

# **Intrapreneurship; enabling postgraduate researchers to drive organisational innovation**

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## ***Background***

*A recent RCUK-CRAC workshop ‘Enterprise skills for researchers’ explored the use of additional funding provided to 29 institutions for ‘Entrepreneurship transferable skills training, 2007.’ Five topics were discussed; Employability, Enterprise, Entrepreneurship, Knowledge Transfer, and the relatively less well known ‘Intrapreneurship’. This referenced paper discusses the meaning, benefits and implications of ‘Intrapreneurship’: a potential ‘missing link’ which can add a valuable new dimension to the preparation of postgraduates research students and early researchers for careers in universities or companies.*

## ***Summary***

Intrapreneurship demands a unique blend of managerial and entrepreneurial skills to achieve innovation within an organisational setting. There is a recognised economic need for researchers moving into industry or academic careers to have intrapreneurial skills and confidence to contribute to organisational innovation, growth and competitive advantage. Intrapreneurs have to be capable of innovating within an organisational culture and dealing with process and ‘people’ issues surrounding innovation and change. Innovation is a process, not just an idea, and requires organisational support at senior level, mentoring and teamwork to achieve successful outcomes.

Intrapreneurs innovate to benefit the organisation. In universities this might include enrichment of the student or academic community, outreach, public engagement, or new developments in technology, culture or organisation: thereby stimulating intrapreneurial activities within and across the boundaries of all Research Councils and contributing to Knowledge Exchange with business and community.

The role of the organisation is to

- Establish frameworks to encourage, facilitate and support intrapreneurial processes
- Enable the skills development of intrapreneurs
- Embed outputs to enhance the business of the organisation

## ***Introduction***

Intrapreneurship is an activity of acknowledged importance in companies large and small, old and new. It is an essential means of innovation for competitive advantage, especially in rapidly changing sectors and uncertain economic times. The academic community demonstrates intrapreneurship in many facets of its business and with suitable organisational infrastructures can offer a relatively secure environment in which postgraduate researchers can be sponsored to learn the skills of intrapreneurship through practical experience.

A special combination of both managerial and entrepreneurial skills defines intrapreneurs. These skills are realised through participation in innovative processes, which can enhance the organisation as well as provide direct experience for individuals. Intrapreneurship supports organisational growth through community rather than individual actions. By proactively developing a range of intrapreneurial skills, universities can lay foundations to create future innovators to benefit both industry and the academic community. The following discussion provides information about intrapreneurship, exemplifies individual intrapreneurial skills and identifies key aspects of organisational infrastructure required to support intrapreneurial activity.

## ***Intrapreneurship and organisational innovation processes***

Pinchot and Pellman (1999) first used the term 'Intrapreneur' or intracorporate entrepreneur in the '80s to describe employees within established organisations, whose actions led to 'rapid and cost effective innovation as the primary source of competitive advantage' especially but not exclusively with regard to technological dominance. Intrapreneurial behaviour is found to be a significant factor in organisational effectiveness especially when higher levels of economic uncertainty require more innovative, flexible and entrepreneurial management practices (Davis, 1999). Intrapreneurs engage proactively in innovation processes leading to successful implementation and exploitation, involving more than just having the initial 'good idea'. Teamwork, cross functional groups and several intrapreneurs working together can be required during the innovation process. New ideas and creative thought are required but delivery requires the successful individual or team to proceed with persistence and determination throughout the process no matter what obstacles or difficulties are in the path. Having confidence and experience in organisational politics and dynamics, managing people and overcoming technical or practical challenges are crucial. Intrapreneurs may be self selected, each bringing different strengths to the innovation process but their success requires organisational support and recognition especially from senior management.

### ***The difference between Intrapreneurship and Entrepreneurship***

Intrapreneurship, also described as ‘corporate entrepreneurship’ shares many common elements with ‘start up’ entrepreneurship associated with new company formation (Thornberry, 2003) such as

- Creation of something that did not exist before
- Additional resources or changes requirements
- Learning resulting in new organisational competencies

Entrepreneurship, in general, is considered as the ‘primary act or catalyst underpinning innovation’ and usually describes radical change mechanisms such as spin out, start up or new company ventures, all of which tend to happen outside a conventional organisation. In contrast, intrapreneurship involves using entrepreneurial behaviour within an organisation and a different but overlapping skills set is required (Thornberry, 2003).

### ***Intrapreneurs as both manager and entrepreneur***

Whilst encouraging organisational innovation, intrapreneurial activity with its entrepreneurial nature, can challenge existing bureaucracy or organisational culture and practice. Crucially, successful intrapreneurs must be able to apply the fundamentals of good management alongside entrepreneurial behaviours. Most engineers, for example, remain in organisations and never become independent entrepreneurs or start up their own business. Nonetheless, as their managerial responsibilities increase they are required to act more ‘entrepreneurially’ within and for the benefit of the organisation (Menzel, 2007).

There is a tension to be negotiated at individual and organisational levels between entrepreneurial and management functions. Managers are typically responsible for developing routines for regular functions whilst entrepreneurs must be free to operate strategically in unstructured conditions and to challenge the status quo.

Intrapreneurs operating within existing complex organisational structures, have to negotiate intelligently around ‘people issues’, both good and bad, that can arise when change and innovation are stimulated within an organisation. For example, a department, in their effort to develop a viable new work organisation, can find themselves in a situation of redefining not only their own work but also impact on other departments (Brunaker, 2006).

Intrapreneurial activity enhances an organisation's ability to take risks, seize new opportunities and continually innovate. Cautious, incremental innovation is less likely to be successful for an organisation in establishing new markets but may be 'safer' in terms of management. On the other hand, major innovations are more likely to create new markets but can impose considerable strain on many functional areas within the organisation (McKinney, 1989). An intrapreneur has to navigate the organisational highways and byways.

### ***Innovation processes and team work in an organisation***

The purpose of intrapreneurism, is to drive organisational innovation. Innovation is not simply an idea but a 'process that provides added value and a degree of novelty to the organisation and its suppliers and customers through the development of new procedures, solutions, products and services as well as new methods of commercialisation' (McFadzean et al, 2005). The innovation process has a series of different phases such as idea generation, research design and development, prototype production, manufacturing, marketing, sales and evaluation. Individual intrapreneurs with different skill sets have different parts to play in organisational innovation processes. Multifunctional co-operation and teamwork are essential.

### ***Intrapreneurship in universities***

Intrapreneurship can take many forms and requires a strong knowledge base to enable innovators to recognise, understand and go beyond the established status quo (Shaw et al, 2005). Postgraduates research students and early researchers are well placed within the university environment surrounded by a web of knowledge, experience and social/professional networks through which to reconfigure ideas and recognise novel opportunities to benefit the university and themselves. University intrapreneurship can be found in teaching and learning, research, knowledge transfer and third stream activities, offering opportunities that encompass a diversity of procedures, customers, suppliers, products and services.

Academic entrepreneurship is often considered only in terms of commercialisation with the most extreme outcome a new company spin out and is often associated with the more productive researchers. Delivering innovative postgraduate programmes or new recruitment initiatives are also 'intraprising' academic activities. Especially in Engineering, external entrepreneurship is complimentary to strong intrapreneurial research activity (Lowe, 2007).

### *Skills for intrapreneurship*

In positioning themselves as attractive propositions for future employers whether in or out of universities, a demonstrable readiness to positively contribute to organisational innovation and growth is a significant asset. Students have much to gain in rehearsing intrapreneurial skills and gaining practical experience in innovation processes. Intrapreneurial experience is not exclusively for employment in technology based companies (Davis, 1999).

Different learning strategies are recommended for intrapreneurs and entrepreneurs. Intrapreneurs need experiences which include gaining organisational consensus. Entrepreneurs have to be more flexible and adaptive, and have less need of strategies to innovate in static environments (Honig, 2001).

The following are examples of intrapreneurship skills in the cited literature:

- Extensive technical knowledge
- Social knowledge to make innovations meaningful
- Prior intrapreneurial or entrepreneurial experience
- Initiative
- See opportunities that others have not seen
- Co-operate with other experts such as marketing, R&D, external suppliers, service providers, customers
- Communicate across technical boundaries as innovations often start at borders rather than within a set area of expertise
- Single mindedness in removing barriers to idea realisation
- Self-confidence to initiate or lead change processes
- Acceptance of risk
- Tolerance of ambiguity
- High need for achievement
- Understanding of individual strengths in innovation process
- Manage people and expectations at all levels including senior in an organisation
- Understanding of corporate politics and culture

### ***Organisational support for intrapreneurship***

Encouraging intrapreneurial activity can lead to immediate benefits for the university and its community. To gain this advantage, intrapreneurs need to be supported at an organisational level, by the organisational culture, and acknowledged in senior management decision making. Examples of organisational support are:

- Resources
- Reward systems
- Early 'seed' financing
- Project sponsors and champions
- Time set aside
- Opportunities for co-operation and team work
- Stock of potential ideas & solutions to start discussions
- Ability to support many ventures at the same time
- Secure supportive environments in which to experience risks taking
- Catalytic coaching and training in business planning processes

### ***Conclusion and recommendations***

Intrapreneurial skills for postgraduate researchers can be developed through practical experiences preparing them to innovate within any organisational context, academic or business, confidently using both management and entrepreneurial skills. Universities can recognise and celebrate existing intrapreneurial activity, and provide support within relatively secure environments where postgraduate research students and early researchers can gain relevant experience, in the following ways :

- Academic best practice in intrapreneurship encouraged, recognised, publicised and rewarded
- Systems in place to enable experiential learning, such as
  - Incentives and seed funding to set up projects with an appropriate management system, incorporating suitable evaluation/ monitoring processes
  - Postgraduate researchers enabled to come forward with creative ideas to benefit the organisation, discipline or wider community.
  - Cross-boundary teams brought together to carry through innovative processes
  - Experienced academic and/or business mentors and sponsors of projects
  - Training and coaching in, for example, business planning
  - Personal skills reflection
  - Recognition and rewards for success

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