

Important notes:

You **MUST** use this template. If you don't use it your abstract **WILL** be rejected.

Do **NOT** enter author and institution information on this form. You will be able to enter this information online when you submit the abstract.

Do **NOT** write outside the boxes. Any text or images outside the boxes **will** be deleted.

Do **NOT** alter this form by deleting parts of it or adding new boxes. Simply enter your information into the boxes. The form will be automatically processed – if you alter it your submission will not be processed correctly.

The Essay has to comprise **1500 to 3000 words** (and can include graphics and references that are not included in the number of words).

Read the **RULES** <https://www.druckerchallenge.org/rules/>

Save this file in **.doc or .docx** format.

Title:

A Mission for the Entrepreneurial Society: Bring me your disengaged, your disenfranchised

I entered the world of work in 2008, in the immediate aftermath of the global financial collapse, into a role at Royal Bank of Scotland, one of the key organisations at the eye of this economic storm. Over the subsequent years, I witnessed firsthand the impact of the disastrous actions of this corporate giant, both on society around me and from an employee point of view. One of the largest culprits, cited time and again in articles around the world, was the toxic corporate culture. The behaviour that led to morally questionable actions, were either turned a blind eye to at best, or actively encouraged at worst. In the months and years that followed, reactive regulation meant that policies and practices were implemented, designed to ensure that something like this could never happen again. Risk and bureaucracy were to be the arbiters of enforcement. After all, this is what we have learnt since school - if naughty children misbehave, we must create a rule to make sure the others don't get the same idea.

However the unintended consequence of this that I saw in colleagues around me was that they felt they must never do anything other than what they have been told, stifling any creative or innovative thoughts they may have had. The common phrase became 'We can't because...' rather than 'Why don't we...'. It

was a soul-destroying environment to be working in, as employees became completely disengaged. This early working experience has been a large factor influencing my career journey so far, as I moved into becoming a specialist in cultural and behavioural change within digital transformations. I wanted to help organisations provide better value and contribution to their employees and society.

Concurrently to this, there has also been a Cambrian explosion of startups nibbling at the edges of these hamstrung behemoths of business, enabled by technological advances, able to work more nimbly to sense and respond to opportunities in the market and service customer needs in a way that a larger organisation simply doesn't have capability, bandwidth or structures and practices to do. As Drucker himself observed in *Innovation and Entrepreneurship*, "The temptation in the existing business is always to feed yesterday and to starve tomorrow." This is more true now than ever in the wake of the events of 2008. The ability to act in an entrepreneurial way has been stymied for workers in these organisations, as it is too risky and it can seem as though you need to be outside of big business to really be able to operate in this way. Drucker's view of the future - a post-capitalist vision where employees become either knowledge workers or service workers and information is king - seems to have taken two steps back. My own experience of colleagues at RBS was that their roles became no better than factory workers on a production line, completing the same tasks in the same way. There was no joy, pride or creative thinking in their tasks.

Against this backdrop, the rise of the freelance economy as a reaction to a traditional career path in corporations that are no longer the stable option they once appeared is therefore hardly surprising. The option to be your own boss, work on something you are truly passionate about and feel as though you are making a more direct contribution to society would seem like the favourable option to many, and is being increasingly taken.

But what about those for whom it is less of an option? Not because they are not capable, but because they are systemically prevented. I am writing this essay in July 2016 in the aftermath of the most recent economic catastrophe to hit the UK, the Brexit referendum. The 'Leave' campaign was largely successful due in no small part to a traditionally industrial working class feeling left

behind by the impact of globalisation and the failure of the British government to provide suitable alternatives and opportunity for them to replace their eroded industries and livelihoods. The great con of the 'Leave' campaign's success was to convince them that this was due to effect of EU membership and not because of years of government decisions that created rising inequality within the country. These are the former proletariats of the capitalist dream that are being left behind as they have been stripped of meaningful opportunities to develop and contribute to society. As we move to a post-capitalist age as Drucker predicted, where do these disenfranchised people with increasingly limited access to the education needed to become knowledge workers or resources to start up their own businesses fit in to the future society? Is service work the only contribution they can make?

I believe, like Drucker, we are evolving towards a post-capitalist age and that the 2008 crash was the catalyst to a move towards a more meaningful and equal society enabled through sharing of information rather than wealth. In this transition period though, I believe that both the state and incumbent organisations have an obligation to address the rising inequality (in income, class and status) that is already producing threats to economic stability, like the Brexit vote. If they do not, we risk at best rising unemployment, homelessness and increased income inequality and at worst, taken to its most extreme conclusion, civil unrest.

Looking first at the state and the role they have a responsibility to play in a post-capitalist society, there are a few options available to ensure that those currently disenfranchised are supported and given opportunities to contribute to the new society. One solution is the Universal Income model as a type of welfare state alternative, ensuring at least that everyone has a base level of living standards. However, this can be pushed further to foster more opportunity to citizens to develop into entrepreneurs and encourage deeper contributions to society. One way of doing this could be for the government to invest not in big business, but rather in civic infrastructure. If a micro-investment model was to be developed, whereby citizens could apply or pitch to take on work that is currently done by large private companies, it could support local small entrepreneurs. At its simplest this could be simply an odd job man that owns his own business, being given the contract to repair potholes in his local area, or rewiring street

lights. Drucker himself highlighted this as the “Fourth Sector” of entrepreneurship, whereby civic infrastructure is enabled through a series of public-private partnerships. As we look even further into the future, whereby international travel may become severely impaired due to energy prices becoming prohibitive for most, the move to a more local insular “city-state” would be an additional driver for an increase in this type of infrastructure.

However, more complex applications could be for the private entrepreneurs business to be a mechanism for reforming struggling services like the NHS, to take a UK example. The NHS has huge flaws in its current processes, is understaffed and underfunded, inefficiently run and is extremely lacking in IT infrastructure, but efforts to change it have only ever been attempted wholesale and only by a handful of preferred suppliers which have consistently failed to deliver. In this new micro-investment model, small changes could be scoped into small project work packages which are then given to entrepreneurs to lead pilot change projects, much like the distributed model that the Netherlands home care provider Buurtzorg uses, to enable large impactful change to a large institution through the combinatorial effect of several small distributed changes. Through investing in and supporting entrepreneurs, we are able to reduce the disenfranchisement of significant members of the population and increase the opportunity and give them the resources they need to fulfil a more meaningful existence, such that both they and the community they live in benefit.

The second area the state would need to review is its education system, as it has an obligation to ensure that it is producing citizens that have the capabilities and skills (or, what Drucker terms ‘competencies’) needed to take advantage of opportunities to contribute in an entrepreneurial society. The current education system still focusses primarily on acquiring and testing for knowledge, rather than developing the competences of curiosity and research, practical application of and furthering of ideas gained through knowledge, experimentation of ideas, decision-making and even empathy such that you are using knowledge in a way to best serve societal needs. Currently, going from higher education into a big corporation removes the knowledge worker even further away from developing these competencies as they slot into the pre-defined tasks and processes that they must uphold and not question.

The other element that must be addressed is the access to

education. Currently even the most entry-level jobs for knowledge workers require a higher education degree in order to be considered for interview, a degree which costs thousands of pounds worth of student loan debt to achieve. Many segments of society are not in a position to afford that financial burden, and so by virtue of their social status are excluded from knowledge worker careers and therefore the opportunity to improve their social status. This is an educational structure that works for the elite, wealthy few and not the many, and is of serious concern and a major flaw in the capitalist ideology. However, with the rise of the entrepreneurial society in a post-capitalist age, higher education becomes less of a pre-requisite needed to pursue a knowledge-worker career. You do not need a degree to become your own boss. What you do need, is a society that has provided equal access to learning the skills and networks required to pursue such a career. The state can fill this gap by increasing a focus on entrepreneurial competencies through the curriculum of compulsory education, and then providing support for pitching for start-up business loans and coaching in business skills. The Virgin Start Up initiative, is a great example of the model to start adopting more widely and integrating into the formal education system.

Finally, what obligation do incumbent organisations have on supporting the entrepreneurial society, and reducing the disenfranchisement of those excluded from knowledge work currently, and the disengagement of their current employees? One could argue as private entities, they have no societal obligation, however we know from the events of 2008 this has become more and more untrue as society was required to pay for their mistakes, in order to prevent global economic collapse. But this is not just something corporations should be concerned with through some form of altruistic philanthropic goodwill. It is something that they must address, if they intend to survive in a post-capitalist world.

I mentioned at the beginning the nimble digital start-ups disrupting big business as a partial symptom of the rise of the entrepreneurial career as an alternative to a corporate career path. Large organisations need to develop these same capabilities to be able to operate effectively in a 21st century world where everyone is more connected and networked and knowledge is shared. Drucker discusses how to develop more entrepreneurial management practices in *Innovation and Entrepreneurship* and adaptation to this way of working will be key for organisations to

meet the threat faced by disruption. Drucker's suggestion is to create separate entrepreneurial and managerial units, and this is a technique many have followed, either through starting new innovation units or through acquiring start-ups as new 'tissue' and incubating them (although Drucker advises against an M&A route to growing new capabilities).

Since working at RBS I have had the privilege to work with organisations on developing exactly these capabilities and I'm afraid I have to differ with Drucker on his view that entrepreneurialism for organisations must be kept segregated from other operations. Instead, I have seen large bureaucratic institutions develop agile, responsive structures through small pilots within existing teams in the organisation. Rather than cleaving the responsibility for innovation into separate business units, instead it is possible to take a distributed change approach, piloting new innovative practices and processes in small teams first and then extending their influence and new ways of working across the company incrementally.

It is also important to consider the need for entrepreneurs to share knowledge and collaborate with a diverse range of thoughts and ideas in order to better develop their own ideas. With this in mind, organisations need to rethink their Tayloristic hierarchical structures borne out of the need to control manufacturing processes, and instead reform to facilitate more fluid structures within the firm that allow better cross-collaboration and for teams to form around market opportunities and customer needs as they arise. Again this can be done through incremental change, a few teams or units at a time.

Ultimately, the boom of capitalism in the 20th century and its inevitable bust that came in 2008 means that industrial-age practices, structures and competencies no longer serve the needs of a 21st century society. The rise of the entrepreneurial society is an alternative more suited to a post-capitalist era, and one that, when supported by the state and big businesses, has the potential to address some of the key concerns and fears of the current day to a society that is suffering from deep inequality, disenfranchisement and disengagement.