

## Covidien Creates a Culture Prime for Innovation

The words “diversity” and “inclusion” have permeated the corporate lexicon, often sounding like little more than trendy HR lingo. Yet Covidien, a global healthcare products company with U.S. headquarters in Mansfield, MA, has recently adopted a comprehensive strategy to develop a culture of innovation and inclusion. One lever the company is pulling to drive this strategy is Learning and Development. Covidien has developed a multi-program approach to diversity and inclusion education, to build leadership capability and enable creation of products such as the cutting-edge surgical staplers and feeding tubes it currently markets.

In October 2012, Covidien engaged the top 16 leadership teams across the globe in workshops about the leadership skills needed to drive innovation and inclusion. According to Kate Hoepfner-Karle, Vice President of Talent Development and Inclusion at Covidien, the company has engaged the leaders in this strategy with the strong business case for a diverse workforce and its impact on the bottom line.

### The Link between Inclusion and Innovation

Covidien participated in research including focus groups to understand current employee behaviors related to diversity and inclusion. As Hoepfner-Karle recognized a business need for inclusion, she found strong evidence for it in *Innovation, Diversity and Market Growth*, a study published by the Center for Talent Innovation, a nonprofit think tank based in New York City. (Sylvia Ann Hewlett, Melinda Marshall & Laura Sherbin with Tara Gonsalves, 2013).

This study defines the two dimensions of diversity as *inherent* diversity (gender, race, age, sexual orientation, etc.) and *acquired* diversity (global mindset, cultural fluency, social media skills). The study found that leaders are more likely to behave inclusively when they possess acquired and inherent diversity. “When you look in an organization, decision-makers are often at a higher level and diversity there is less and less visible,” says Hoepfner-Karle. “Therefore, it only makes sense to enhance our leadership ranks with both inherent and acquired diversity to drive strong decision making on our product portfolio mix in the markets we want to lead.”

The study also reinforced the importance of leaders promoting a “speak-up culture” where all employees feel comfortable sharing their opinions, even if these differ from the majority. “Indeed, our research shows that when leadership lacks innate or acquired diversity, or fails to foster a speak-up culture, fewer ideas with market potential make it to market ....Most dramatically, our findings demonstrate a robust correlation between highly innovative, diverse companies and market growth.” (Hewlett, Marshall and Sherbin with Gonsalves).

With a strong business case for inclusion development, Covidien began a “multi-year approach to shift elements of culture,” says Hoepfner-Karle. The company has identified six key Innovation Leadership Behaviors from this research that enable an inclusive culture: the sharing of ideas, team member participation, appropriate risk taking, open debate and diverse opinions, access to decision-makers, and clear measures of success.

## Creating a Culture of Innovation

Covidien engaged EnVision Performance Solutions, an award-winning instructional design and performance consulting firm based in Sharon, MA, to conduct a needs assessment and design the learning solution. Following conversations with leaders throughout the organization, the Covidien Diversity and Inclusion team and EnVision learned that leaders sought clarity on the business case for inclusion and innovation, and needed ways to create a safe environment for employee risk taking. Both of these elements were incorporated into the development modules.

This foundation grew to a curriculum of five modules, 90 minutes each, for vice presidents and their teams. This spring, Covidien kicks off the program with two initial modules.

The first module, “Setting the Stage for Diversity and Inclusion,” introduces the six innovation behaviors and the business case for inclusion. Each learner takes a self-assessment to determine his/her and the team’s skill level with each behavior, determining where the team is strongest and where it needs improvement. Each leader and team also set a team goal, committing to changing their behavior to be more inclusive.

Module 2, “The Power of Perspective,” helps the learners to grasp another person’s viewpoint, and familiarizes learners with the “Ladder of Inference,” which shows that surmising something may not lead to a correct conclusion. The learners also understand the impact of asking questions, instead of making assumptions.

“Creating a Learning Environment,” Module 3, introduces the concept of the “knower/learner.” A “knower” arrives at a situation with the belief “I’ve got the answer.” A “learner,” on the other hand, inquires and is curious about another’s perspective. These roles are contextual and fluid, explains Julie Young, an instructional designer with EnVision, stating that the goal is to move from working as a knower to behaving as a learner. A reflection tool helps the leaders discover which role they most frequently assume. “We’re trying to create an environment that can support a greater diversity of thinking,” says Young.

In Module 4, “Collaboration,” the learners diagnose their team on where its members fall within the I/We/It model, where “I” equals personal engagement to the business, “we” reflects engagement to the team, and “it” corresponds to results. The teams work to achieve balance among the three entities, and identify ways to use that concept to improve team member participation and foster collaboration.

Risk taking becomes the focus for the final module, where leaders learn to recognize that trust is an essential ingredient for encouraging appropriate risk taking. They also learn how one’s perspective on making errors can suppress risk taking and limit learning and innovation. Leaders also are coached to develop a safe environment for risk taking, which helps them to foster an inclusive environment and promote the sharing of ideas.

Following each module, the leaders work on an application assignment, says Marilyn Kobus, an instructional designer with EnVision. For example, learners observe and record examples of the Ladder of Inference in action following Module 2. When the leaders begin Module 3, they revisit the application exercise and discuss their experience. “In each module, the leaders get a chance to apply the learning on the job and talk about how it went for them, what went well, and what obstacles they ran into,” explains Kobus. “You typically don’t get a chance to do that in a classroom situation.” Each of the

modules includes instructor notes, so a leader can guide these structured discussions and activities with his/her team.

In addition to the program for senior leaders, Covidien will implement a four-hour workshop for managers entitled *Fostering Inclusion & Innovation*. The six Innovation Leadership Behaviors will also form the foundation of this session. While it addresses some of the same concepts as the leader modules, its longer format allows it to be very experiential, says Kobus. The learners will participate in an engaging card game as a tool to explore differences.

EnVision's learning solution includes a toolkit with worksheets, team activities, and job aids to reinforce learning. Participants can also watch videos of their Covidien colleagues either discussing or demonstrating one of the six Innovation Leadership behaviors.

As the trained leaders share the instruction with their teams, success will be determined by how many employees grow aware of the new cultural mindset, says Hoepfner-Karle. EnVision has designed the training to be global, and Hoepfner-Karle plans to implement the modules in Covidien's Asian locations. She expects innovation/inclusion training to be integrated into leadership development, talent acquisition, rewards, and performance management. "This is one element in a change plan with many levers," says Hoepfner-Karle.

As a company that has succeeded with research and development, Covidien banks its future on nurturing innovation. With an emphasis on inclusion and diversity, the company plans to continue to invent products that improve patients' quality of life. "Our overarching theme is to create a values-driven culture that supports better outcomes for employees, patients, and customers by promoting well-being, fostering inclusion, and driving innovation," says Hoepfner-Karle.

*Kathy Harvey-Ellis is a freelance marketing and public relations professional who works with EnVision Performance Solutions, an award-winning instructional design and performance consulting firm in Sharon, MA.*