acceptance and compassion for their own and others' reactions and discomfort in the face of failure. The resilient individual needs others to move positively through the circumstances of the crisis, with the intent of supporting personal responses and ensuring necessary engagement of them, but ultimately having them serve as motivators toward action and response and reenergizing them for the work ahead, using that emotional energy to enable positive response. There is an awareness in resilient people of their impact on others and how they create a context for positive response. Although they are transparent and vulnerable in the face of failure, making it safe to be authentic about the impact of a failure event, they see it as a normative part of the journey to accomplishment or success, never losing sight of the longer journey and the effort necessary to traverse the inevitable challenges encouraging movement forward (Finstad et al., 2021).



**Figure 7-8** Capacity for resilience.

Finally, the resilient person is aware of the power and value of the work community and the relationships it requires. No effort can be sustained without collective action and support of the stakeholders upon which that success depends. Building community among the work community devoted to the action of any given innovation is what best ensures a collective positive response to the challenges it will invariably confront in the processes of innovation and creativity (Salas-Vallina et al., 2022). Resilient leaders know that they must help people move through loss, making space for its expression yet ensuring that the expression of loss does not itself become an impediment to the effort to move past failure and reengage the creative undertaking, as indicated earlier in this chapter. In order to sustain resilience in individuals or groups, there must be a capacity to engage in a deep level of personal communication and interaction manifested by openness, understanding, honesty, and integrity. As this is witnessed in the resilient leader, it becomes manifested in the team as a communal dynamic that both describes and demonstrates the resilient community. Because innovation and creativity are a collective enterprise, resilience ultimately becomes a way of life and demonstrates the action of innovation in practice and illustrates the veracity and determination that are the signposts of resilience in action (**Figure 7-8**).

## DISCUSSION

When considering the leadership of innovation, what particular personal skill sets do you bring to the engagement of innovation? As this chapter closes, what specific skills do you need to focus on developing in your capacity to embrace failure as an objective tool for managing innovation? How will you test your new and developing skills in your leadership role?

## CASE EXAMPLE Leadership

Leticia Morgan, RN, BSN, had been approached by one of her staff members with a new digital device and software that would help monitor the movement of geriatric patients in their homes and inform the geriatric continuum-of-care nurse coordinator if the patient was involved in a safety risk activity. The nurse has been working on this idea for the last couple of years, and now she is ready to move her idea into a useful product. The nurse inventor had kept Leticia informed during every stage of her idea creation, but Leticia had paid only cursory attention to the progress. Now this nurse was approaching her to determine if there were any formal steps or processes she needed to go through in the organization to access supports and systems that might help take her invention to production.

Leticia had heard about her health agency's interest in facilitating monitoring of the care of homebound patients but was not sure how the process worked. When she heard about the innovation development process, Leticia thought it was very complicated and detailed and was directed mostly to helping physicians develop practice innovations within their own specialties to advance their technology and financial partnership with the health organization. Leticia was pretty sure they would not be interested in any nursing idea that did not appear to make much difference in nurses' work. Leticia informed the nurse inventor that it might be wiser for her to find a patent or invention organization outside the health agency that might be interested in an invention like hers because the organization's resources were tight and there would not be much support inside the system. The nurse inventor was discouraged and left the conversation with the feeling that Leticia believed that her potential innovation was not significant enough to pursue and that perhaps she should simply let it go.

### Discussion

Leticia and the nurse inventor practiced in an organization that did have an organized and structured innovation process. Leticia assumed that from what she had understood about the process, it was directed more to position inventors who had a larger stake in the financial impact for themselves and the organization. Leticia further assumed that the invention was not significant enough for further consideration and directed the nurse inventor elsewhere. This scenario can be replicated in a number of health organizations across the country and creates some real challenges for inventors and a potential limitation on the possibilities and implications for an innovation that should get to see the light of day.

### Questions

1. What do you think of Leticia's original relationship with the nurse inventor during the idea stage over the past 2 years?
2. How thorough do you think Leticia's understanding of the agency's innovation process was, and how did that influence her advice to the nurse inventor?
3. If you were the nurse leader in Leticia's place, what series of activities and interactions would you have with the nurse inventor? What stages or phases of the innovation process might you facilitate for the nurse inventor's efforts?

4. How many levels of failure are you able to identify in this scenario?
5. What steps would you take to address the failures you identified in question 4 to keep these kinds of failures from occurring again and instead facilitate an environment of innovation supportive of invention?

## Summary

From an objective perspective, the only role that failure plays is in the evaluation and assessment of organizations' and individuals' movement toward success and thriving. The incongruent fear of failure generally expressed by leaders and others does not come near representing the significance of the value of failure as a metric along the trajectory of the journey to successful innovation. Instead, engaging and embracing failure as a viable and useful measure of progress is a much more realistic and valuable perspective on the role of failure and one that provides great utility in the innovation process. Leaders must confront individual and organizational apprehensions regarding the role of failure and make issues related to the management of failure a fundamental part of the leadership development process. If the mechanisms and characteristics of failure are utilized as positive tools in evaluating the mechanisms and processes of innovation, a more disciplined, appropriate, and meaningful experience of innovation development can be generated in individuals and in the organization. Failure is a tool, not a condition.

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