

HR INSIGHTS

Magazine

from the eyes of industry leaders

2020 VISION:

THE IMPORTANCE
of LONG-RANGE PLANNING



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Promoting INNOVATION in a Corporate Environment

BY VALERIE GRUBB

In boardrooms across the USA, there's more and more talk about how "America is losing its entrepreneurial edge"¹ in the wake of increased consolidation and competition from foreign competitors. But savvy senior leaders and HR executives know that an organization's continued success depends on innovation and risk-taking to keep the company relevant for the future. Indeed, a joint study by IESE Business School of the University of Navarra and Capgemini Consulting found that companies with greater amounts of innovation enjoyed greater financial performance.²

That sounds great—in theory. But how can HR and senior leaders encourage risk taking, foster an environment of innovation, and nurture an entrepreneurial spirit in a corporate setting?

First, consider these definitions:

- **risk-taking:** "the act or fact of doing something that involves danger or risk in order to achieve a goal"³
- **innovation:** "a new idea, device, or method"⁴
- **entrepreneurship:** "the capacity and willingness to develop, organize, and manage a business venture along with any of its risks in order to make a profit"⁵

These characteristics are so key to an organization's success because they embody an attitude—an approach to doing the job that compels an employee (regardless of whether he or she is in a leadership position) to engage in creative problem solving and to actively pursue a better way of operating rather than merely follow along with business as usual. Employees who exhibit an entrepreneurial spirit seek out positive change that improves the company's culture or function and don't just wait for change to come to them.

As anyone in a large organization can attest, though, *every day* in a corporate environment involves some risk. It's risky to propose new ideas. It's risky to oppose popular views when you think there's a better way. Even saying "Yes, my team and I can do this on time and within budget" is risky because there is still a chance that you could fail (and in some organizations, the consequences for failure can be severe). Unless senior leaders learn how to accept—and manage—risk, innovation and entrepreneurship will remain out of their reach.

In order to foster innovation, support for an innovative attitude must start at the top. Even the senior-most HR executive would have a hard time promoting innovation, risk-taking, and an entrepreneurial spirit without the support of the rest of his or her C-suite team. To promote these behaviors in your company, look to your executive team to lead the way with their direct reports. These eight suggestions can help create an environment in which innovation-supporting practices spread throughout and permeate your organization.

1. Eric Garland. 2014. "Why America Is Losing Its Entrepreneurial Edge." *Harvard Business Review*. hbr.org/2014/05/why-america-is-losing-its-entrepreneurial-edge/.
2. Paddy Miller et al. 2012. "Innovation Leadership Study: Managing Innovation: An Insider Perspective" *Capgemini.com*. www.capgemini.com/resource-file-access/resource/pdf/Innovation_Leadership_Study_____Managing_innovation__An_insider_perspective.pdf.
3. *Merriam-Webster's Learner's Dictionary*.
4. *Merriam-Webster's Learner's Dictionary*.
5. *BusinessDictionary.com*.
6. Frank Lewis Dyer and Thomas Commerford. 1910. *Edison: His Life and Inventions*, volume 2. New York: Harper & Bros., p. 616.
7. Accenture. 2014 3. "Corporate Innovation Is Within Reach: Nurturing and Enabling an Entrepreneurial Culture" *Accenture.com*. www.accenture.com/t20150523T052044_w___/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Strategy_2/Accenture-Survey-Enabling-Culture-Innovation-Entrepreneurialism.pdf.

#1

STIMULATE IDEA GENERATION

When I was the vice president of operations at Oxygen Media, my team and I held quarterly brainstorming sessions that were unrelated to our day-to-day-business. In these meetings, we focused on identifying critical tasks and new approaches that weren't already on our to-do list. This no-holds-barred, no-idea-is-a-bad-idea kind of meeting resulted in our operations team constantly being on the cutting edge of change and reinvention. It was also *incredibly* exciting for the team members!

#2

PROTECT IDEA GENERATORS

If you've ever been in a meeting and proposed a new idea that was instantly attacked, you probably learned pretty quickly to keep your mouth shut so you don't get shot down. Whether you're leading the team or are merely a team member, support the "crazy" idea generators who push everyone beyond their normal mode of thinking! Even just saying "Great idea! Who's next?" encourages brainstorming—and can lead to some amazing answers!

#3

DON'T SLAUGHTER SOMEONE FOR MISTAKES

When one of his business associates commented on how thousands of efforts to produce a new type of battery hadn't yielded results, Thomas Edison replied, "Results? Why, I have gotten a lot of results! I know several thousand [ways] that won't work!"⁶ The world is made richer by failure (Post-it notes and penicillin are two classic examples of this phenomenon), and both innovation and entrepreneurial spirit die when mistakes are punished.

In fact, an Accenture study on innovation and creativity in the workplace found that "although 42% [of employees surveyed] consider tolerance of failure from management [as] very important, only one in every eight employees thinks their company is good at that."⁷ If you're the leader of someone who makes a mistake (or even in the hot seat yourself), learn from that experience and move on.

#4

PROMOTE GOOD IDEAS

In addition to supporting idea generators, you also need to promote good ideas, regardless of who presents them. This can be challenging in corporate America, where both leaders and employees can be sensitive about their turf. If you think like an owner (another entrepreneurial mindset), you don't care *where* great ideas originate—but you're smart enough to recognize and implement them.

#5

BROADEN YOUR KNOWLEDGE BASE

The old adage "Knowledge is power" definitely applies to fostering an entrepreneurial spirit. Whether they occupy senior roles or are influencers in junior positions, leaders must constantly expand their knowledge bases in order to know more about their organizations. The more you understand how what you do affects other operations in the company, the more you'll be able to make informed decisions that help the entire organization.

#6

PUSH YOURSELF BEYOND YOUR COMFORT ZONE

We all know that it can be hard to speak up when you're in a junior role. Interestingly, though, it can be just as challenging to speak up when you're in a senior position—after all, no one wants to make a fool of himself or herself. That's why it's important to keep learning so you can make contributions throughout the company, not just in your own spheres of influence. So push yourself to break out of your day-to-day routines and responsibilities. Think beyond yourself, beyond your department, and especially beyond your comfort zone to lead change and innovation at your company.

#7

EMPLOY DIVERSE EMPLOYEES AND TEAMS

Workplace diversity is certainly an often-discussed subject—and for good reason: if you want the widest array of ideas, you need people with different viewpoints and ways of thinking. If everyone on your team has had the same life experiences, you may get mired in homogeneous groupthink. So to promote innovative, creative thinking in line with an entrepreneurial spirit, make sure that your team members reflect diversity in gender, ethnicity, age, experience, and other factors that can influence how they see the world.

#8

RECOGNIZE AND REWARD RISK-TAKING

Even if you're not the boss in your department, chiming in with encouragement—particularly in front of others—helps to promote and support an innovative spirit. Something simple can have a *big* impact. So say "Great idea!" or "Thank you" in a meeting, or send that e-mail telling another employee that his or her risk inspired you. Regardless of your position in the company, acknowledging and appreciating risk-taking can have positive, far-reaching effects throughout your organization.

Promoting innovation in your company can have a profound impact on your company. In fact, it may be just what you need to stay ahead of your competitors—and not trying to keep up with them. So engage your senior leaders now to encourage employees and support practices and attitudes that cultivate the environment of risk-taking, innovation, and entrepreneurship that can drive your company's success! ■

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