



PART 3

Read the text below and answer questions 27–40.

FOSTERING A CULTURE OF INNOVATION

Innovation is frequently narrated through a romantic lens: the lone inventor, the sudden insight, the heroic entrepreneur. This “Great Man” account is culturally convenient because it offers a clear protagonist and a tidy causal story. Yet it obscures a more uncomfortable reality. In organisations, novelty rarely arrives as a finished product authored by a single mind; it emerges from institutional conditions—funding rules, information flows, tolerance for uncertainty, and the mundane routines that decide which ideas receive oxygen and which quietly suffocate. In this sense, innovation is less a personality trait than a property of a system.

The system view becomes clearer when one considers the paradoxes organisations must manage. The very practices that make a firm reliable—standardisation, risk controls, predictable incentives—can also make it hostile to experimentation. At the same time, unchecked experimentation can degrade reliability and produce costly chaos. Scholars have described this tension as organisational ambidexterity: the capacity to exploit existing assets efficiently while simultaneously exploring uncertain possibilities that may disrupt current business models. The difficulty is not recognising that both are necessary; it is designing arrangements in which exploration is not perpetually postponed by the urgent demands of exploitation.

Psychological safety, a concept strongly associated with Amy Edmondson’s work on team learning, is often presented as a foundation for exploration. In psychologically safe teams, individuals believe that voicing doubt, reporting near-misses, and challenging assumptions will not trigger humiliation or punishment. This matters for innovation because early ideas are typically partial and socially fragile. If people learn that “being wrong” carries reputational danger, they will protect themselves by offering only safe observations and incremental suggestions. However, Edmondson’s argument is frequently misunderstood as a plea for comfort. Psychological safety is not the removal of standards; it is the removal of interpersonal penalty for engaging with uncertainty.

Safety, nevertheless, does not substitute for discipline. Many organisations become skilled at producing the theatre of innovation—hackathons, idea portals, brainstorming rituals—while leaving intact the bottlenecks that determine whether experimentation can mature into a scalable solution. Employees may generate lively prototypes, yet lack access to data, cannot obtain time from overloaded calendars, or are blocked by territorial



boundaries between departments. The result is frustration disguised as creativity. In ambidextrous terms, exploration is symbolically celebrated while structurally starved.

Incentive architecture further reveals how ambidexterity can collapse. When rewards focus narrowly on short-term delivery, individuals learn that uncertainty is career risk. They respond rationally by avoiding projects whose payoffs are distant, whose outcomes are difficult to measure, or whose probability of failure is non-trivial. Conversely, if novelty itself is rewarded—"most innovative demo," "best idea," "fastest prototype"—the organisation may inflate creativity without producing impact. Teams become fluent in producing impressive artefacts that do not integrate with operations, compliance, or customer reality. Innovation then becomes a sequence of non-scalable experiments rather than a mechanism for durable improvement.

One common operational obstacle is the economics of attention. Meetings, urgent requests, and perpetual "alignment" can consume the time required for deep exploration. This is not simply a scheduling problem; it reflects a governance choice about what counts as legitimate work. Some firms attempt to protect exploratory time through internal grants, sanctioned slack periods, or rotating sprints that legitimise investigation rather than forcing it into evenings and weekends. Yet protected time must also be accompanied by an evaluative pathway—criteria for deciding when to invest further, when to stop, and how to harvest learning even from unsuccessful trials.

At this point, the conversation about failure becomes decisive. Contemporary innovation talk often romanticises failure as evidence of courage, but organisations cannot afford indiscriminate loss. A more precise notion is intelligent failure: small, bounded, information-rich experiments conducted in domains of genuine uncertainty, designed to test assumptions quickly and to generate learning. Intelligent failure contrasts with preventable failure, where the organisation repeats known mistakes, ignores available evidence, or allows avoidable errors to reach customers because safeguards were neglected. The ethical distinction is significant: celebrating preventable failure is a form of negligence; analysing intelligent failure is a form of stewardship.

Ultimately, an innovative culture is built through institutional design rather than motivational slogans. It requires an ambidextrous settlement: enough reliability to protect stakeholders, and enough exploration to prevent stagnation. Psychological safety allows inconvenient information to surface early, yet it must be paired with accountability so that candour produces action rather than endless debate. The goal is not to worship novelty, nor to punish risk, but to create routines in which learning is cheaper than silence and improvement is valued more than performance theatre.



Questions 27–31

Choose **YES** if the statement agrees with the claims of the writer, choose **NO** if the statement contradicts the claims of the writer, or choose **NOT GIVEN** if it is impossible to say what the writer thinks about this.

27 The writer argues that the “Great Man” story of innovation hides the role of organisational conditions and routines.

28 The writer suggests that organisational ambidexterity means prioritising exploration while largely ignoring reliable execution.

29 The writer implies that psychological safety is best understood as removing standards so that employees feel comfortable.

30 The writer suggests that visible innovation activities such as hackathons are sufficient on their own to turn experiments into scalable solutions.

31 The writer claims that failure should be celebrated regardless of cost, because it always indicates courage.

Questions 32–35

Complete the summary below. Choose **ONE WORD ONLY** from the text for each answer.

Organisational conditions for innovation

Firms need organisational **32** to exploit existing assets efficiently while also exploring uncertain possibilities. However, visible innovation activities may achieve little when structural **33** prevent experiments from developing into scalable solutions. Meetings and urgent requests can also consume the **34** required for deep exploration. When experiments fail intelligently, analysing what has been learned is described as a form of **35**

Questions 36–40

Select the correct answer.

36 Why does the writer describe innovation as a property of a system rather than simply an individual trait?

A Successful innovation depends mainly on recruiting people with exceptional creative ability.

B Organisational conditions influence which ideas receive support and which are allowed to disappear.



- C** Individual inventors rarely contribute anything important to new products or services.
- D** Innovation becomes predictable once organisations establish formal funding procedures.

37 Which idea best captures the writer’s use of “organisational ambidexterity”?

- A** Innovation grows fastest when routine work is minimised.
- B** Exploration and exploitation cannot coexist in the same organisation.
- C** Firms must pursue novelty while maintaining reliable execution and safeguards.
- D** Organisations become innovative mainly by removing controls and standardisation.

38 What is implied about “innovation theatre”?

- A** It can occur when visible creativity rituals exist but structural bottlenecks remain.
- B** It is an effective substitute for providing time, data, and cross-team cooperation.
- C** It is caused primarily by employees refusing to participate in idea-generation events.
- D** It occurs only in regulated industries where experimentation is forbidden.

39 What does the passage suggest is the main danger of rewarding novelty alone?

- A** It eliminates psychological safety by making employees fear humiliation.
- B** It guarantees that exploration will be postponed by urgent operational tasks.
- C** It reduces attention to learning because experiments become too small to matter.
- D** It can create impressive prototypes that fail to integrate and therefore do not scale.

40 According to the writer, what makes “intelligent failure” defensible?

- A** It is repeated frequently until a successful outcome occurs.
- B** It is small, bounded, and designed to generate information in genuine uncertainty.
- C** It happens only when standards have been removed to encourage comfort.
- D** It is preferable to preventable failure because it avoids any need for safeguards.

Answer Key

27. YES

28. NO

29. NO

30. NO

31. NO

32. ambidexterity



33. bottlenecks

34. time

35. stewardship

36. B

37. C

38. A

39. D

40. B