

Innovation and sustainable development through entrepreneurship

In today's global knowledge economy, knowledge is the primary source of innovation, sustainable value and wealth. The development and productive use of knowledge is becoming the key process of value creation for organisations as well as for societies. This fact changes the nature of work, organisations and the role of workers: work is becoming knowledge work, done by autonomous professionals working in networks, where relationships are based on reciprocal appeal. This means that the autonomous professionals are becoming the driver of innovation and success. They will only play this role strongly, when they can act as entrepreneurs: work from their personal drive and talents, are free to take initiative and responsibility to develop themselves and to create what they see as valuable, and are able to create a context that enables them to do this.

Loyalty, obedience and compliance were core values in the industrial economy. In the knowledge economy, these values will lead to mediocre results. Passion, talent, creativity, freedom and responsibility are needed for excellence. In this article, I will elaborate why this kind of entrepreneurship is called for and will explore the consequences for individuals and organisations.

By Dr. Paul Keursten



Economic and social developments

To understand the need for entrepreneurship in organisations, I start with a brief overview of some global, fundamental developments that are taking place in society and economy:

- Economic and societal development meet: the concept of wealth is broadening (e.g. Beinhocker, 2006). Moving from a strong focus on financial gain, we are becoming more and more aware of the fact that issues in economy and society are interlinked and part of a global system that is vulnerable and complex, that can not be controlled and managed, but asks for awareness and responsibility of individuals and organisations. Development of society as a whole is dependent on economic development and vice versa (B.M. Friedman, 2005): economical

success and productivity is strongly correlated with growth in trust, openness, tolerance, responsibility and democracy. This calls for an enlightened form of self-interest, in which individual and organisational development and wealth go hand in hand with the development of an open society based on trust and democratic values, and with a strong economy in which many participate.

- Survival in a knowledge economy calls for continuous improvement and innovation of an organisation's products, services and processes. An increasing body of research shows that innovation leads to increased turnover, market share and

profits (Volberda, Van den Bosch & Jansen, 2005). Innovation is needed to find new solutions for current issues in organisations and societies, and is crucial for sustainable development. It is striking that the traditional R&D departments are no longer the primary source: innovation is created more and more by dispersed networks in which users, production workers and developers interact. Also, we need to look at innovation from a broad perspective: it is not only technological in nature, but also social: developing new and innovative ways of organising and managing are becoming an important driver for innovation and success.

- Any specific innovation or improvement has a temporary value, the sustainable value lies in the ability to

improve and innovate. A sustainable organisation has the ability to be knowledge productive: to identify, gather and interpret relevant information, to use this information to develop new skills and to apply these skills to improve and radically innovate operating procedures, products and services (Kessels, 2001). Learning lies at the heart of this process: tracing relevant information, and developing and applying new competencies are based on powerful learning processes.

"Autonomous professionals are becoming the driver of innovation and success."

- The process of innovation through knowledge productivity is a creative process, driven by human intelligence, knowledge, passion and creativity. This puts the human individual at the heart of organising. This is not only true for a small number of highly talented people at the top: the number of creative professionals is growing rapidly, and already making up more than one third of the working population in developed countries, being responsible for more than 50% of the total productivity (Florida, 2002). This creative productivity demands courage, entrepreneurship, emancipation and passion. Conformism, loyalty and obedience, the carriers of the traditional economy, will not take us very far in the knowledge economy.

- Individuals are operating in networks on a global scale. Globalisation is taken to the individual level (Th. L. Friedman, 2005), where every individual has

"Excellence and innovation depend on individual professionalism, responsibility, and passion."

worldwide access to information and people. Space and markets are no longer local. Social and economical activity transcends national and regional borders. The national market economy is transforming into a worldwide network economy (Rifkin, 2004). In a network economy, access and participation take the place of selling and buying, cooperation based on reciprocal appeal and trust take the place of competition and conflict, and common interest replaces individual interest.

• The worldwide network society is potentially powerful but also vulnerable. We are more and more aware of global interdependency. Large differences in access, development and wealth are likely sources of tension and pose limitations to global and to individual development, safety and prosperity. This calls for awareness, empathy and active engagement of organisations and individuals in order to increase participation of as many people as possible in economic and social development.

In light of these developments, there is an increasing need to:

• create organisations that are knowledge productive as well as environments that enhance the wellbeing of our workers;

• use individual autonomy and responsibility, diversity and networks to develop innovative solutions for key challenges in organisations, economy and society;

• support the entrepreneurship and development of a large group of people who are now bystanders, to enable them to participate in economic and social development;

• stimulate powerful human networks across organisations and societies that foster safety, freedom and wellbeing. This is not an easy task, and a simple overall strategy with guaranteed success is not available. But if we need work in this direction, where could we start? Where can this development be influenced and strengthened? A good starting point could be the daily work practice and the

way individuals and organisations organise the work.

The changing nature of work

When we take a closer look at the changing characteristics and demands of work in organisations, we can see the following:

• The nature of work is changing. Much routine work is becoming automated or is being outsourced. Knowledge work, in which workers have to combine and interpret information and knowledge to find solutions for new problems they encounter in their daily work, is replacing routine work more and more. Such knowledge work has the characteristics of learning processes. Knowledge workers cannot get their job done and add value without learning. Organising work and organising learning are becoming inseparable.

• In knowledge work, the individual worker is the owner of the most important means of production: the capability to add value through creating and applying knowledge.

• Continuous participation, learning and development in this type of work are based on intrinsic motivation and curiosity. Without these, no one can keep up for long.

• Excellence and innovation depend on individual professionalism, responsibility, and passion. Without these, performance is at best satisfactory.

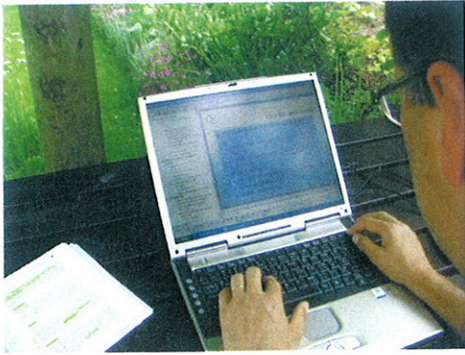
• Synergy is created through networks in which individuals connect and cooperate based on reciprocal relations. Without these, initiatives will remain at the individual level. Traditional command and control styles of managing will not work in such an environment.

The central role of individual autonomy and entrepreneurship

When we acknowledge that knowledge work is of growing importance and that individual passion, talent, creativity and connections are driving excellence in this work, it becomes clear that we need to shift our focus to the individual

and build strong and sustainable organisations around autonomous professionals. These are individuals who contribute to innovation and improvements, who are aware of their talents and contribution and develop these continuously, who ask for autonomy, responsibility, and influence, and who place high demands on their work environments. Autonomy refers both to having the space to influence the setting of goals and the way in which the work is organised, as well as having the ability to actually make use of this space. Autonomy is based on the one hand on a large degree of ownership, self-regulation, self-awareness, belief in one's own competence, and emancipation, and on the other hand on characteristics of a workplace which offers room for the critical reflection on work methods, goals, views and principles (Kessels, 2005). Autonomous professionals are entrepreneurs of their own talent, network and work, rather than employees following instructions. They own the most valuable means of production: their talent, their ability to learn and to add value through knowledge. In that sense every individual is an entrepreneur by definition. They can be very active or very passive as an entrepreneur, but they cannot say to their boss: 'be an entrepreneur of my talent'. As an individual entrepreneur they need to take responsibility and ownership for their work and development, and also for developing connections and relationships needed for productive cooperation. The combined initiatives of these entrepreneurial professionals are the source of innovation and value. Those individuals who understand the interwoven nature of economical and social development, of personal and collective wealth, will play a key role in creating individual, organisational and societal success.





The changing relationship between workers and organisations

The key importance of knowledge work done by entrepreneurial professionals, has important consequences for individuals, organisations, leadership and human resources practices:

- Autonomous professionals are becoming more and more aware of their key role and are placing high demands on their work environment. They choose environments in which working and learning are one, in which they can work on issues that interest and intrigue them, in which they have freedom and responsibility to make choices, and in which they are triggered to continuously learn and apply these new learnings. Such an environment is attractive for autonomous professionals, and stimulates them to work to their full potential.

- The challenge for organisations is to create such an enticing work environment and develop new and attractive ways to organise, based on reciprocal appeal. This is a prerequisite for any innovative and sustainable organisation. The individual professionals are challenged to continuously work on developing and using their talents and on strengthening their networks. This is a prerequisite to get access to work and to stay attractive for the environments they want to participate in.

- Leaders and professionals need to create a corporate curriculum: an organisational environment in which learning and working are not separated, but integrated. They need to develop solutions to turn the daily work environment in a powerful learning environment that

stimulates knowledge productivity. This kind of productivity is the basis for innovation and sustainable success, and learning lies at the heart of it.

- An organisation cannot own the means to be knowledge productive, they belong to the individual. Organisations cannot buy people. They can give an individual tenure, but this individual always has a free choice and can leave the organisation any time (with up to several months notice). This creates a shift in power between workers and organisations. With the emancipation of the workers into entrepreneurial professionals, the organisation is becoming more and more an environment created to develop and use the full potential of individual workers, instead of a system in which individual workers need to fulfil a predefined role in a planned and controlled way. Organisations are becoming the background for free creative work of individuals co-operating in networks.

- If the entrepreneurial professional takes ownership of his work and development and is owner of the most important means of production in a knowledge economy, the question can be raised: who owns the organisation? Will such professionals still accept management and anonymous external stakeholders as 'owners' of the work, the ambitions and business? It could very well be that the dominant management and shareholder value thinking is coming to its limits. A first signal is that in recent years, more and more entrepreneurs are withdrawing their companies from the stock market. Their aim is often to recreate space for entrepreneurship, which is difficult in the stock market focus on share value and quarterly reports.

To conclude

In this article, I elaborated a perspective on why entrepreneurship of the individual will become a key driver to success and excellence and explored the consequences for individuals and organisations. In my view, these consequences challenge our mainstream beliefs about work, workers and organisations. I am aware that the perspective summarized

in this article can very well be viewed as radical and unrealistic. I don't know the future and am therefore not able to say what will be the dominant reality in the coming years. But, I think it could very well be in line with the view outlined in this article. What do you think? Reactions to this article are welcomed!

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