

What steps should Entrepreneurs and Government take to become more innovative?

Author: Marija Elena Borg (MALTA)

According to David O’Sullivan and Lawrence Dooley, “innovation is the process of making changes to something established by introducing something new” ¹. Such changes can be radical – implying drastic or far-reaching modifications - or else gradual – often relying on consistent, incremental progress. Either way, innovation impacts the growth of organisations, not solely in terms of their turnover and profit levels, but also in terms of their degree of expertise, efficiency and quality.

Since innovation is applicable to any work area of any given organisation, individuals and entities operating in both the public and private sector stand to benefit. This is the reason why the following steps may be considered applicable to both entrepreneurs or private business owners, as well as to government officials and policymakers.

STEP 1: Allocate Time for Creativity and Innovation

In today’s fast-paced society, people across the globe spend most of their days working hard and long hours to keep up with life’s demands and achieve success in their careers. Naturally, this creates overwhelming scenarios, that render people susceptible to high levels of stress. In this regard, a 2016 *Psychological Science* Study conducted by Shira Baror and Moshe Bar² has proven that mental overloads negatively impact the process of creative thinking. Employees who are continuously stretched too thin or allocated a workload that is simply too much to bear, are therefore unable to serve as a source of innovation and inspiration at the workplace.

¹ David O’Sullivan and Lawrence Dooley (2008), ‘Chapter 1: Defining Innovation’, *Applying Innovation*, SAGE Publications, p.3.

² Shira Baror and Moshe Bar (2016), ‘Associative Activation and its Relation to Exploration and Exploitation in the Brain’, *Psychological Science*, Volume: 27 issue: 6, page(s): 776-789.

To mitigate this issue, a number of organisations have already been implementing initiatives that allow for their workers to dedicate time in their day-to-day schedules for creativity and innovation. For instance, one of the world's most innovative technology companies, 3M Corporation, implemented a '15% rule' as part of its core innovation strategy. Such a rule permits scientists and engineers to "spend up to 15% of their time pursuing projects of their choice"³ with the intention of stumbling upon unexpected opportunities and breakthrough innovations. As emphasised by William McKnight, then Chairman of the 3M Corporation's Board, "if you put fences around people, you get sheep. Give people the room they need"⁴.

In his publication *Imagine: How Creativity Works*, Jonah Lehrer uses advanced neuropsychology to explain why initiatives like these tend to be successful:

"Moments before subjects solve a tricky creative problem, a steady stream of alpha waves emanates from the right hemisphere of the brain -- the half more closely associated with abstract thinking than with tightly focused logical reasoning."⁵

Alpha waves are typically generated through enjoyable activities. For some, such activities may simply refer to napping or leisure reading, whilst for others they may range from trekking to surfing and abseiling. Granting employees with sufficient leisure time therefore enables them to work through problems more effectively and come up with new solutions. Not all organisations will afford to abide by the 3M Corporation's '15% rule', however, it is important for them to prioritise innovation and seek to at least allocate employees some time to think and dream big.

STEP 2: Surround Themselves with Creative, Inquisitive and Proactive People

In the quest for innovation, entrepreneurs and government officials should always strive to engage people with an "entrepreneurial DNA"⁶. As highly inquisitive individuals – often also

³ Vijay Govindarajan and Srikanth Srinivas (2013), 'The Innovation Mindset in Action: 3M Corporation', *Harvard Business Review*, at: <https://hbr.org/2013/08/the-innovation-mindset-in-acti-3>, (viewed on 30/06/2018).

⁴ Ibid.

⁵ Jonah Lehrer (2012), *Imagine: How Creativity Works*, Penguin Books Ltd.

“critical of the status quo”⁷ – such people are constantly on the lookout for ideas that could spur innovation.

The so-called ‘creatives’ are linked to a condition called ‘low Latent Inhibition’, which essentially means that the brain of these individuals is unable to suppress anything that it does not consider as important or relevant to the current situation. Due to this ‘inability’, the human brain provides creatives with the raw ingredients that they require to generate their unique and exclusive ideas.

Besides creatives, however, innovation also requires the input of highly proactive and opportunistic people. Being action-oriented and sensitive to market trends, such individuals are crucial in driving the second phase of innovation – its implementation.

Therefore, it is important not to perceive innovation as the result of “heroic individual efforts”⁸. Rather, each and every innovation action is the product of teamwork – which necessitates the setting up of appropriate teams of people at the place of work. It would be futile to have a team that is only made up of creative individuals, as these will only excel at the first phase of innovation – the generation of novel ideas. Similarly, it would be pointless to have a team that solely comprises of proactive individuals as these would probably never pause to reflect on their actions and see whether they need to re-strategise their way forward. As a result, it is imperative for teams to be structured in a way that incorporates people with different sets of skills, who can all contribute to the talent mix and push for innovation in the most efficient of ways.

⁶ Anthony K. Tjan (2009), ‘Entrepreneurial DNA: Do you have it?’, *Harvard Business Review*, at: <https://hbr.org/2009/04/entrepreneurial-dna-do-you-have> (viewed on 11/08/2018).

⁷ Tomas Chamorro-Premuzic (2014), ‘4 Unavoidable steps to building an entrepreneurial organisation’, *Fast Company*, at: <https://www.fastcompany.com/3035437/4-unavoidable-steps-to-building-an-entrepreneurial-organization>, (viewed on 11/08/2018).

⁸ Ibid.

STEP 3: Adopt Appropriate Management Skills that will allow for the Creation of an Innovation Culture

Besides ensuring that tasks and projects are being implemented by a team of people with complementary skill sets, it is imperative for a business owner or a government official in a top position to learn how to appropriately manage employees. Workers with an 'entrepreneurial DNA' cannot tolerate routines or tasks that can easily be completed on 'autopilot'. Instead, they are motivated by challenging and tricky projects that can result into great accomplishments. Unless such employees are appropriately managed and given an incentive to shine, there exists a high probability that they will end up demotivated and turn their strengths into weaknesses.

Moreover, workers that may not be naturally inclined towards entrepreneurship, should still feel empowered to act in an innovative way at the place of work. This form of empowerment should fundamentally stem from the creation of an environment "where individuals feel incentivized to take risks, make their own decisions and experiment"⁹. In other words, a culture that renounces bureaucracy and promotes the sharing of ideas. To enable the creation of this culture, leaders must have trust in their workers and allow them to feel proud of the success that they bring upon the company or government department.

STEP 4: Invest in Public – Private Partnerships

Whilst there is no widely accepted definition of a Public – Private Partnership (PPP), such a partnership can be understood as "a long-term contract between a private party and a government agency for providing a public asset or service"¹⁰. In a PPP, partners are expected to share risks and may exchange intellectual property and resources (human, financial) in any proportion they deem appropriate.

⁹ Tomas Chamorro-Premuzic (2014), *ibid*.

¹⁰ World Bank Group (2018), 'What are Public Private Partnerships?', Public-Private-Partnership Legal Resource Centre, at: <https://ppp.worldbank.org/public-private-partnership/overview/what-are-public-private-partnerships>, (viewed on 26/08/2018).

For instance, one type of PPP is a Research Partnership, through which public and private entities come together to develop common tools, methods and platforms that support (early stage) innovation. It is clear that such a partnership not only allows for an increase in investment in research activities, but also addresses the fragmentation of research efforts between public and private entities¹¹.

PPPs can also play a crucial role in concept development and the drafting of system strategies. The far-reaching effects of such systems necessitates the input of a neutral multi-stakeholder environment. In this way, bias is minimised and the use of available expertise is optimised.

Consequently, the implementation of PPP arrangements enables faster project completion rates, facilitates increased return on investment and, more importantly, leads to an increase in design and/or operational innovation¹².

STEP 5: Expect Failures

Ultimately, it is important to understand that even with a specialised innovation programme, ideas that are intended to increase innovation at an enterprise or governmental level, may not all turn out to be successful.

If an enterprise or a government department wants to become a force for innovation, it primarily needs to ensure that the organisation is not solely rewarding success. As penned by the Irish novelist and poet, James Joyce, “mistakes are the portals of discovery”¹³. It is therefore through failure that one learns to think outside the box.

¹¹ Vincent Reillon (2017), ‘Public-Private Partnerships in Research’, European Parliament Think Tank, at: [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2017\)603934](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2017)603934) (viewed on 29/08/2018).

¹² Marija Elena Borg (2017), ‘Promoting Entrepreneurship – The Impact of the European Union’s Structural and Cohesion Funds on Start-Ups in Malta’, Master’s Dissertation, Institute for European Studies, University of Malta, p.62

¹³ Michael Frese (2015), ‘Mistakes matter: Accepting errors can raise your firm’s performance’, at: <http://thinkbusiness.nus.edu/article/error-management-and-innovation/>, (viewed on 25/08/2018).

Obviously, a distinction needs to be made between 'good' and 'bad' failures. A 'good' failure is one that brings insight and experience to the team, whether the result is profitable or not. As long as the mistake is original and able to be rescued and re-applied in another way, it is safe to say that this form of failure is a step towards success. In contrast, a 'bad' failure is one that has already been made a number of times and ends up costing a lot of time, money and resources. The key to perceiving failure in a more positive light lies in promoting smart solutions and learning to distinguish between 'good' and 'bad' mistakes.

Based on the five steps identified above, it is clear that people are the primary cause for innovation within both enterprises and government departments. Leaders have the potential to make a difference by creating appropriate environments for innovation to thrive and flourish. In return, employees are expected to feel more motivated to work and propose ideas that could increase the rate of product or process innovation at the workplace.

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