



ACQUISITION INNOVATION  
RESEARCH CENTER

# Systemic Factors Influencing Risk Aversion: Diagnosing Behaviors and Tailoring Interventions for Lasting Transformation

EXECUTIVE SUMMARY  
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## EXECUTIVE SUMMARY

This report discusses the Phase II work for the Systemic Factors Influencing Risk Aversion: Diagnosing Behaviors and Tailoring Interventions for Lasting Transformation project (WRT-1081.8.4). The project was a collaboration between the Air Force Installation Contracting Center (AFICC) and The Ohio State University (OSU). The research was focused on three main objectives: 1) validate and elaborate on the model of systemic pressures faced by the acquisition workforce that impede innovative behaviors, 2) assist AFICC with a proven method of identifying and assessing high potential local innovations that had high value for scalability to other parts of the organization, and 3) build capacity within AFICC to support a culture of innovation by training personnel and developing materials to sustain an ongoing program.

As a part of these objectives, the research team conducted interviews using the Systemic Contributors and Adaptations Diagramming (SCAD) technique. Data from the SCAD interviews continued to both confirm and elaborate on the model of system attributes and pressures that was developed in Phase I, which indicate barriers and facilitators to innovation. The data validated the previous interpretations in the model showing strong representation of prior themes (see Appendix A in the report).

Notable findings from the SCAD interview dataset include:

- Attributes reliably associated with supporting innovative acquisitions behaviors: a) making room for failure and risk-taking, b) fostering organizational learning, c) aligning team goals, d) collaborating internally and externally, and e) supporting autonomy were consistent in this data set. Organizational learning and goal alignment remained similarly cited, while creating room for failure were represented less and collaboration and autonomy showed a slight increase in representation.
- Systemic pressures that either strengthened or eroded system attributes linked to innovation were present in this dataset. These pressures were: a) procedure, b) time, c) innovation prioritization, d) workload, e) budget constraint, f) turnover, and g) reliance on routines.
- Previous pressures elaborated with new interdependencies were noted in a) turnover and b) turnover and goal alignment.
- Leadership support was previously identified as a compounding pressure and the evidence from Phase II data showed it continued to play a powerful influence on helping or hindering innovative behaviors. A new set of reported leadership support systems pressures that strengthen and erode innovation attributes includes:
  - » **Availability:** Leaders are available/accessible to their team encouraging them to find solutions but providing support when needed.
  - » **Feedback:** Getting more frequent feedback from leadership and customers creates opportunities to (a) realign goals across levels, (b) address and learn from issues, and (c) generate new insights and innovations.
  - » **Openness:** Leadership makes it 'okay' not to know everything. They encourage people to ask questions and share knowledge to enable a culture of openness to learn. Leaders provide "top cover" for teams and individuals experimenting with innovative solutions.
  - » **Bridging:** When the originator of an innovation leaves the team, leadership or another team member acts as a throughline for an innovation, orchestrating the handoff and providing the ongoing momentum.

- » **Accounting for tradeoffs:** Goal alignment specifically on the risk vs reward tradeoff is important to getting an innovation off the ground.
- » **Authority-Responsibility Alignment:** Allowing people to have flexibility and freedom to complete work they are responsible for through their own means, (i.e., more personal authority over work).
- » **Goal misalignment:** One person in the right position of authority who does not share common goals can stop an innovation in its tracks.
- » **Incoming orientation toward Innovation:** A change in leadership greatly impacts the goals and innovation capability of the team. (+) New leaders who have a desire to innovate can create an environment that allows more risks to be taken and boundaries to be pushed. (-) New leaders who prioritize status quo can halt previously developed innovations as new ideas.

The research team also used the practical, evidence-based IMPActS workshop to design and revise interventions that address system attributes found critical to enabling successful innovative behaviors. In a co-design process with our AFICC partners, the Accelerating IMPActS workshop evolved. We adapted the content, facilitation, and panelist selection to ensure the workshop was high value to intervention owners and panelists who were contributing to the ideas.

During the Phase II, the research team trained two Program Leads through formal training courses and weekly coaching calls, worked with three Innovators to assess and develop their ideas for broader adoption, facilitated eight panelists to provide their subject matter expertise in assessing the intervention ideas, and our Program Leads briefed several leaders throughout the project.

The team developed a series of program materials to sustain the program after the project ended. These materials included: a) marketing materials to raise awareness, b) instructional materials to support training a cohort of 'Innovation Advocates', c) templates and tools to aid in conducting interviews and analysis, and d) instructional materials and a facilitation guide for IMPActS workshop facilitators.

Our experience and findings suggest strongly that external efforts (e.g., training, coaching, research) to support novel programs like the AFICC Innovation Alliance must be synchronized with the availability of an internal Program Leader that is sufficiently motivated intrinsically (i.e., possessing a strong internal drive towards innovation) and extrinsically (e.g., aligned incentives, leadership direction), be at the right level of the organization to have sufficient understanding and connection to the relevant front line work, and sufficient latitude to make change.

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