

# Organisations must innovate to create an entrepreneurial workforce

If there is a strong correlation between entrepreneurship and economic growth - and there is - then there is also a connection between a company's entrepreneurial culture and its bottom line. In today's challenging economic climate, entrepreneurship and innovation seems to be elusive for many organisations.



Joyce Lebelo

"Successful entrepreneurs share certain characteristics: they are innovative thought leaders and visionaries who are willing to take risks to transform an idea into a reality. In order to promote that type of thinking in an organisation, it's necessary to create a learning culture that promotes innovation," explained Joyce Lebelo, LRMG Partner and Managing Executive: e-learning. "A true culture of entrepreneurship and innovation involves exponential effort from the workforce and opportunity for continuous improvement throughout. This requires a kind of leadership that taps into the collective genius."

Referring to research by author and management guru, Linda A Hill, Lebelo shares Professor Hill's belief "that innovation is far more than a competence; it must be a key element of the organisational culture". In her book, *Collective Genius*, Hill stated that in order to harness collective genius, leaders must create organisations that are willing and able to innovate. Willingness is achieved by uniting purpose, shared values and rules of engagement. Ability sits in a process that includes creative abrasion, creative agility and creative resolution.

Hill described creative abrasion as the opportunity to collaborate through open dialogue and discussion. Creative agility talks to experimentation and discovery, while creative resolution is about being able to make and implement decisions following the creative process. Lebelo believes that all of this is underpinned by a culture of learning where people feel safe to create and explore, and, therefore, are able to contribute to innovation. Learning and performance must be seamlessly woven into everyday tasks and objectives.

## Failure is not fatal

"Remember that learning is a practice, not an event," advised Lebelo. "Employees will feel more comfortable to contribute new ideas if they understand that failure is not fatal. Create an environment where people feel safe to fail."

Ultimately, leaders who promote a learning culture show that they value every employee's input and demonstrate respect and trust, and are well on the way to creating an entrepreneurial culture.

"This is the key to addressing South Africa's high unemployment figures. We need to look beyond the government for the creation of new jobs, and private enterprises play an important role," said Lebelo. "A GEM 2011 reports states that established businesses create 3.2% jobs on average."

However, South Africa's prohibitive regulations and excessive costs related to hiring and dismissing staff mean many new businesses are hesitant to take a chance on employing unskilled workers who show entrepreneurial flair - people who might very well contribute positively to their organisation. For those individuals who have the courage to start their own small business, tough regulations once again come into play with endless bureaucracy, exorbitant start-up fees and limited access to finance. In short, some of South Africa's staunch regulatory requirements are hindering entrepreneurship - from grass roots straight through to established businesses.

"There is a lot that enterprises can do within their organisation to encourage entrepreneurship. Outside of their reach are government policies, and this is something we should look at as a matter of urgency. Other developing countries around the world, such as Peru, which have relaxed their employment regulations and improved the process of starting a new business have fared well - we could take a page out of their book," concluded Lebelo.

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