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Erasmus+ Programme  
of the European Union



# Innovation

VS.

# Compliance

# Innovation

Assoziationen mit:

Creativity

renewal

fresh ideas

Entrepreneurship

# Creativity

Individuality

Curiousness

# Ideas

Out of the Box

Not yet thought of

# Unternehmertum

Dünne Grenze zwischen  
Unternehmertum und

Gehorsamsverweigerung

Ethik: Die Regeln brechen

# Unternehmertum

Leadership

Kreativität

Expertise und Wissen

Autonomie

# Compliance

Assoziationen mit:  
Gesetze

Richtlinien

Interne Kodizes

(Governance)

# Laws

Laws must be obeyed,  
Also by organizations. Period.



# Policies

Help in external relations  
e.g..versus associations...

Obeysance creates trust (external)  
Riscmanagement (external and internal )

# Internal Codes

Code of Conduct

Operative Processes

Surveillance of Employees  
(Misstrust?)

# Innovation vs. Compliance

- Individuality
  - Curiousness
  - Out of the Box
  - Not yet thought of
  - Thin line between entrepreneurship and insubordination
  - Ethics: Rule-breaking
  - Leadership
  - Creativity
  - Expertise and Knowledge
  - Autonomie
- Laws
  - Policies
  - Voluntary Codes
  - (Governance)
  - Obedience of Law
  - Trust by externals
  - Code of Conduct
  - Operative Processes
  - Surveillance of Employees (Misstrust?)

# Innovation vs. Compliance

Insubordination vs. Societal acceptance

Efficiency / Effectiveness vs. observance of rule

Self-discipline vs. Being controlled

Motivation vs. Sanctioning

Connecting vs. Protecting

Trust vs. Mistrust

Theory Y vs. Theory X

# Innovation vs. Compliance

Thesis:

Unless Governance and Compliance Management Systems do recognize the variability of business contexts and the individuality of people, they will breed non-innovative cultures.

(This is how we always did it, how we do it, and always will do it...)

# Innovation vs. Compliance

Simon Sinek: „If you do not understand people, you do not understand business“

... when we are surrounded by people that believe what we believe, trust emerges... then we are more willing to experiment - which requires failure...

... every decision we take is a communication, it says s.th. about who we are and what we believe... this is why authenticity matters... the things we say and do are symbols of what we are and what we believe...

You can put out false symbols, and you will attract people to these symbols, but you won't form trust...

# Innovation vs. Compliance

Dan Pink: „The Puzzle of Motivation“

Example candle stick problem: Motivation by Rewards:

Mechanical skill (left brain) = it works

Rudimentary cognitive skills (right brain) = does NOT work

Incentives (and punishment) do not work for creativity

# Innovation vs. Compliance

Dan Pink: „The Puzzle of Motivation“

Missmatch of what science knows and what business does:

If businesses want the high performance on the definitional tasks of the 21st century, then give people:

Autonomy – Mastery – Purpose

The common set of value and believes should be governance and compliance enough



# Innovation vs. Compliance

Ken Robinson: „How to escape education’s Death Valley“

Role of Leadership is NOT about

„Command and Control“, but about

„Climate Control“

Climate of Diversity – Curiosity – Creativity

– Culture of opportunity for creativity, curiosity on an individual basis...

## Links and Resources:

Brenkert, George G. (2009); Innovation, rule breaking and the ethics of entrepreneurship; Journal of Business Venturing, vol. 24, pp. 448-464

Garvin, David A.; Levesque, Lynne C. (2006); Meeting the challenge of corporate entrepreneurship; Harvard Business Review, October 2006. pp. 102 – 112

Winston, Elaine (2006); An exploratory study of end user computing strategy, managing for compliance and innovation; Issues in Information Systems; Volume VII, No. 2, 2006, pp. 110-115

Simon Sinek: „If you do not understand people, you do not understand business“; Video: <http://vimeo.com/26774102>

Dan Pink: „The Puzzle of Motivation“; Video: [http://www.ted.com/talks/dan\\_pink\\_on\\_motivation.html](http://www.ted.com/talks/dan_pink_on_motivation.html)

Steven Johnson: „Where good ideas come from“; Video: [http://www.ted.com/talks/steven\\_johnson\\_where\\_good\\_ideas\\_come\\_from.html](http://www.ted.com/talks/steven_johnson_where_good_ideas_come_from.html)

Ken Robinson: „How to escape education's death valley“ Video: [http://www.ted.com/talks/ken\\_robinson\\_how\\_to\\_escape\\_education\\_s\\_death\\_valley.html](http://www.ted.com/talks/ken_robinson_how_to_escape_education_s_death_valley.html)

