

The Role of Psychological Safety in INNOVATION

BY NICK HOLMES

Most companies like to boast about their innovation.

They'll talk about the new product they've launched, demonstrate the bells and whistles, and even share their plans to expand the product line. But a closer inspection reveals that many of their innovative ideas are not sustainable. The fact is, innovation requires a unique environment to thrive, and a company's approach to innovating must engage in the culture's DNA. Unfortunately, there are not enough examples of transformational, inclusive, and empowering types of innovation. Perhaps if it were more mainstream, it might help address the Great Resignation companies are experiencing.

WHY INNOVATING IS HARDER TODAY

Today, companies are facing an important choice. The pandemic has significantly altered the work landscape, and leaders spend much of their time solving the following issues that have affected the work environment:

- Most employees continue to operate remotely and remain globally dispersed.
- Productivity lapses are resulting from Zoom fatigue.
- The number of disengaged and uninterested employees continues to rise.

Companies' efforts to shore up these challenges have deprioritized their approach to transformative change. Unfortunately, placing innovation on the back burner may

do companies more harm than good. The impact will become more apparent after the crisis ends.

I work for Fishawack Health (FH), a fast-growing, global commercial partner in the life sciences space. With several company acquisitions in the last five years, FH expanded quickly and now has 1,300 employees, with offices in the United States, United Kingdom, Ireland, Greece, and Singapore. The executive team knows that integrating a company with varied cultural influences is challenging, but thriving after the pandemic requires emphasizing innovation to support its growing client base. FH sought a different approach to facing the pandemic. Rather than storing innovation in a closet, the company decided to accelerate the process in 2021 by focusing on its people and work culture. Fortunately, our executive team saw this as an opportunity to disrupt.

HOW PSYCHOLOGICAL SAFETY CONSTRUCTS A SPACE FOR INNOVATION

Innovation is not iterative. It is never dull or uninteresting, and it is in a constant state of change. No great idea begins from conception and immediately becomes a million-dollar product. There is always a period of improvement. It's not quick or easy. It's the result of successful teams collaborating together with the same vision in mind.

A few years ago, Google gathered its best and brightest to codify



the secrets of team effectiveness. Like most companies, the executive team initially believed that building the best teams meant bringing together the best people. However, after studying nearly 200 groups under the name Project Aristotle, they discovered that effectiveness was not the result of bringing great people together. Instead, Project Aristotle pinpointed the five key characteristics of a successful team—one of them focused on psychological safety. Google described the characteristics in November 2015 in its re:Work blog, “The Five Keys to a Successful Google Team.” Google found that to be effective and successful and to deliver innovative products, people need to feel safe. Successful team members believe that they can share their ideas in a psychologically safe environment without being embarrassed, rejected, or punished. They understand the specific job expectations or consequences and can be relied on to complete a project or task.

Psychological safety is not a leadership trait, but one that is embedded into the culture of an organization striving to innovate and retain its talented workforce. Therefore, executives support building the foundation and give it the resources needed to embed it into the company’s DNA.

Before psychological safety went mainstream in Fortune 500 companies, leaders used compensation, benefits, and seemingly endless snacks to energize their employees. It was standard to bring teams together and rally them with big speeches, exuberant language, and enticing promises. COVID-19 altered that landscape in a number of ways.

- Suddenly, employees are working in different locations and time zones.


- Their offices are in dining rooms, bedrooms, and living rooms.
- Distractions can include pets, young children, and the comforts of home.
- Zoom calls have become the new email, whittling away people’s productivity and time.

Fear of reprisal, inability to discern facial expressions on screen, or not wanting to be seen as a “complainer” make it difficult for many to truly raise their voice. Disconnected, these employees have very little reason to come up with innovative ideas, let alone produce. Building a psychologically safe environment is hard and time consuming. It requires the top and middle management to buy in for it to succeed with all members of the organization.

FOUR CRITERIA FOR BUILDING A PSYCHOLOGICALLY SAFE ENVIRONMENT

According to Maslow’s hierarchy of needs, psychological safety is as important as the physiological (i.e., food, water, shelter) and the physical (i.e., economic, violence) for motivation to occur. The criteria for building a safe environment include:

- Inclusion (the feeling of belonging)
- Learner safety (the ability to be open to understanding the skills gap and the desire to improve)
- Contributor to safety (the knowledge to apply the skills to what matters most)



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- Challenge (the awareness to feel one can improve)

Organizations that thrive in psychologically safe environments don't hire talent for cultural fit. That was the old way. Instead, successful companies hire individuals who bring something new to the organization, such as diverse perspectives, unique skill sets that have not been applied before, or even experience from different industries.

Psychologically safe companies hire individuals aligned with the culture's behavior, attitudes, and values. For example, at FH, it is important that our company doesn't focus on years of experience during the hiring process. Rather, we look for talented individuals who also imagine a healthier world just as much as we do and are passionate about helping achieve that goal. In this environment, innovation begins to rise when diverse perspectives come together and people feel open enough to say that something isn't working or could be revised.

In a culture built on a psychologically safe foundation, all members understand that micro-cultures exist and are accepted. Different experiences and backgrounds all ladder up to sharing perspectives that could lead to a better end product.

BUILDING A FOUNDATION IS NOT A ONE-AND-DONE EVENT

It's important to emphasize that creating a policy that says this is a safe environment and posting it on the walls does not make it so. There's trial and error, testing and tweaking, and training and improving.

FH started its innovative process with a pilot program in one city. The program, called Team Design, is intended to create an environment where teams can flourish. We provided an opportunity for feedback, conflict communication, collective intelligence, and belonging—all of which are integrated into our purpose and values.

Team Design began with a workshop that all cross-functional

teams participate in. Each team member is tasked to make him- or herself accountable and create a document that enables each member to discuss a successful way of working with others. The workshop does not “discriminate” the perspectives of new employees against those who are more seasoned. Rather, both are viewed and discussed equally.

Based on the outcome of the pilot, the program was adjusted. We've begun implementing the approach in groups across the whole organization. In the end, once psychological safety has seeped into our DNA, FH should be able to see:

- Higher levels of collaboration
- Increased productivity
- Stronger relationships
- Improved retention
- Accelerated execution of transformative ideas

This will allow immediate delivery of better services, better products, and better relationships for clients. Lastly, this will demonstrate revenue growth for FH's brands. While most of us hope that the end of this pandemic is near, work life as we previously knew it will have forever changed.

To continue succeeding in this new landscape, companies must learn to adapt to an environment where employees want more than just compensation, benefits, and free snacks. They want leaders who are empathetic and open-minded, have an attentive ear, and encourage every voice in the room to be heard. Employees want an organization that offers flexibility, diversity, opportunities for growth, and a safe place to share their perspectives without retribution. In this environment, we are the ones that are likely to recruit effectively and retain talented employees. And innovation? It is at the forefront. [CC](#)

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