

**Centre for Social Innovation**

Practitioner Briefing – September 2015

# INTRAPRENEURIAL OPPORTUNITIES: LEVERAGING PEOPLE'S SKILLS AND TALENTS WITHIN ORGANISATIONS

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## The Centre for Social Innovation

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The Centre for Social Innovation at Cambridge Judge Business School, University of Cambridge, acts as a platform for research and engagement with social innovators, academia and policy in UK and across the world. Its primary focus is to understand, promote, and engage with social innovators and create and support social ventures and projects.

Social innovation is concerned with the development of creative and practical solutions to complex social problems. While many social innovators work in non-profit organisations, they are increasingly found in government and corporations. Indeed, the boundaries between the sectors have become increasingly indistinct, and much social innovation takes place at the intersection between them.

The Centre for Social Innovation will therefore focus on leadership for social change, wherever it takes place. Leadership for social change involves a different kind of leadership, one that's less adversarial, one that seeks to have a positive impact on the kind of world that we live in, and one that blurs the boundaries between what's for-profit and what's non-profit.

The Centre for Social Innovation will engage in scholarship focused on social innovation and social ventures that aim to create sustainable social and economic value, which encompasses the private, public and third sectors. It will create new academic courses aimed at practitioners who want to use research to enhance understanding of, and the impact of social innovation.

The Centre will also support social innovators through events, training programmes and online materials. A central tenet of the Centre would be that it brings academics and practitioners together in all aspects of its governance and delivery.

## About the authors

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## Introduction

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Despite what popular belief suggests, Millennials are not leaving organisations en masse in order to build their own companies, nor are they jumping straight from university education into their own businesses<sup>1</sup>. Examples of Millennial entrepreneurship exist, and are shared widely through stories of Schumpeterian heroes such as Mark Zuckerberg and Travis Kalanick; however, they are rare. Despite, the

rise of entrepreneurship in higher education, entrepreneurship for those under the age of 30 is falling in the United States and Canada.

This prompted the Kauffman Foundation, on 13 February 2015, to open a request for proposals on Boomers and Millennials, soliciting grant proposals in order to understand the drivers behind 'Millennials [who] have been showing declining rates of entrepreneurship in many recent national studies, but are in other ways America's most entrepreneurially-exposed generation'<sup>2</sup>. Surprisingly, perhaps, Baby Boomers are the United States' most 'prolific' entrepreneurs, though many will retire in the coming years.

Instead, it is the idea of *intrapreneurship* that appeals to Millennials, where employees are provided with autonomy and freedom to create within organisations. This is born out of both interest and necessity. Although entrepreneurship is vital to a nation's economic growth, opportunities exist for organisations - across public, private and charitable sectors - to deliberately recruit and empower intrapreneurs as a way to innovate, increase market share and better the societies in which these organisations are located.

In this briefing, we provide a definition for intrapreneurship along with an overview of the scholarship in this field, and then conclude with a discussion on opportunities, barriers and other considerations for those looking to facilitate more intrapreneurial environments.

## **What is intrapreneurship?**

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Deloitte considers intrapreneurs to be 'workers who don't let bureaucratic barriers stop them from driving constructive change'<sup>3</sup>. The Kauffman Foundation defines intrapreneurship as 'the process of an individual (or team) starting a business (or business line) for an existing employer'<sup>4</sup>. Annual conferences such as the Intrapreneurship Conference, held in New York City and London, assemble 'corporate innovators of all trades: intrapreneurs or corporate entrepreneurs, innovation (programme) managers and directors, heads of labs, incubators and accelerators, corporate venturing, strategy and business development managers, R&D and product development professionals, HR and organisational transformation leaders - everyone with the objective of and the passion for driving innovation from within'<sup>5</sup>.

Intrapreneurship, through a network of like-minded individuals within corporations, a growing scholarship and openness on the part of senior leaders, is gaining influence in the workplace. In a briefing entitled "Connecting the entrepreneurial workforce", the *Economist Intelligence Unit* writes 'Thirty years on [from the concept of the "entrepreneurial workforce,"], and it might appear that there has never been a better time for intrapreneurs to thrive. Management and employee attitudes towards work appear to be aligning, and collaboration tools can assist the process of innovation through better networking'<sup>6</sup>. Similarly, in a *MIT Sloan Management Review* article entitled "When big businesses push the start(up) button," Contributing Editor Michael Fitzgerald writes that big business can develop a start-up culture through the use of digital media, by 'developing digital expertise in young leaders, and seeding them throughout operations'<sup>7</sup>.

## **Why intrapreneurship?**

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As we see it, there is increasing trust in business and government as a means to helping solve society's problems. In a World Economic Forum Agenda article, for instance, University of Cambridge Social Innovation Fellow Noa Gafni writes 'Even though Millennials want to push business and government to do more, there is a strong belief in the power of these systems to make a positive impact'<sup>8</sup>. Indeed,

young workers wish to create change from within systems; however, because of public narratives around entrepreneurship, this often seems strange and counterintuitive.

Take for example a Senior Policy Adviser at the UK Cabinet Office, who participated in an interview as part of research for this briefing. Here, emphasis was placed on young workers who demonstrate a 'propensity to develop their careers in sometimes counterintuitive ways, often gravitating toward jobs which provide them with opportunities to contribute and share their perspectives.' Although switching costs between companies and sectors can be high - for instance, a senior policy adviser might only begin as an analyst in a leading management consultancy - intrapreneurship was considered as an influential factor contributing to job and even career change: 'Companies that provide space for intrapreneurial leaders really play to the aspirations and strengths of their younger workers. It is something that I value highly in my work and that I am attentive to.'

Conversely, organisations that fail to provide space for intrapreneurial work can lose their most talented young leaders. As one example, one interviewee left a lucrative job in London's financial services sector in order to earn a degree at Singularity University, where a now-successful healthcare start-up was formed. In this case, the interviewee did not have 'A right to an opinion' in the financial services sector, and would likely not have been provided with an opportunity to take advantage of her personal qualities and skills for years. Talent losses such as this are testament to the damage that stifling cultures can create for their employees, particularly with younger workers.

But what does *successful* intrapreneurship look like? Two examples are with Unilever and the Bank of England, who through unique visions and initiatives are engaging their intrapreneurial employees.

In the first instance, Unilever Chief Executive Paul Polman argues that corporate social responsibility is not sufficient as a means to contribute to the world, and that more substantive and durable forms of engagement are therefore needed.

*"Redefining capitalism requires businesses to develop longer-term models in which growth is aligned with the needs and aspirations of the communities that they serve. Being 'less bad' is no longer sufficient.' This goes beyond corporate social responsibility. It's about moving from share value to shared value where business sees itself as part of society, not separate from it; where the focus is on the long-term, not quarterly earnings; and where the needs of citizens and communities carry the same weight as those of shareholders"* (Polman, 2014)

Perhaps the leading example of such a vision in Unilever is the Lifebuoy campaign, launched in 2010 with the aim of improving handwashing behaviours of over one billion people worldwide, through a Lifebuoy Handwashing Behaviour Change Programme<sup>9</sup>. Furthermore, in order to bring together talented entrepreneurs and contribute to the Unilever vision of sustainability in countries such as India, Uganda and Ghana, the Unilever Sustainable Living Awards for Young Entrepreneurs partnered with the Cambridge Institute for Sustainable Leadership in a January 2015 event showcasing many of the world's top startups in this area. Finalists included Pollinate Energy, Voto Mobile and Farmerline's. In this example, Unilever employees helped oversee the programming, with stakeholders such as the Cambridge Institute for Sustainable Leadership and Cambridge University Entrepreneurs also participating to varying degrees.

In a second example, the Bank of England's 'Open Forum 2015' was launched in order to 'map a positive future for financial markets... bring[ing] together policymakers, financial market participants and users, academics, media representatives and wider society'<sup>10</sup>. With public registration and encouragement to engage through social media, the event addresses the need to restore 'financial markets' social license' - that is, their trust. What is laudable here is the participation of Governor Mark Carney and Chief Economist Andy Haldane as leaders in the Open Forum 2015. However, participation

across a 'broad set of stakeholders' both internally and externally is emphasised in an interview with Haldane - an indication of a desire to include employees of all ages within the Bank of England.

The reasons for intrapreneurship, as the above examples suggest, vary - some relate to improvements in areas of strategy and innovation, others to human capital needs and marketing. Generally, opportunities around intrapreneurship are as follows:

- Generate new ideas, processes, programmes and efficiencies that allow organisations to 'jump the curve' or simply gain incremental advantages in achieving their organisational strategies
- Empowering employees to capitalise on their qualities, skills and talents as a means to providing their organisations with new and fresh insights
- Using intrapreneurship as a means to better engage employees on a personal level, ensuring that they can bring their best selves to work
- Providing unique opportunities for progression with employees eager to go above and beyond the call of duty
- Serve as a marketing tool for attracting entrepreneurial talent, many of which would prefer entering organisations that provide job security than spending the early parts of their working lives starting and building their own ventures

With education increasingly becoming a private good, and increasing student debt for recent university graduates, we anticipate that few Millennials will pursue their own entrepreneurial ventures in the coming years. The Deloitte 2015 Millennial Survey, which garnered the input of 7,800 of 'tomorrow's leaders,' found, for instance, that only 11 per cent of respondents from developed nations are inclined to start their own business. And yet, just 28 per cent felt that businesses make effective use of their skills<sup>11</sup>. This lack of interest in launching new businesses is disappointing; however, this provides opportunities for large organisations to respond and encourage their employees to more fully contribute through their skills and talents.

## **Implementing intrapreneurship within organisations**

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In order to challenge employees, provide them with autonomy and the freedom to innovate, companies should carve out spaces for their employees to take risks and experiment. The approach to intrapreneurship differs based on sector and on the size of company, though underlying this theme is a belief that employees can be creative in ways that bring value to their employer, as well as to society more generally.

This is especially appealing for Millennials, who value entrepreneurship, but who are more inclined to serve as entrepreneurs within environments that promote job security. Examples such as the Bank of England's Open Forum 2015 are appealing to young workers who in many instances value open innovation and the resulting opportunities to build on others' challenges and ideas. Intrapreneurs are eager to ideate and pioneer such initiatives - but they must be given a chance.

Promoting intrapreneurship, however, is challenging, particularly within hierarchical organisations where privacy, security and order are valued. And yet there is increasing awareness and appeal for intrapreneurship. In order to embark on this journey, we recommend that companies ask the following questions:

- What opportunities does my organisation actively create for employees who wish to pursue entrepreneurial activities as part of their work?

- What are the current examples of intrapreneurship within my organisation?
- As a management team, what actions do we take in order to support intrapreneurs within the organisation?
- How do we celebrate intrapreneurship when our employees take risks?
- When intrapreneurship takes place, does it tend to be on issues related to how work is undertaken (systems, processes, programs, etc.), on services/products we develop, or a combination of both?
- To what extent do we empower our employees to solve society's most pressing challenges?

Intrapreneurship is a key theme in the evolution of work, as it provides employees with the autonomy and freedom to contribute to their organisations - and in some cases, to society - in ways that are often not expected of them.

When successful, it serves as a differentiator for organisations looking to both take advantage of their employees' skills and qualities, make contributions to society, and gain additional interest from prospective entrepreneurial employees.

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