Harvard Business Review

ARTICLE
DEVELOPING EMPLOYEES

How to Encourage Entrepreneurial Thinking on Your Team

by Sergei Revzin and Vadim Revzin

DEVELOPING EMPLOYEES

How to Encourage Entrepreneurial Thinking on Your Team

by Sergei Revzin and Vadim Revzin

DECEMBER 21, 2018

BUENA VISTA IMAGES/GETTY IMAGES

Open experimentation is foundational to any team that's serious about innovation. But what activities and behaviors actually encourage experimentation and make sure that new ideas see the light of day?

While there's no magic bullet or single initiative that will make an organization an innovation powerhouse overnight, here are some ways you can get started:

Get comfortable with failure

Take a deeper look at any 10-person startup that has displaced an industry incumbent in the last 20 years, and you're sure to find a leadership organization that prides itself on its failures just as much as its successes.

In a recent report by the MIT Digital Initiative and Cap Gemini, the CEO of the largest steel producer in the U.S., John Ferriola of Nucor, stated that "if we, through our actions, encourage our teammates to fear failing, they simply will not stretch the limits of their capabilities or the limits of their imaginations." In the same report, Janelle Sallenave, formerly the Head of Customer Support at Uber, said "This is a company that is obsessed with what we call experiments. Everybody is encouraged to, whatever it is that they're working on, reimagine how it could be better, different, cheaper, faster, whatever it might be…"

Organizations should be hyper-aware of how their managers and leaders are encouraging experimentation and failure, and make adjustments as needed. From something as simple as listening to the language that higher-ups respond with when confronted with a new idea, to more complex issues such as re-evaluating the incentive structure in the employee compensation packages. Whether a colleague is proposing a small organizational improvement or a major industry-defining technical pivot, they should have the expectation that their team, from the C-Suite to their immediate supervisor, will measure their performance by their level of ingenuity and initiative and not by their ability to play it safe.

Make macromanagement a core tenet

The author Simon Sinek has been quoted saying "When we tell people to do their jobs, we get workers. When we trust people to get the job done, we get leaders."

Macromanagement, or "management from afar", is not only critical to encourage a leadership mentality, but it also plays a major role in helping to nurture creativity on your team. Individuals need to have a sense of ownership in order to allow themselves to try things that haven't been tried before, and to let their inspirations morph into practical solutions. To help achieve this, new initiatives should be allowed to run independently from the usual way of doing business because, by definition, they may require a new set of processes to be successful.

Cisco has a stated goal of no internal research, according to a recent podcast with John Hennessey who sits on the board. Yet, the company has set itself apart in its ability to continue to innovate more than thirty years after its founding. This success has been largely attributed to their ability to "spin-in" companies where they find an internal team with a good idea, take them out of the company, help fund them the same way a typical venture investor would, and then bring them back in to the company once the product has been developed to a certain level.

While this is an extreme version of letting a team have complete ownership over decision making in their product development process, it's worth noting that a big contributor to failed internal innovation initiatives is the lack of truly open experimentation. If organizations today choose to understand this dynamic and proactively make changes that remove micromanagement in their teams, they will have a much higher chance of allowing new ideas to flourish.

Champion the pursuit of external interests

Celia de Anca and Salvador Aragón made the case in a 2014 HBR article for why allowing employees to bring their external interests to work is so important when it comes to improving overall work satisfaction. However, employee satisfaction is just one possible side-effect of this practice.

When people know that they can openly share their extra-curricular interests with their colleagues and are encouraged to express their entire authentic selves in their work environment, they see themselves as more than how their job titles define them. And that is a pre-condition for allowing new ideas to be freely shared in your organization.

Managers should be careful not to dissuade team members from spending significant time outside of work hours on external projects, even if they seem to have nothing to do with improving the core skills that will make them successful in their respective roles. Encouraging team members to get outside perspectives that have nothing to do with their work can help teams generate new ideas in ways that could not possibly be predicted.

In his best-seller *Sapiens*, Yuval Harari explains that "the scientific revolution has not been a revolution of knowledge. It has been above all a revolution of ignorance. The great discovery that launched the scientific revolution was the discovery that humans do not know the answers to their most important questions." Similarly, managers need to acknowledge they don't have all of the answers and let their teams try to find them.

If organizations want to see more innovation, leaders and managers have to put full confidence in their teams to try new things, and then promptly get out of their way.

Sergei Revzin is a Venture Investor at the NYU Innovation Venture Fund where he leads the university's technology investments and is the co-host of The Mentors podcast with his twin brother Vadim. He has mentored hundreds of entrepreneurs all over the country through his work with Venture for America, and has been an early employee and founder at tech companies in NYC and Boston.

Vadim Revzin is an Entrepreneur in Residence at GenFKD, a national non-profit, where he teaches entrepreneurship at State University of New York and is the co-host of a weekly podcast called The Mentors featuring stories from successful founders and creators. He's advised hundreds of startups, and has been both a founder and leader across several early and growth stage startups.