

CREATING SUSTAINABLE BUSINESSES THROUGH SOCIAL INTRAPRENEURISM

Prof. David Grayson (david.grayson@cranfield.ac.uk)
Prof. Heiko Spitzbeck (heiko@fdc.org.br)
Dr. Elisa Alt (elisa.alt@anglia.ac.uk)
Melody McLaren (m.mclaren@cranfield.ac.uk)

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THE DOUGHTY CENTRE AIMS TO COMBINE RIGOROUS RESEARCH AND LEADING-EDGE PRACTICE.

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- knowledge dissemination: introducing Corporate Responsibility more systemically into existing graduate and executive education (both in relevant open programmes and customised, in-company programmes); and
- knowledge application: working with alumni, corporate partners and others to implement our knowledge and learning.

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- facilitating organisations in the public, private or voluntary sectors who wish to produce their own think-pieces/ “white papers” on Corporate Responsibility, sustainability or public-private-community partnerships
- practical projects to embed CR in an organisation
- scenario-development and presentations to help organisations envision a more responsible and sustainable future
- co-creation and joint publication of research, think-pieces and practical “how-to” guides
- design and delivery of organisation-customised and open learning programmes around CR, sustainability or public-private-community partnerships

FOREWORD

Gib Bulloch
Executive Director
Accenture Development Partnerships



Of course it's not all plain sailing and driving change bottom up, inside out, is tiring and often frustrating. The big disadvantage which intrapreneurs have over entrepreneurs is having to deal with the corporate immune system - the cultural anti-bodies which the corporate will unleash in the form of risk management processes, bureaucracy, short term performance management, growth-oriented appraisal systems, cynicism etc. I doubt social enterprises have to deal with the same problems. However, the potential prize is too great for any aspiring intrapreneur to ignore; and there is now a growing movement which makes it a less lonely existence.

It's a fascinating area and one which holds huge potential for positive change at scale. Unlike their social entrepreneurial cousins who start out with practically nothing but passion and a good idea, intrapreneurs lurk deep undercover within large pre-scaled corporate ecosystems of suppliers, customers, employees, brand equity and investment capital. The potential to adopt a "domino mindset" and effect small socio-economic change to create positive chain reactions within such large ecosystems is both real and potentially disruptive. Vodafone's M-PESA is living proof if any were needed!

Yet still there is very little known about the concept and relatively few concrete examples beyond a handful of celebrated case studies. Who are these unusual people and what makes them tick? Are they as much troublemaker as they are changemaker? Most importantly, how can business leaders harness the potential of social intrapreneurship and create an enabling environment that can nurture and scale disruptive ideas which blend business benefit with social outcomes?

This last question has been the focus of new research by Professor David Grayson and his team at the Doughty Centre for Corporate Responsibility. Their new paper "Creating sustainable businesses through social intrapreneurism" builds upon the successful Occasional Paper of 2011 which helped to put the nascent Intrapreneurship concept on the map. The Centre's new paper focuses almost exclusively on the enabling environment: what allows initiatives in some companies to survive and sometimes thrive; conversely, what causes other initiatives to wither on the vine. Accenture was one of numerous companies involved in the extensive interview process where the focus went beyond the intrapreneurs themselves, to the broader leadership within HR, CSR and strategy.

Many of the findings resonate through my own experience of leading an intrapreneurial team, trying to drive change bottom-up and inside-out, within a large corporate ecosystem. The section on enablers and disablers is particularly insightful. I often refer to these disablers as the "corporate immune system" - the aspects of HR, culture, strategy and process discipline that are unleashed like anti-bodies against any initiative that dares to be different. They act as the corporate's defence mechanism and when combined, can often provide sufficient inertia to maintain the status quo.

The concept of godparents is also new and novel. These people are not necessarily the CEOs (although they might be), but more likely a senior sponsor who can provide air-cover or exposure as necessary to help get an idea off the ground. The paper makes one thing clear; Intrapreneurship can be lonely and isolated. The presence of a senior supporter, confidante or coach has proven to be crucial to success.

As the social intrapreneurship movement moves forward, it will be interesting to understand where the boundaries of this disruptive pre-commercial space truly lie. It's a space occupied not only by social intrapreneurs but also social entrepreneurs, social enterprises, even some progressive NGOs. Are we talking about an incubator for a new economy? How do the different players interact in such a space? What are the catalysts or crucibles which can start to pollinate the latent change agents residing within large multinational corporations?

These are questions for the future. For now, however, The Doughty Centre's latest research on the enabling environment is a must read text for any business leader aspiring to reinvent the positive role their business might play within society.



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EXECUTIVE SUMMARY

This Occasional Paper is a continuation of research by The Doughty Centre for Corporate Responsibility on the work of social intrapreneurs - individuals within large corporations who take direct initiative for innovations which address social or environmental challenges profitably.

In this phase of research – which included a literature search as well as further interviews with social intrapreneurs, their colleagues and other experts in the academic NGO and business sectors working in the social intrapreneurism field – the “enabling environment” for social intrapreneurs was explored, identifying key factors that enable (and disable) innovation. These include:

Culture That D.A.R.E.S. To Foster Social Innovation

Cultural elements that support successful social intrapreneurism include:

Dialogue. Creating time and space for a wide range of voices to be heard – face-to-face, not just online - enables people in organisations to open up to what is happening in the wider world (vs. remaining immersed in their own immediate individual or team environments).

Autonomy. Intrapreneurs need to be empowered to develop their ideas by providing them with autonomy. The freedom to experiment and take risks that was granted to some social intrapreneurs was cited as key factors for their accomplishments.

Risk-taking. The culture needs to encourage intrapreneurs to take risks and provide them with the time to solve problems with co-workers. As intrapreneurial experiments might well fail, the organisational culture needs to display a tolerance for failure, recognizing the value of learning through failed experiments.

Experimentation. Social intrapreneurs also need encouragement, room and resources for experimentation. Innovation is a naturally-occurring phenomenon in organisations and the imperative for companies is not to promote or create such innovation but simply not to interfere with it.

Sustainability in business. In contrast with companies that focus purely on commercial innovation, companies that promote social innovation incorporate sustainability and ethics explicitly into their business strategy, vision and values. Communicating clearly how sustainability is integrated with the success of the business provides useful direction for social intrapreneurs.

Human Resources Management

Human resource (HR) practices can contribute to an enabling intrapreneurial environment, mainly by developing personnel and offering recognition. A broad spectrum of management tools can support social innovation including personal innovation time; group brainstorming and innovation sessions; knowledge management; education, training and personal development; volunteering support; reward and recognition. Organisations can blend their HR management tools, adapting these for a mix of cultures and generations as innovation proceeds through different stages.

Management and leadership

Top managers need to guide and sponsor intrapreneurs, which in turn requires that they develop essential managerial skills including: communicating a clear vision as well as the importance of intrapreneurism and innovation; encouraging risk-taking and demonstrating tolerance for failure; championing innovation projects by providing resources and delegating authority and responsibility.

A “godparent” – such as an HR Director, Head of Innovation or other senior manager - can play a facilitating role in developing both social intrapreneurs and their fledgling projects, often supporting ideas and projects not in the corporate plan.

Resources

A key enabler for intrapreneurism is resource availability, including capital, time, knowledge, skills, and slack resources in general. Of particular importance is time, as the innovation process is often non-linear and iterative, building on learning from past experience. The organisation needs to match the resource requirements of the intrapreneurial project with the resources that are available, not only within the organization, but also within its network.

Organisational processes and infrastructure

An organic, lean, flat organisational design allows cross-functional teams to work autonomously on innovation projects. Management systems play a central role in providing policies and procedures, formal evaluation and, in case of success, the distribution of rewards. Open and quality communication plays a major role in translating the vision into strategic plans and targets as well as creating consensus on individual and team

performance targets. Intrapreneurism also profits from organisational capabilities such as previous experience in innovation and business venturing. While egalitarian structures support social intrapreneurism, power imbalances and bureaucracy impede the “flow” of ideas and resources generating disabling effects.

Strategy

Characteristics of an enabling strategic approach to intrapreneurism are: proactivity, a clear customer orientation, materiality, long-term perspectives and enhancing organisational capabilities.

External environment

In contrast with factors which support general innovation, the development of connections with external organisations – whether these were NGOs, suppliers or other commercial partners or government agencies – is a defining feature of successful social intrapreneurism. The connections with external contacts fulfil a variety of important functions:

- They raise awareness of a range of sustainability issues which are material to the business;
- They facilitate the creation of a business case for the development of social intrapreneurial activities which can be presented to senior managers;
- They help to legitimise the activities of social intrapreneurs with both internal and external stakeholder audiences;
- They help in development of cost- and time-effective operational plans for piloting social intrapreneurial projects, sometimes by providing technical advice;
- They help in assessing the outcomes, costs and benefits (social/commercial) of projects.

TIME FOR “C.H.A.N.G.E.S.”: 7 HABITS TO BUILD SUCCESSFUL SOCIAL INTRAPRENEURISM

Based on our findings, we suggest the following habits that companies can practise to develop social intrapreneurism in their organisations:

1. Cultivate ‘café culture’.

Create time and space for people at all levels of your organisation to learn, think and talk about what is happening in the wider world and how your business can be a force for good in it.

2. Humanize your organisation to promote egalitarianism and generosity.

Social intrapreneurism flourishes in egalitarian environments with flat hierarchies. People unencumbered by bureaucracy and politically-induced fear will be free to think about “their mainstream day jobs in the broadest way” and are more likely to take responsibility for innovation, sharing their ideas and learning with others with improved results.

3. Account for the social and environmental, as well as the economic, value you create.

Conventional accounting rules and timeframes make it difficult to develop socially innovative projects. Managers of aspiring social intrapreneurs should look for ways to assess the social and environmental, as well as economic, value that their proposed projects can create.

4. Network inside and outside your organisation to create consortia for action.

Successful social intrapreneurs build alliances with partners outside, as well as inside, the organisation. Cross-border and cross-sector partnerships can form the basis for powerful consortia for change. Senior managers need to be open to working, not only with people in other departments, suppliers and other business partners, but also with other organisations in other sectors in order for these partnerships to work.

5. Grow people into leadership roles for sustainable business.

People given opportunities to develop self-confidence and skills for collaboration, gain a deep understanding of the business and “do good” through volunteering and mentoring. If they are then recognised and rewarded for such behaviour, they are more likely to develop into successful agents for social change.

6. Experiment with social intrapreneurism pilots that can be scaled up for impact.

Social intrapreneurs start with time-limited, small-scale projects – often in their spare time, at the margins of their organisations – which can provide proof of concept with minimal financial or reputational risk to the company before being scaled up further. While it is desirable to be able to predict or calculate return on investment for such projects, most pilots cannot be assessed against quantitative criteria and therefore alternative qualitative criteria will need to be used to define success.

7. Strategize to achieve sustainable business and societal goals.

The ultimate goal is for leaders of the business to understand its wider societal purpose - encompassing the social and environmental, as well as economic, value it creates – and to develop business strategy, vision and values that encompass this more sustainable, as well as inspirational, purpose for the benefit of the business as well as society at large.

TOWARD A NEW WAY OF DOING BUSINESS

The research team conclude that social intrapreneurism will become, not merely a new approach to corporate responsibility and sustainability practice but a gateway to an entirely different way of doing business. The Doughty Centre team invites others to join together to build a community of practice that will drive and support such change.

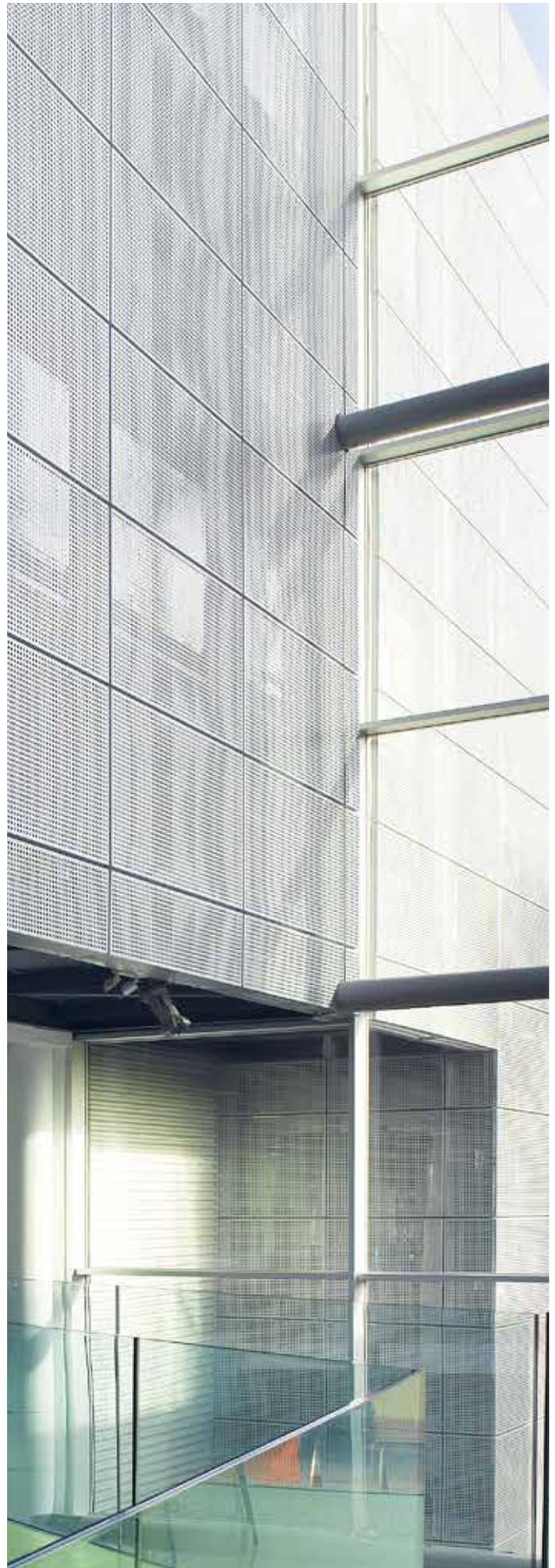
INTRODUCTION

All businesses are interested in innovation. They want to understand how it works, how they can encourage their own people to do more of it and how their companies can benefit from it.

The Doughty Centre for Corporate Responsibility at Cranfield School of Management has been studying a form of innovation with an unusual twist: ‘social intrapreneurism’, the creation of products, services and processes that generate commercial value for companies and social and environmental value for the wider community. The team’s initial findings, based on interview research with 25 social intrapreneurs around the world who pioneered social and commercial innovations in their companies, were published in January 2011 in a Doughty Centre Occasional Paperⁱ.

What was evident in our interviews with social intrapreneurs was that the environments in which they worked exerted a profound effect on their capacity for initiating, developing and sustaining projects that produced both commercial and social benefits. Some features of these environments mentioned by our interviewees – including culture, human resource management, access to resources, organisational processes and infrastructure, management and leadership behaviour, links with external organisations, and strategic focus on sustainability - appeared to be “enabling” of social intrapreneurism in some forms. Other factors were “disabling” and could disrupt the social innovation process in different ways - for example, by suppressing or pre-empting dialogue about sustainability, failing to provide senior support or sufficient time and resources to develop project ideas, or failing to recognise the value of social impacts created by the business.

In the second phase of our research we therefore sought to identify key features of the “enabling environment” for social intrapreneurism, including the presence of other colleagues who played influential roles in working with social intrapreneurs to bring projects to fruition. We contacted interviewees from our original group of social intrapreneurs to probe their original comments in greater depth as well as interviewing colleagues in their organisations, often “godparents” who supported the development of social intrapreneurism in their organisations and could provide additional insights into the process.



METHODOLOGY

Our research team conducted a literature review to identify essential components of the organisational environment that enable or disable the process of intrapreneurism generally within firms as well as analysing data obtained from our interviews with social intrapreneurs.

With our key enablers and disablers provisionally identified, we then developed an interview protocol which we could use to probe these elements further. A further set of interviews was conducted with colleagues of our original social intrapreneurs – particularly individuals whom we thought would be in a position to comment on these enablers and disablers (e.g. HR Directors, Heads of Innovation, other senior managers whom our social intrapreneurs identified as “godparents” who facilitated the development of their projects) – as well as other experts (in NGOs, academia and business) working in the field of social intrapreneurism.

We have interviewed 33 people from more than 30 national and mainly multinational companies in the following sectors:

Management consultancy
Insurance
Informational technology hardware & equipment
Engineering consultancy
Car rental and leasing
Chemicals
Banking
Food
Retailing
Energy
News media
Airlines
Building materials
Investment banking
Personal care
Pharmaceuticals
Health & wellness, audio, multimedia
Breweries
Diversified machinery
Electronics
Specialty retail
Consulting services - information technology
Telecommunications
Fast-moving consumer goods
Cleaning and facilities management

Additionally, experts in social intrapreneurism in the Netherlands, UK and USA were consulted and team members benefitted from speaking at and/or moderating conferences on social intrapreneurism at the Asian Institute of Management’s Annual CSR Forum in Manila; for the British Council Japan and Volans with a group of visiting Japanese business and media representatives; for the Skoll Centre for Social Enterprise, Said Business School; and for events at The Hub in Amsterdam, London and São Paulo.

What follows is a discussion of the major factors which we identified in the literature review and in both sets of interviews as the enablers and disablers of social intrapreneurism.

A note on terminology: Social intrapreneurism vs. social intrapreneurship

One of the questions which arose within our research team was whether we should adopt the term “social intrapreneurism” or “social intrapreneurship” to describe the activity we are studying. The factors we considered include:

- * Ensuring a common language for ease of communication with other colleagues working in this field;
- * Highlighting both similarities and differences between the work of social intrapreneurs inside companies and social entrepreneurs who work outside large corporate environments;
- * Striking a balance between recognising the work of individual social intrapreneurs (whose work has been identified as social intrapreneurism) and that of others who work with, and in support of, social intrapreneurs in the corporate and broader ecosystem.

While we have used the term “social intrapreneurism” in this paper to highlight the importance of the ecosystem in fostering innovation that produces social and commercial impacts, we are treating the terms “intrapreneurship” and “intrapreneurism” as being largely interchangeable.

CULTURE THAT D.A.R.E.S. TO FOSTER SOCIAL INNOVATION

Organisational culture has been identified as an important influence on social intrapreneurism in both our literature review and by our interview subjects. But what is “culture”? It has been defined variously as:

- “The way things get done around here” (Deal and Kennedy, 1982)ⁱⁱ;
- “the specific collection of values and norms that are shared by people and groups in an organisation and that control the way they interact with each other and with stakeholders outside the organisation” (Hill and Jones, 2001)ⁱⁱⁱ ;
- “A pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (Schein, 2004)^{iv}.

Which cultural elements support social intrapreneurism? The result of our empirical research largely converged with the factors described in our literature review (Antoncic, 2007; Antoncic and Hisrich, 2003; Christensen, 2005; Kuratko and Goldsby, 2004; Mantere, 2005; Narayanan et al., 2009; Stopford and Baden-Fuller, 1994). The following factors were particularly salient:

DIALOGUE

The way to get good ideas is to get lots of ideas, and throw the bad ones away.
~Linus Pauling

A culture of open dialogue is a distinctive attribute of organisations in which social intrapreneurism succeeds. Creating time and space for a wide range of voices to be heard – face-to-face, not just online - enables people in organisations to open up to what is happening in the wider world (vs. remaining immersed in their own immediate individual or team environments). Such dialogue also facilitates the creative flow of ideas needed for truly innovative ideas to emerge.

Our interviewees often described qualities of their organisational environments that appeared to promote (or inhibit) what could be described as **ideational fluency** - a term usually reserved for describing intelligence and/or creativity in *individuals* (Guilford, 1959)^v - *in teams or organisations*.

Csikszentmihalyi^{vi} defined “flow” (1990) as “a mental state of operation in which a person performing an activity is fully immersed in a feeling of energized focus, full involvement, and enjoyment”. Sawyer (2006)^{vii} built on this concept, examining a wide variety of creative activities – not only highly-valued activities such as production of art masterpieces and scientific endeavours but also movies, music videos, cartoons, video games, hypertext fiction, stage performance, business innovation, and advances in computer technology. He proposed that “creativity isn’t just a property of individuals, it is also a property of social groups.”

One specific activity cited by Sawyer, with which one of our research team has had direct experience, is jazz improvisation. Sawyer notes that, “although each musician is individually creative during a performance, the novelty and inventiveness of each performer’s playing is clearly influenced, and often enhanced, by ‘social and interactional processes’ among the musicians.”

These ‘social and interactional processes’ also shaped the experiences, both positive and negative, of the social intrapreneurs we interviewed. The success of their efforts to develop innovative products or services producing both commercial and social benefits depended, not just on their own personal attributes – such as persistence and the ability to communicate effectively with others - but also on the degree of like-mindedness and engagement of colleagues who worked with them to bring projects to fruition.

The organisational capacity to create time and space for creativity and learning has been labelled as **café culture** (Business in the Community, 2010)^{viii} and is a feature of organisations where learning is part of everyday life. In these vibrant environments, time and space are set aside regularly for people to relax, converse, learn something new and connect with others. Innovative ideas flow naturally in settings where learning of all types is intrinsically valued.

“[There is a] culture of openness to new ideas.”

“You need a culture of dialogue, people able and willing to listen and discuss ideas. Interest to know how things are seen from the outside. . . There is a genuine interest to talk, debate listen, consult with externals.”

“We have brought a lot of resources to help people to get out of a debate mode and into a dialogue mode.”

“Good communication/”storytelling” is needed to create impact with Boards - can be better than indicators.”

“[We have a] habit of “yes – but” mentality – even though [we are an] innovation company. Made rule – can’t say “yes but” must be “yes and”.

Conversely, culture can be a disabler if it induces fear of expressing views openly:

“[I am] interested in [sustainability] topic, but careful because feared ridicule by colleagues”

‘[Company] lost a potential intrapreneur because of corporate culture, not valuing open discussions and not providing an enabling environment.”

“The people fear to do things differently as if there is an error I might be fired. If there are good results I don’t get recognition.”



AUTONOMY

Intrapreneurs need to be empowered to develop their ideas by providing them with autonomy (Antoncic, 2007; Christensen, 2005; Kuratko et al., 2005; Narayanan et al., 2009; Roberts and Hirsch, 2005). Social intrapreneurs cited freedom to experiment and take risks as key to their accomplishments.

“Here I was able to make my own decisions and I’m driving what I need to do.”
SI, Pharmaceutical Company

Her immediate boss in [the bank] was in London, [she was in] Amsterdam. He gave her plenty of discretion and autonomy.

A specific challenge for social intrapreneurs is that sustainability may be perceived merely as a bolt-on to the business or purely as a form of risk-mitigation (vs. as a business opportunity). While they may be able to carve out time and space for their projects, they are often operating “against the grain” of their company’s prevailing culture, where sustainability is considered, at best, only partially relevant to the core business.

[The company is] two years into transition from corporate philanthropy to social innovation. . . looking to create new markets, new customers and new products and services through better social innovation.

“The company was ‘market-driven’ regarding the social intrapreneur’s project, [so he] had to pursue his micro-finance interest in his spare time...had to deliver on day-job.”

Some social intrapreneurs were prepared to go “against the grain” of conservative organisations to develop new projects:

“Organisational culture was ‘deeply conservative’ but innovation comes from ‘naughty people’ who go to edge.”

RISK-TAKING

The culture needs to encourage intrapreneurs to take risks (Anderson et al., 2004; Christensen, 2005) and provide them with the time to solve problems with co-workers (Hisrich, 1990; Kuratko et al., 1990). As intrapreneurial experiments might well fail, the organisational culture needs to display a tolerance for failure, recognizing the value of learning through failed experiments (Anderson et al., 2004; Christensen, 2005; Kuratko et al., 1990; Stopford and Baden-Fuller, 1994).

Our interviewees also cited the importance of being encouraged to take managed risks and being rewarded for doing so, even when failure occurs:

“We have a very risk oriented culture...we have the culture that we can think crazy stuff in any position and in any meeting.”

“Culture is very entrepreneurial, as if you have a good idea you are challenged to implement it...major challenge is [achieving] scale [with a social intrapreneurism project].

Culture can be disabling if people fear they will not be recognised or rewarded for taking risks. This occurred, for example, in an environment that was perceived by one interviewee as “highly political, rigid...’survivors’ interested in their career [were] most likely to succeed.”

EXPERIMENTATION

Social intrapreneurs also need encouragement, room and resources for experimentation (Anderson et al., 2004; Christensen, 2005; Hostager et al., 1998; Stopford and Baden-Fuller, 1994).

“In an environment where the target is to reduce carbon footprint by half by 2020, and the CEO is frustrated you’re not moving faster, you’ve got a great experimental playground, freedom to spend money, a load of push from elsewhere, that’s a fantastic environment.”

“High tolerance for experiments, applying flexible criteria for defining and measuring success.”

One interesting suggestion was that innovation is a naturally-occurring phenomenon in organisations and the imperative for companies is not to promote or create such innovation but simply not to interfere with it:

“Now in this moment we have thousands of [consultants] doing something innovative, something they developed to have new experiences with clients and with [the company]...What we need to achieve...is avoid to interfere with the natural flux of innovation which exists...Our innovation culture is in this sense of bringing to life the experience of well-being to the consumer and to society.”

“[There is an] ethos of ‘innovation for companies and nations’ - doing things on a large scale; freedom to do interesting experiments but in a disciplined way.”



SUSTAINABILITY ♥ BUSINESS

In contrast with companies that focus purely on commercial innovation, companies that promote social innovation incorporate sustainability and ethics explicitly into their business strategy, vision and values. Communicating clearly how sustainability is integrated with the success of the business provides useful direction for social intrapreneurs (Antoncic, 2007; Antoncic and Hisrich, 2003; Christensen, 2005; Kuratko and Goldsby, 2004; Mantere, 2005; Narayanan et al., 2009; Stopford and Baden-Fuller, 1994).

Our interviews demonstrated that the strength of companies' social and environmental paradigms (Andersson and Bateman, 2000) determines the extent to which social intrapreneurs can "live according to their values... and to harmonize corporate conduct with societal expectations" (Spitzeck, 2009, p. 169). The more that responsible, sustainable business practice is perceived as integral to, and enhancing opportunities for, business success (Grayson and Hodges, 2001^x, 2004^x), the better the chances of developing and sustaining social intrapreneurism in the organisation.

"We are looking for products and services which will impact on our customers' sustainability issues. . . drive in the organisation is seeing sustainability as a business opportunity and a necessary part of the innovation cycle."

"Our roots are entrepreneurial and innovative...look at [company's] CSR Award winners who [have] not got CSR responsibility."

"They don't do 'CSR': here we are talking about the business."

How the traditional corporate responsibility specialist can disable social intrapreneurism

In contrast with organisations where sustainability lies at the heart of business strategy, more traditional companies may conceive of sustainability as a 'bolt-on' to the core business. A number of social intrapreneurs described how the presence of a corporate responsibility specialist or function in such a company could hinder, rather than enable, social intrapreneurism.

In traditional business contexts, corporate responsibility is often equated with philanthropic activity and can be perceived only as a cost or risk, not as a business opportunity. Potential social intrapreneurs might therefore refrain from undertaking any activity that counters prevailing views about CR, especially if it could impede their career progression in the organisation.

"'Either/Or' mindset about CR [corporate responsibility] - "CR costs money" - is a challenge."

"Although [the company] had external corporate reputation for sustainability, [there was] little internal awareness - compliance mentality."

"CR criteria for supplier selection may exclude engagement with some smaller suppliers [who could be partners in social intrapreneurial activity]."

"In the fast-track I am in [it] is not really good to be seen as interested in what might be thought of as leftie."

"Perception from grapevine [was] don't rock boat on sustainability or else."

"Values are not innovation, culture is more compliance, and risk-averse. . . not seeing sustainability being perceived opportunity"

Occasionally the relationship between social intrapreneurism and CSR specialists can be competitive (eg for resources):

“The CSR department had some competition from [the company’s] corporate foundation.”

“Some [CSR managers] tend to be very defensive, turf protectors”.

Some social intrapreneurs, however, work to change perceptions of CR/sustainability in their organisations, despite the risks:

“[Company] was only on risk-mitigation and not opportunity...Therefore I changed debate and conversation...starting from risk and transferring to opportunity”... now ‘entrepreneurial development bank’ [has been established].”

Such change can be driven emphatically by a social intrapreneur who finds him-/herself in a CR specialist role:

“Joined staff four years ago as CR Global Director reporting quarterly to CEO and to chairman; and to excom and board. He sees himself as being hired in as a licensed social intrapreneur i.e. with a brief to be a change-agent...critical of what he sees as the traditional way CR director/unit role is carried out viz. producing endless reports, trying to position company to look good in rankings, using a language unintelligible to non-CR cognoscenti, and primarily talking only to other CR cognoscenti in endless conferences with the same faces!”

What happens to social intrapreneurs acting “against the grain” of their organisations?

One question that arose from our interviews was whether social intrapreneurs actually need cultural opposition against which they can act. If a company has made a strong strategic commitment to sustainability and set out specific goals and policies, does this discourage social intrapreneurs because they and their managers feel they have less discretion, given there is already much to do in order to achieve agreed corporate sustainability goals?

There does not appear to be a simple answer to this question. Some social intrapreneurs – like commercial entrepreneurs - appear to thrive in the “start-up” phase of new projects when they have a licence to act independently and have opportunities to create social, commercial and/or organisational change. This is consistent with Deci and Ryan’s self-determination theory in which competence, autonomy and relatedness are key to self-motivation and mental health^{xi} (Ryan and Deci, 2000). One of our expert panel members who reviewed this paper highlighted Deci and Ryan’s work in suggesting that prospective opportunities for social (vs. purely commercial) intrapreneurism would, in particular, “stimulate a sense of purpose [relatedness] with employees”.

“{I} wouldn’t say [I was] most popular but could get people to do things. Manipulator characteristic came out repeatedly.” [Self-described key personality attributes]: “Tenacity, sheer bloody-minded[ness], wouldn’t surrender.”

“No salary for year. Free office in University... Science Park –when exhausted, slept in sleeping bags in office. Loved it. Classic garden shed start-up.”

But not all social intrapreneurs described the experience of working alone in inhospitable cultural climates positively. Resilience and political navigation were cited as critical qualities for surviving opposition but social intrapreneurs did not necessarily relish such experiences:

“It’s quite lonely, you live on self-belief and determination.”

“Don’t give up – this is where dogged determination comes in. In the early days, I was accused of all sorts by competitors, trade associations, the media. It would have been easy to sweep it under the carpet.”

“Know which policies you can bend / break – how close to wind you can sail without getting sacked!”

All three of the individuals quoted above are still working in their organisations, suggesting that perhaps what matters most is not whether the sustainability mindset of the social intrapreneur is aligned with organisational culture but whether the social intrapreneur is able to recognise fully the cultural challenges they face in developing their new projects and have the skills and emotional intelligence required to overcome these.

Our expert contact warned us that social intrapreneurs who are unable to overcome such cultural challenges might then be at risk of becoming cynical, believing that “this organisation is not living up to its values”.

What kind of innovation culture does your company have?

Knowing the key elements of an organisational culture that D.A.R.E.S. to foster social innovation, to what extent would you agree or disagree with the following statements about your own company’s culture?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
We practice open Dialogue					
People have Autonomy					
Culture encourages Risk-taking					
Intrapreneurs are allowed to Experiment					
Sustainability is linked to core business					

HUMAN RESOURCES MANAGEMENT

Our literature review found that human resource (HR) practices can contribute to an enabling intrapreneurial environment, mainly by developing personnel and offering recognition. Personnel development starts by recognizing the value of employees' skills and knowledge (Antoncic, 2007; Christensen, 2005; Hayton and Kelly, 2006), as well as their future potential (Kuratko and Goldsby, 2004; Mantere, 2005). Employees' potential can be developed by providing training and clear career paths (Mantere, 2005; Parker, 2011). Intrapreneurial behavior should be rewarded (Antoncic, 2007; Hornsby et al., 1993; Kuratko et al., 2005) not only financially but also by other means such as recognition, promotion, broader responsibilities and autonomy (Christensen, 2005; Morris and Kuratko, 2002; Sathe, 2003; Stopford and Baden-Fuller, 1994).

Consistent with the literature, our social intrapreneurs and their colleagues identified a broad spectrum of management tools supporting social innovation. These include:

Personal innovation time

"Theoretically up to 10% with approval; if employees have ideas for things, they are encouraged to do business start-ups and often helped to find the finance for this."

Group brainstorming and innovation sessions

"[There are] regular 'Big Picture' presentations of the business, the market-place, the technological developments taking place and ARM developments; periodic [group sessions on] where do we want to be in 10 years time exercises; Innovation Days: typically within offices or divisions, to step back from immediate tasks and brainstorm."

Knowledge management

"Knowledge management system connects people/skills/know-how (Now/New/Next) but also encourages a wider, future-oriented global perspective on what matters to the organisation."

"An important part is our knowledge management. We want to increase the significance of nutrition. So we have forums of synergies involving different units."

"Any employee can suggest projects and innovations are not only coming out of the R&D dept. In meeting with the innovation team they usually ask all participants if they have any idea for new products. They then bring that to marketing and if the idea is interesting the initiator is challenged to develop a more detailed proposal."

Education, training and personal development

"[Company] is now developing a top management education programme, based around the core values, to develop a common language and understanding of how to lead with values and with corporate social intelligence...ESADE provide training, and [company] provide mentors for each of the social entrepreneurs from amongst senior managers."

"[HR Manager] uses sustainability to enhance recruitment/retention; sustainability activities are part of trainee development. The background is that HR (as a corporate function and field) is not innovative."

"[Company] is ranked 43rd among the world's 500 greenest firms in the 2011 Newsweek Green Ranking. Making significant investments in...values-led management education."

"[New head of Knowledge and Innovation aims] to unlock people's potential and hidden talent of [company]...Aim now to uncover social intrapreneurs – to introduce term."

"People rotated around world across developing markets to get different cultural experiences."

"Global Growth Group: Not mentors specifically for innovation but do have mentoring."

Volunteering support

“Employees are encouraged to be non-executives on for-profit boards, social enterprises, charities to cross-fertilise; Sustainability director is looking to promote a programme like GSK’s PULSE where high-flyers have opportunity of circa three-month secondment to NGO partners.”

“Working with Street Football helps to identify the adaptable leaders of the future... when he brought the partnership into leadership development, leaders saw the potential for the company... for every employee survey completed, donate 1 euro for Street Football.”

Reward and recognition

“[There is] recognition of excellence in [Company] Journal, Design Yearbook BUT no individual incentives.”

“Employees are recruited, inducted, trained in, appraised against and rewarded for performance versus the [company] values.”

“[Company] spends x bn Euros on its research and development...we reward the individual for feeding in new ideas. . . with more emphasis on sustainability you see people feed in more of that kind of ideas.”

Blended methods

Organisations could blend HR management tools to provide a range of support for innovative activities, particularly when the workforce is a mix of cultures and generations and innovation proceeds through several stages:

“You need a couple of HR instruments such as suggestion management, knowledge management...[CR Academy focuses on] capability development...[enabling execs to be] ‘capable to generate a culture of innovation’... [you need to] provide room for innovation”

“The company was composed of many grey hair people. Now we have 6 generations living here at the “nervous centre” of [Company] in Brazil which have different visions and values... Managers need to make use of our Recognition Programme and stimulate the teams to participate. Also they need to tolerate more errors.”

“Have annual awards for each of the company values...have mentoring programme with Ashoka -- where staff can mentor young social entrepreneurs + countless different volunteer programmes. . .do see biz by-products.”

“In general, innovation at [company] is encouraged through an employee portal. Employees of all [group] companies are encouraged to share their ideas through the portal, and once a year there is a request for ideas on specific topics. Some ideas are then selected for experimentation. . . [head of innovation lab] got personal recognition for his role in developing [new service] for farmers.”

Our literature review found that HR management practices may also act as disablers for intrapreneurism, mainly when failing to address change-resistant employees who are less able to cope with challenges and setbacks, and thus do not collaborate (Jones et al., 2005; Kuratko and Goldsby, 2004; Lombriser and Ansoff, 1995), as well as when employees have difficulties in getting to know co-workers (Mantere, 2005).

The reports of our social intrapreneurs focused more on obstacles to their individual action. In quite a few cases, there was no official support for social innovation initiatives and therefore budding social intrapreneur’s projects had to be initiated and developed in employees’ spare time and with no designated budgets or other resources. However, this had the effect of disciplining social intrapreneurs into using their spare time effectively as well as developing projects with a strong business case that would appeal to managers.

“There is no institutional support for such initiatives. But he does not see this as a disadvantage – he thinks it’s not. Engagement relies on the principle of entrepreneurial activity.”

“[Support?] We don’t. One of my big challenges. No special bonuses etc. I’ve been trying to give people a belief in future in a harsh market.”

“You don’t get official time to do this. [Godparent] helped [social intrapreneur] to get his back covered until they got approval from the top to do this full-time. There is some slack to use time and there was no resistance from management to explore.”

MANAGEMENT AND LEADERSHIP

Our literature review found that top managers need to guide and sponsor intrapreneurs, which in turn requires that they develop essential managerial skills. First, they need to communicate a clear vision (Christensen, 2005; Kuratko and Goldsby, 2004; Kuratko et al., 2005; Mantere, 2005) as well as the importance of intrapreneurism and innovation (Antonicic, 2007; Dess and Lumpkin, 2005; Kuratko et al., 2005; Narayanan et al., 2009). In line with corporate culture requirements, they need to encourage risk-taking (Hornsby et al., 1993; Kuratko et al., 2005) and demonstrate tolerance for failure (Kuratko et al., 1990). As top managers have access to slack resources, an important role is to champion innovation projects by providing resources (Christensen, 2005; Kuratko et al., 2005; Kuratko et al., 1990), and delegating authority and responsibility (Kuratko et al., 2005).

In addition, providing a clear direction and acting as a sponsor require good communication (Mantere, 2005), long-term thinking (Christensen, 2005; Kuratko and Goldsby, 2004) and having experience with innovation (Kuratko et al., 1990).

Generally, these comments also resonated with the comments of our interviewees:

“Central is leadership and the leader. . . central aspects are for me culture, structures and how to form teams.”

“[Innovation culture] depends a lot on management...[like an] orchestra - depends on how conducted, [determines] what kind of music you get.”

A manager ‘creates space’, ‘ring fences’ a project, ‘changes rules’ and also has high awareness of sustainability issues.

“New CEO – strategically put sustainability at core of business... CEO showed ‘leadership and bless initiative’, ‘extremely supportive’.”

Managers also have a role in framing the business context clearly for social intrapreneurs, setting standards, opening doors to ensure the long-term viability of a project:

“[There is a] genuine open-door policy involving all senior people including the CEO and EVPs as I saw for myself – but also emphasised that [there are] tough gateways to get ideas through.”

“Message from top was don’t do too much in order not to raise expectations. He thinks it’s important to lower expectations and to be open about limitations, struggles, problems as it is an experimentation process...Management saw that this is not a bad thing, we can explore, test and learn. They also saw that this area has a potential significance.”

The Godparent

Several of our social intrapreneurs described a person – whom we labelled as a “godparent” - who played a facilitating role in developing both social intrapreneurs and their fledgling projects.

The leadership qualities of these managers included the ability to let go and support ideas and projects not in the corporate plan.

“Boss creates space to pursue new projects, acts as board advocate for CR, pushes innovation.”

“His former boss – who is today director at a different company – helped him a lot to frame his sustainability initiatives more in a business[-like] manner...**Access to senior management is really important. You need a godfather inside the organization who helps you to get things done.**”

“[Management sponsor] supported this [social intrapreneur’s] idea, put [social intrapreneur] in touch with right people and connected various projects locally.”

“I talk two hours every three weeks to CEO and tell him what I think should happen. He believes in what I am doing – he is my sponsor.”

“He [manager] gave her plenty of discretion and autonomy.”

A resourceful manager can also function in a hybrid role as social intrapreneur and godparent:

“[Interview subject] sees himself as a SI and change-agent to help other change-agents to pull together the wherewithal of time and resources and connections to make a difference ...a classic Malcom Gladwell Tipping Point mixture of maven, connector and salesman...giving permission and encouragement to other employees to be social intrapreneurs.”

The loss of a manager who is a key project sponsor or “godparent” can have a major impact and may require significant adaptations to ensure a social intrapreneurial project survives:

“Micro-finance unit [was] just getting into stride at time of 2008 banking crisis. [Social intrapreneur’s] senior sponsor made redundant; and massive retrenchment. To survive, micro-finance moved into Emerging Markets Division.”

Managers can also have a disabling impact on social intrapreneurism in an environment that is highly politicised, subject to severe economic pressures or where sustainability is not perceived as an issue requiring urgent attention:

“[The social intrapreneur’s] immediate boss was transferred to this department because she did not succeed as a commercial manager. She had little knowledge of CSR and gave [the social intrapreneur] few possibilities for development. Once [she] managed some projects which created more visibility her boss felt uncomfortable.”

“CEO...had the job to get [company] out of the red. . . he was zero sympathetic to sustainability. . . he was neutral to it. Apathetic management.”

“Difficult to change mentality of Board/SMT... [parent company] doesn’t have sustainability policy...Board at risk mitigation stage... store managers / HQ don’t have any KPI for sustainability.”

“Perceive SMT very conservative about what sustainability means...next layers of management down felt more impatient and urgent re. sustainability challenges.”

“I think the biggest barrier is the mentality of management. Management supposes a system of planning and control. This is the logic of business schools for the last 150 years. It believes that if I plan something, I can later control and I will have good results.”

RESOURCES

Our literature review found that a key enabler for intrapreneurism is resource availability, including capital, time, knowledge, skills, and slack resources in general (Anderson et al., 2004; Hostager et al., 1998; Kuratko et al., 2005; Kuratko et al., 1990; Mantere, 2005). Of particular importance is time, as the innovation process is often non-linear and iterative, building on learning from past experience (Anderson et al., 2004; Christensen, 2005; Hornsby et al., 1993; Kuratko et al., 1990). The organisation needs to match the resource requirements of the intrapreneurial project with the resources that are available, not only within the organisation, but also within its network (Christensen, 2005; Kuratko et al., 2005; Narayanan et al., 2009).

Disabling factors in this category are lack of resources (Kuratko and Goldsby, 2004), as well as high employee turnover (Anderson et al., 2004).

From our interviews, it appears that companies can support social innovation with a wide variety of resources and these are often blended together:

Innovation infrastructure

Several companies invested funds in internal networks that provided a focus for assessing, initiating, supporting and celebrating social innovation projects through different stages of development.

“[Company] invested £2.5m in innovative charitable bonds to fund the Future Business Centre – a **business incubator for social enterprises**...employees will act as mentors and board members for the social enterprises incubated through Future Business; Future Business have created an internal YAMMER – the enterprise social network.”

“[Company] has now invested in a **Social Intelligence/Insight Unit** alongside its more traditional Customer Intelligence/Market Insight function...Four years ago, [company] committed 200 million for micro-finance – and now have one million customers across South America.”

“2m programme (**Blue Camp**)” - for innovation.

if good, can join and constantly search to find good candidates – pitch your ideas - jury selects - is part of management fast-track programme. . . mentors for management development cohort.”

“Recently we introduced since January the **filter of ideas**. First you have the stage of the idea. This can come from any person in the company. If this idea is approved it gains resources to go from idea to concept. If the concept is approved, it turns an initial project.”

“[Head of Knowledge & Innovation] can call ad hoc innovation **Task-Force Board** to assess crazy ideas...Name and fame innovators - public recognition.”

“In addition to the innovation labs they have 2 organizations. One is **iConnect** – ideas that come from partners and internal business groups; and the other is **Col** (Colnovation network)...now they adopted the ‘consortium’ business model, connecting companies in the field (seeds, fertilizers, irrigation, insurance, etc.) that normally don’t interact... social interaction in the platform is a way to encourage people to share their ideas.”

“More to do on how this [sustainability] is translated through the organization...**pockets of action where the bottom-up is working fantastically.**”

Project teams for innovation projects can cross department boundaries and need to be flexible over time:

“Someone above who played the chess and took care to put the right pieces together was very wise to set up this structure for [social intrapreneur] to grow. The structure was very Frankenstein - we put the VP for R&D, a manager in supply chain and a team of one trainee and one intern.”

“In meeting with the innovation team they usually ask all participants if they have any idea for new products. They then bring that to marketing and if the idea is interesting the initiator is challenged to develop a more detailed proposal.”

In some companies CR departments and initiatives can provide the focus for developing social innovation projects and integrating them with core business operations:

“Positioning the CR department as a **‘Programme Management Office’**... mainstream the insights from these new units into mainstream business decision-making... developed a model of ‘relate / incubate / translate’ to help [company] do this.”

“**CR Academy** is an internal resource.”

“Improvisational” accounting

One striking aspect of social intrapreneurism was the degree of improvisation – a kind of financial “jazz” - required by social intrapreneurs and their colleagues to fund projects within corporate accounting systems.

“Budget always an issue.”

“Officially there were no resources provided.”

Amortizing innovation costs across the organisation can help support innovation projects that might otherwise remain unresourced. “At [Company] there is one entity with one bank account...to develop innovative ideas.”

“Working in cross-functional teams is really easy at [company]... he suggested a project and the directors liked the idea of doing a study on how to connect [the company’s] products and biodiversity. They asked how much does it cost, he answered about 40.000 Euros. [The social intrapreneur] then asked if they would cover 50% of the costs and they agreed. [The social intrapreneur] knew however that the study would cost half as much and thus had it financed by corporate headquarters... Resources do not seem to be a problem if the business proposition is clear and if it creates value in terms of sales, reputation or branding.”

“Budgets are not formalized but lots of examples of resource investment in innovation - e.g. Project Eden (waste water treatment).”

“We are paid by the Brazilian [Company] Foundation. Important aspects of our shared value creation strategy are 1. Nutrition, 2. Water and 3. Local Development...We have a few projects such as our [company] ship in the Amazon, collaborations with farmers etc. but I still find it hard to create the business case for it.”

“There is little budget for disruptive innovation, so they are not thinking about the farmers, for example, but on how to make money out of a challenge.”

While rules governing initial funding of projects could vary, some interviewees suggested that to secure and sustain investment in social intrapreneurism, a viable business case for investment should be developed and criteria for assessing business benefit agreed:

“The most interesting outcome of research would be, where is the business impact? The business context needs to be very clear.”

“Selection of projects for development depends on articulating the business case.”



ORGANISATIONAL PROCESSES AND INFRASTRUCTURE

The main components of organisational structures and processes as discussed in the literature are: organisational design, teamwork, management systems and organisational capabilities.

An organic, lean, flat organisational design as seen in project based or matrix organisations is considered an enabler for intrapreneurism (Anderson et al., 2004; Christensen, 2005; Narayanan et al., 2009). Such a design allows cross-functional teams to work autonomously on innovation projects (Anderson et al., 2004; Antoncic and Hisrich, 2003; Brunaker and Kurvinen, 2006; Christensen, 2005; Mantere, 2005; Narayanan, et al., 2009; Stopford and Baden-Fuller, 1994).

In order to maintain the control and at the same time steer the development of innovation projects, authors argue that management systems play a central role in providing policies and procedures, formal evaluation and, in case of success, the distribution of rewards (Antoncic, 2007; Christensen, 2005; Kuratko and Goldsby, 2004; Mantere, 2005). Open and quality communication plays a major role in translating the vision into strategic plans and targets as well as creating consensus on individual and team performance targets (Antoncic, 2007; Brunaker and Kurvinen, 2006; Honig, 2001; Kuratko and Goldsby, 2004; Mantere, 2005). Intrapreneurism also profits from organisational capabilities such as previous experience in innovation and business venturing (Narayanan et al., 2009).

Several of these organisational attributes from the literature review were also mentioned by our interviewees.

Egalitarian structures support social intrapreneurism

Returning to the discussion of creativity, flow and ideational fluency above (in the section on Culture and Dialogue), the concept of ideational fluency is associated with flatter associative hierarchies in individuals (Mednick, 1962)^{xii} and it appears from our literature review and interviews that flatter organisational structures may also be more conducive to developing ideational fluency supporting social intrapreneurism in companies than hierarchical organisations.

The decentralisation of both the organisation as a whole and responsibility for innovation can have a positive effect on social intrapreneurism:

“There is an openness for innovation as the organization is decentral[ized] – lies in the responsibility of the regional CEOs. This decentralization in the regions depends on culture. [Company] attracts more entrepreneurial people.”

Innovation “always part of culture because [organisation is] very decentralized...” People see their mainstream / day jobs in broadest way - so they take initiative”.

“Technical teams and innovation teams work closely with marketing and with product development... very decentralized company. . . much of the innovation is developed in partnership with operating companies.”

“[Company] has a special characteristic: we attract a lot of good people. We attract people with an unrest to make some difference in the world. And many times people get frustrated because they confront this situation. Processes, bureaucracy, ... The biggest challenge is the find a way to finish with that. . . [Company] is an open environment. The people want to work here and want to create different relations and want to make a contribution. So our environment triggers this.”

[In the energy sector (vs. pharma)]; “innovation is a broader responsibility at [Company] with no dept of innovation]. . . “more coming from people working on the issues on a daily basis.”

Employee share ownership - another manifestation of egalitarianism – was cited as a “major” driver of intrapreneurism and also helped to promote a “sharing culture”.

Our literature review found that organisational structures and processes can disable intrapreneurism if the organisational design is highly centralised, bureaucratic and hierarchical (Anderson et al., 2004; Hisrich, 1990; Kuratko and Goldsby, 2004; Singh, 2006), and also if there is a narrow view of innovation as the task of the R&D department, and the tendency of creating silos (Christensen, 2005). Teamwork obstacles revolve mainly around an excessive focus on job descriptions, resulting in a difficulty to form teams (Kuratko et al., 1990). Obstacles presented by management systems are excessive controls (Antoncic, 2007) and strategic inconsistency among vision, targets, evaluation and rewards (Mantere, 2005). Finally, hierarchical communication (Kuratko and Goldsby, 2004) and mechanistic management (Narayanan et al., 2009) are also perceived as potential disablers of intrapreneurism.

Power imbalances, bureaucracy impede “flow”

Again, the literature review findings resonated with many of the comments of our interviewees. The immersion of our social intrapreneurs in both the operational practices of their respective disciplines (e.g. marketing, supply chain management), combined with their awareness of social and environmental issues, enhance their capacity to develop commercially applicable social innovations. Colleagues who work in formal R&D and innovation teams do not necessarily enjoy such advantages.

“At [the company] the power is concentrated in the hands of the directors. The environment is hierarchical, centralized and autocratic. Everything needs the approval of the directors. Other companies offer more space for autonomous decision-making...If you are flying below the radar you will stay a long time in the company.”

“Organisational hierarchy/structure can be a disabler if lower ranks block the way for good ideas to flow through to top management; good communication/“storytelling” is needed to create impact with Boards.”

“There are hierarchical gaps as they were implementing a flatter organization – however the experience distance between the levels is too great. At the same time he [VP, Supply Chain] is not sure if the people would like more power.”

“We are far away [from sources of innovation] but have a strong motivation to create an innovation environment. [The company] is still a hierarchical organized company, we still have bureaucracy, stiffness, authorizations, so we are experiencing the clash of the two perspectives.”

“The business model is very procedural, with a lot of ambiguity and hierarchy which slows things considerably. As we are in a small unit we can speed up things quite a lot, which is not true for other areas.”

“Big challenge in current environment where need more approvals than previously. . . like EU ops of other US companies - focus on survival.”

“The teams do not need to take a lot of decisions – the director does. It would be good to free directors from operational duties and to distribute the power more equally.”

Organisational changes can also impact on the innovation process:

“Lot of M&A last few years. . . could give foundations for more structured conversations with employees than was possible in the past... Level in organisation where people might come up with ideas, may not know I exist at the level of their management teams.”

This social intrapreneur highlighted the need for self-confidence and alliance-building skills to counteract the disabling effects of a hierarchical environment:

“We are organized in a matrix form. Therefore, I have many bosses and people to consult with. So the ability to form alliances and to align different people is very important. The difficulty is in permeating the organization with its current culture. There is a strong hierarchy here and power is centralized. You need to have the guts to walk into a director’s office.”

STRATEGY

Our literature review found that characteristics of an enabling strategic approach to intrapreneurism are: proactivity, a clear customer orientation, materiality, long-term perspectives and enhancing organisational capabilities.

Proactivity is primarily expressed by prospective environmental scanning, integrating diverse socio-economic, political and commercial trends into the company's strategy (Anderson et al., 2004; Antoncic, 2007; Kanter, 1983; Lombriser and Ansoff, 1995; Stopford and Baden-Fuller, 1994; Zahra, 1991, 1993).

In the same line, **proximity to customers** (Antoncic, 2007; Roberts and Hirsch, 2005) is considered an intrapreneurial enabler, with some authors reporting that firms occasionally 'camp' at customer sites for extended periods of time to better understand their needs (Christensen, 2005: 314).

Clearly, organisations can demonstrate **material impacts** of intrapreneurial activities, whether these are new products or services, new clients, processes or new business ventures (Antoncic, 2007; Antoncic and Hisrich, 2003), which normally go along with a diversification strategy (Antoncic and Hisrich, 2003; Narayanan et al., 2009).

A favourable strategic approach to intrapreneurism is also based on a **long-term perspective** (Christensen, 2005; Kuratko and Goldsby, 2004), which allows the organisation to learn and build organisational capabilities.

Companies are discovering both the risks and opportunities emerging in an operating context characterised by greater transparency, connectedness, global markets where manufacturing is more visible to consumers and demands for accountability from a wider range of stakeholders^{xiii}. Because social intrapreneurism is usually a strategic activity, features of corporate strategy could act as enablers and disablers of social intrapreneurism.

With the backing of senior management, social intrapreneurs were empowered to pilot projects which were developed into completely new business models:

We could provide access to [company's] expertise and specific services on disaster risk reduction, poverty alleviation... Rather than doing it as a normal part of our business, [the social intrapreneur] and I developed this new model for the way the business should be operated.

My fundamental philosophy is that if you really want to achieve system level change, you need to embed that deep within the business, not just in headquarters... this was about being much more strategic and business aligned and integrated – connecting CR with broader value drivers. Be innovation-driven in that approach. Big focus on business innovation..., if you want to achieve a social impact, find an economically viable way of delivering that. You'll find a quantum difference in that thinking.

The differentiation is critical because my product is typically 20% more expensive than the marketplace – that's all down to the ethics, the adult labour, living wages, health and safety... We need a mark which differentiates. And it is commercially successful. It's starting to differentiate us from people who don't support this standard.

Among the necessary strategic capabilities are **employee competencies** (Amo and Kolvereid, 2005; Christensen, 2005; Jennings et al., 1994; Mantere, 2005), **access to networks** (Christensen, 2005; Mantere, 2005; Narayanan et al., 2009) and **experience with innovation** (Antoncic, 2007; Narayanan et al., 2009).

Conversely, strategic disablers are **short-termism** (Christensen, 2005) and an **orientation to task-design** (Mantere, 2005). We saw evidence of this among our social intrapreneurs:

"Our Brazilian CEO [name] has strong leadership, which gives emphasis to short-term and show me the money culture. We do not have a leader such as Fabio Barbosa who would inspire more sustainability."

"The mentality here at [company] is business and short-term. My dream would be that in future we will receive more demand for collaboration from internal departments. My colleagues don't see sustainability in their P&L."

EXTERNAL ENVIRONMENT

One of the key points of divergence from our literature review on innovation and our interviews with social intrapreneurs was that the latter cited their connections with external organisations – whether these were NGOs, suppliers or other commercial partners or government agencies – as being instrumental in the instigation and/or development of their social intrapreneurial activities. The connections with these external contacts fulfilled a variety of important functions:

- They raised awareness of a range of sustainability issues which were material to the business;
- They facilitated the creation of a business case for the development of social intrapreneurial activities which could be presented to senior managers;
- They helped to legitimize the activities of social intrapreneurs with both internal and external stakeholder audiences;
- They helped in development of cost- and time-effective operational plans for piloting social intrapreneurial projects, sometimes by providing technical advice;
- They helped in assessing the outcomes, costs and benefits (social/commercial) of projects.

Here are some of the examples cited:

In 2000, [Corporate Affairs specialist had] conversations with UNDP in New York on the topic of “Small Island Insurances”. Realized that due to a lack of insurance, there is less investment and growth and ultimately human development. Brought that topic internally. Did a study with GTZ in Laos, India and Indonesia. India and Indonesia were suitable candidates for a [micro-insurance] pilot. Indonesia started as 2004 there was the Tsunami.

[Interview subject] “co-created a Cambridge CR Forum with other companies and academics etc in Cambridge [to] expose sustainability problems to forum for open-source solution.”

“So we see a combination of areas to create new products and services. For example we tracked malnutrition of patients and developed an iPad application which helps people to do a diagnostic, track developments and have access to nutritionists and potential solutions. So innovation now comes from a combination of factors...There are two sources for innovation 1. Globally and 2. Locally. We run open innovation programmes with local universities. We launched 10 products in 2011, most of it was renovation...”

In one company, the Programme Manager CSR and Mobility who is also Chair of the Innovation Board reports key external connections are with WWF (endorsement of mobility plan), other NGOs (“my trend watchers e.g. interpret future EU laws”); Imperial College (for EU FP7 bid), a doctor (on mobility scan) and University of Aachen (partner to build electric vehicle for €5k).

Cross-departmental connections within the company can also be a useful part of a social intrapreneur's network for tracking different CSR issues and instigating social innovation projects:

"At [company] here I am operating always in partnership with more technical colleagues and keep a low profile with communication... we have a sustainability department which is concerned with environmental issues. The area is therefore more technical and focuses on water and energy...CSR department does take care of social programmes and our shared value creation initiatives."

Social intrapreneurism networks can be shaped by market and political forces, the sustainability issues which are material to the business and the presence/absence of stakeholders generally.

Changes in packaging for one company were instigated in conjunction with a client (Wal-Mart) and government ("new law of solid waste"). Partners included CEMPRE (solid waste), the internal procurement department and suppliers researching packaging material.

"We work with local governments, universities... with UN, WTO, whoever is there as a stakeholder. Groups of independent advisors."

"[Retail company] got into sustainability because [we were] pushed. . . . NGO pressure re buying from APP&P. Now partnered with RFA (Rainforest Alliance). USA Environmental Affairs team have partnership around packaging and energy. Few [partnerships] with academics locally - mainly student projects... Trade Consortium - environmental certification for office products; 24 Global suppliers partnered with - looking at packaging.

"Partners in these [innovation] projects are not typically IT-related. In mKRISHI, for example, they work with a consortium model – among partners there are agri-food companies, NGOs, agricultural universities, village entrepreneurs."

"Working with Utrecht City Council on cement-free concrete; strong regulatory/Govt, private investor pressure; collaboration with Professor from Technical Uni Delft, Eindhoven Uni, Sustainable Concrete Initiative."

The shape of **partnerships can vary across countries** within a single corporate group:

"[Beer manufacturer] was involved in industry initiatives (responsible drinking; Partnerships for Water; supply chain). In **India** there was a partnership with Confederation of Indian Industries & Indian NGOs (water recycling/ training farmers). In South Africa [the company worked] with WWF and local authorities - replaced trees to reduce water consumption. In 2011 there was knowledge sharing among all people in water partnerships."

Social innovation can also be pursued through **peer networks**. One social intrapreneur helped to set up banking sector networks in Netherlands to promote dialogue among CEOs of retail banks.

In some instances, social intrapreneurial activity can be effectively "outsourced" to social entrepreneurs. Together with ESADE and now also with the PWC Foundation, [financial sector company] has launched Momentum to help ten Spanish social entrepreneurs with the aspiration and potential to grow, to do so successfully. The Shell GameChanger programme invests in novel, early stage inventions that could impact the energy system, helping their inventors progress these to "proof of concept" stage.

Similarly, an energy company supports the innovation work of universities and research institutions.

Sustainability initiatives need to be well executed; otherwise, they might backfire. One company collaborated in a project with one NGO "without listening to other NGOs". According to the social intrapreneur the company learned, in retrospect, that technical expertise is very important.

Suppliers can be critical partners in social innovation:

"In our supply chain we help farmers to do better, e.g. in Kakao we want to grow 3% globally – so we need to grow production in order to fulfill this goal...We have 31 production facilities in Brazil – P&G e.g. has 3. So we have a lot of impact in our local value chain. We need to do this in order to continue to operate...Also our sales need to continue and the clients are expecting sustainability."

“We have a big impact in local communities and therefore try to create fidelity with our farmers and local suppliers helping them to improve productivity and quality...There is a lot of market pressure for sustainability.”

“[We] talk to recycling companies; materials suppliers; local government/national government. Less with NGOs.”

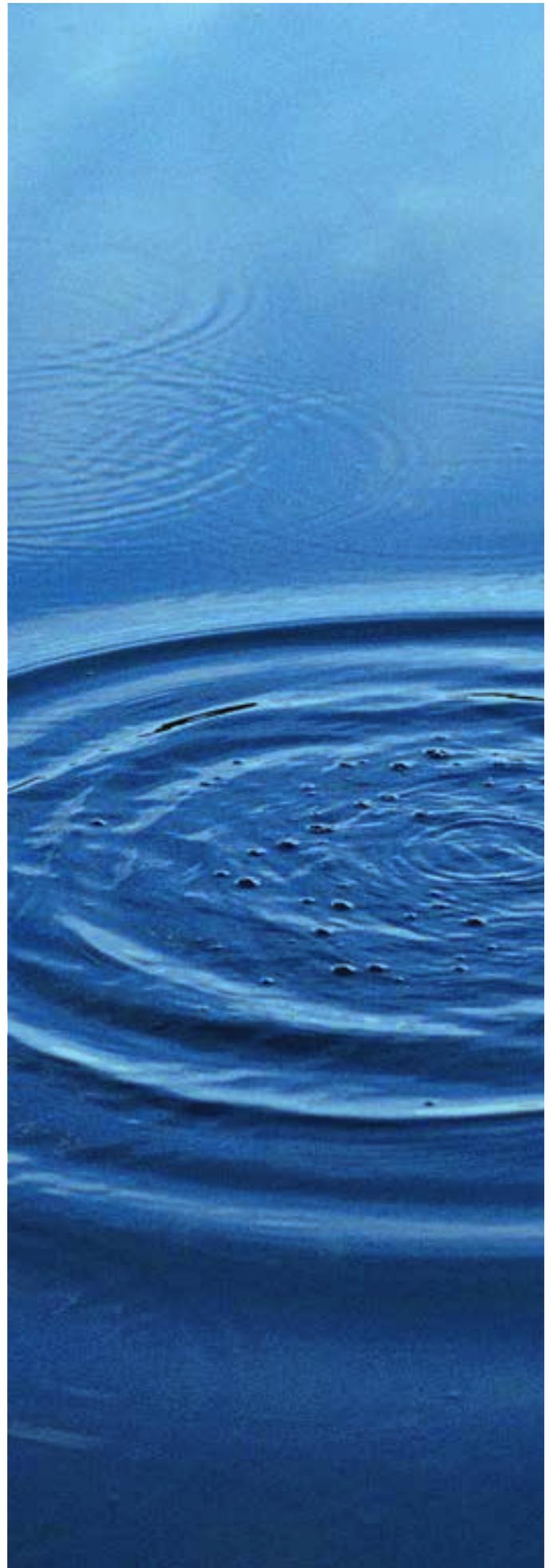
Culture and partnerships

Cultural attitudes can shape (positively and negatively) the formation of potentially useful external partnerships.

A Dutch retailer where one social intrapreneur worked had expected to handle technical sustainability issues in-house. The SI “would like to work more with NGOs but company is rather old school,” so the company works with students in-house instead.

“[Social intrapreneur] went to a sustainability dinner and each course you moved table and introduced yourself to new people. When I said that I work for [airline company] – got a negative reaction.”

“We still have the mentality of inside-outside. Who works for [company] is inside, partners are outside.”



SUMMARY OF ENABLERS AND DISABLERS**

Factor	Enablers	Disablers
Culture	<p>Values</p> <ul style="list-style-type: none"> • Values (T&I) • Vision (T&I) <p>Empowerment</p> <ul style="list-style-type: none"> • Autonomy (T&I) • Experimentation (T&I) • Risk-taking (T&I) • Problem-solving with co-workers (T&I) • Tolerance for failure (T&I) • Social awareness (I) <p>Dialogue/"café culture" to promote ideational fluency/"flow"(I)</p>	<p>Values</p> <ul style="list-style-type: none"> • Incongruent values (I) • Either/or CSR mindset (philanthropy vs. profitability) <p>Empowerment</p> <ul style="list-style-type: none"> • Scepticism (I)
Human Resource Practices	<p>Personnel development</p> <ul style="list-style-type: none"> • Valuing employees' skills and knowledge (T&I) • Seeing employees' potential (T&I) • Training (T&I) • Volunteering support • Involving employees in CR (I) • Personal innovation time (I) • Group innovation/brainstorming sessions • Knowledge management Rewards • Financial (T&I) • Non-financial (recognition) (T&I) • Blended HR management methods (I) 	<p>Personnel development</p> <ul style="list-style-type: none"> • Change-resistant employees (T) • Lack of collaboration (T) • Difficulties in getting to know co-workers (T) <p>Obstacles to SI action (I)</p>
Management and Leadership	<p>Guide</p> <ul style="list-style-type: none"> • Vision and values (T&I) • Giving importance to innovation (T&I) • Commitment to sustainability (I) <p>Sponsor</p> <ul style="list-style-type: none"> • Encourage risk-taking (T&I) • Tolerance for failure (T&I) • Providing resources (T&I) • Delegating authority (T&I) • Creating protected space for experimentation (I) • Facilitator/"godparent" (I) <p>Skills</p> <ul style="list-style-type: none"> • Long-term thinking (T) • Quality communication (T&I) • Experience with innovation (T) • Framing business context for social innovation (I) 	<p>Guide</p> <ul style="list-style-type: none"> • Not providing direction (T) • Values (I) • Scepticism (I) • Succession (I) • Personal/political ambition (I) • Excessive management control (I) <p>Sponsor</p> <ul style="list-style-type: none"> • Loss of sponsor <p>Skills</p> <ul style="list-style-type: none"> • Short-term thinking (T&I)

Factor	Enablers	Disablers
Resources	Resource availability (T&I) Time (T&I) Innovation infrastructure (I) CR support (I) “Improvisational” accounting (I)	Lack of resources (T&I) Employee turnover (T)
Organisational Structures and Processes	Organisational design <ul style="list-style-type: none"> • Flat (T&I) • Decentralization (I) • Communication-enabling (T&I) • CR unit (I) • Size (I) Teamwork <ul style="list-style-type: none"> • Cross-functional teams (T&I) Management systems <ul style="list-style-type: none"> • Strategic consistency (T) • Formal evaluation (T&I) Organisational capabilities <ul style="list-style-type: none"> • Experience in innovation (T&I) 	Organisational design <ul style="list-style-type: none"> • Bureaucracy (T&I) • Silos (T&I) • Centralization (I) • CR unit (I) • Size (I) Teamwork <ul style="list-style-type: none"> • Difficulty in forming teams (T) • Innovation as the exclusive responsibility of R&D (T) Management systems <ul style="list-style-type: none"> • Strategic inconsistency (T&I) • Lack of formal evaluation (T&I) • Excessive control (T)
Strategy	Proactivity <ul style="list-style-type: none"> • Environmental scanning (T&I) • Social diagnosis (I) Customer orientation <ul style="list-style-type: none"> • Proximity to customers (T&I) Material impact (T&I) Triple bottom line strategy (I) Long-term perspective (T&I) Capabilities <ul style="list-style-type: none"> • Employee competencies (T) • Access to external networks (T&I) • Experience in innovation (T&I) • Piloting projects (I) • Alternative business model development (I) 	Task-design orientation (T) CR as ‘philanthropy and volunteering’ (I) Financial bottom line strategy (I) Short-term perspective (T&I) Aversion to risk (I) Exclusive eco-efficiency focus (I)
External Environment (I)	Networks <ul style="list-style-type: none"> • NGOs • Development agencies • Leading authorities • Universities • Expert forums • Other social intrapreneurs • Cross-sector coalitions • Business peer networks • Supply chain networks Societal Pressures <ul style="list-style-type: none"> • From stakeholders • From governments • From customers • Recession Recognition <ul style="list-style-type: none"> • Awards 	Competitors’ greenwashing NGOs/local communities’ philanthropic expectations Cultural barriers to external partnerships (inside/outside mindset) Societal Pressures <ul style="list-style-type: none"> • Recession

TIME FOR “C.H.A.N.G.E.S.”:

7 HABITS TO BUILD SUCCESSFUL SOCIAL INTRAPRENEURISM

Based on our findings, we can suggest the following habits that companies can practise to develop social intrapreneurism in their organisations.

1. CLTIVATE ‘CAFÉ CULTURE’.

Create time and space for people at all levels of your organisation to learn, think and talk about what is happening in the wider world and how your business can be a force for good in it. This needs to be embedded into your culture, not siloed into formal training programmes or restricted to top management tiers. Like the social intrapreneurs we interviewed, people should feel free to “think crazy stuff in any position and in any meeting”.

2. HUMANIZE YOUR ORGANISATION TO PROMOTE EGALITARIANISM AND GENEROSITY.

Our literature and interview evidence tells us that social intrapreneurism flourishes in egalitarian environments with flat hierarchies. People unencumbered by bureaucracy and politically-induced fear will be free to think about “their mainstream day jobs in the broadest way” and are more likely to take responsibility for innovation, sharing their ideas and learning with others with improved results.

3. ACCOUNT FOR THE SOCIAL AND ENVIRONMENTAL, AS WELL AS ECONOMIC, VALUE YOU CREATE.

Conventional accounting rules and timeframes make it difficult to develop socially innovative projects. Managers of aspiring social intrapreneurs should look for ways to assess the social and environmental, as well as economic, value that their proposed projects can create. This will help free them from the organisational ‘treacle’ that can prevent a good project from getting off the ground and open the door to truly new ways of doing business.

4. NETWORK INSIDE AND OUTSIDE YOUR ORGANISATION TO CREATE CONSORTIA FOR ACTION.

As our interviews showed, successful social intrapreneurs built alliances with partners outside, as well as inside, the organisation. Cross-border and cross-sector partnerships can form the basis for powerful consortia for change. Senior managers need to be open to working, not only with people in other departments, suppliers and other business partners, but also with other organisations in other sectors in order for these partnerships to work.

5. GROW PEOPLE INTO LEADERSHIP ROLES FOR SUSTAINABLE BUSINESS.

People given opportunities to develop self-confidence and skills for collaboration, gain a deep understanding of the business and “do good” through volunteering and mentoring. If they are then recognised and rewarded for such behaviour, they are more likely to develop into successful agents for social change, whether they become social intrapreneurs, “tempered radicals” who effect change in more moderate ways, “godparents” who facilitate the work of other change agents, or undertake other change agent roles.

6. EXPERIMENT WITH SOCIAL INTRAPRENEURISM PILOTS THAT CAN BE SCALED UP FOR IMPACT.

Our social intrapreneurs started with time-limited, small-scale projects – often in their spare time, at the margins of their organisations – which could provide proof of concept with minimal financial or reputational risk to the company before being scaled up further. While it is desirable to be able to predict or calculate return on investment for such projects, most pilots cannot be assessed against quantitative criteria and therefore alternative qualitative criteria will need to be used to define success.

7. STRATEGIZE TO ACHIEVE SUSTAINABLE BUSINESS AND SOCIETAL GOALS.

The ultimate goal is for leaders of the business to understand its wider societal purpose - encompassing the social and environmental, as well as economic, value it creates – and to develop business strategy, vision and values that encompass this more sustainable, as well as inspirational, purpose for the benefit of the business as well as society at large.

WORKING TO BUILD A COMMUNITY OF PRACTICE FOR SOCIAL INTRAPRENEURISM

Beyond the publication of this paper, our aspiration as a team is to work with others to build a global “community of practice” around social intrapreneurism, enabling corporate practitioners, academics, NGOs and other interested parties to continue to develop, share and apply our collective learning to enhance the quality and scale of social intrapreneurism. We hope to do this in a number of ways:

- By using our research to **develop practical tools** for prospective social intrapreneurs and managers wishing to cultivate social intrapreneurism in their own organisations.
- By **publishing case studies** of individuals and companies that have been developing social intrapreneurism projects, highlighting successes, failures and lessons learned.
- By **supporting awareness-raising events** such as the Skoll World Forum on Social Entrepreneurship (<http://skollworldforum.org/>) and the **League of Intrapreneurs** competition launched in 2012 by Ashoka Changemakers, Fast Company and Accenture is intended to identify “game-changing solutions for business and society” as well as provide recognition, networking, consulting and other forms of support for budding social intrapreneurs. More information is available at <http://www.changemakers.com/intrapreneurs>.
- By **building online networks** e.g. Intraempreendedores Sociais on Facebook which enable the sharing of information among practitioners.
- By **teaching students** in our respective institutions – Cranfield School of Management, Fundação Dom Cabral (Brazil), Lord Ashcroft International Business School (Anglia Ruskin University).

TOWARD A NEW WAY OF DOING BUSINESS

Ultimately we envision that social intrapreneurism will become, not merely a new approach to corporate responsibility and sustainability practice but a gateway to an entirely different way of doing business. An important perspective on this changing strategic landscape was offered by one of our expert colleagues, Penny Walker, in an interview:

“The question is not ‘What is our CR strategy?’ or ‘What is our sustainability strategy?’, but ‘What does understanding sustainability mean for our organisational strategy?’. Social intrapreneurs can help to answer this question through their experiments in triple-bottom line solutions.

With people such as our social intrapreneurs, their “godparents” and other partners leading the way, a growing number of large companies such as Unilever and other “green game-changers” profiled by WWF in their recent report^{xv} are transcending simple product and process innovation to completely transform their business models.

We believe that social intrapreneurs represent the leading wave of a business transformation movement which could go “viral” if companies are prepared to invest time and resources in their own “enabling environments” for social intrapreneurism, join up their efforts in corporate responsibility coalitions (see our November 2012 Ethical Corporation essay^{xvi} and forthcoming book on sustainable capitalism^{xvii}) and work with governments and NGOs to achieve shared value for the benefit of their businesses as well as the wider societies in which they operate.

CONTACT US

If you would like to learn more about, or join, the community of practice which we are working to establish, please contact a member of The Doughty Centre for Corporate Responsibility Research Team:

Prof. David Grayson

(david.grayson@cranfield.ac.uk)

Prof. Heiko Spitzeck (heiko@fdc.org.br)

Dr. Elisa Alt (elisa.alt@anglia.ac.uk)

Melody McLaren (m.mclaren@cranfield.ac.uk)

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Mark Spelman - Global Head of Strategy, Accenture
Armelle Carminati-Rabasse - Human Capital & Diversity Global Managing Director, Accenture
Nicolai Tewes - Corporate Affairs, Allianz
Dominic Vergine - Director of Sustainable Development, ARM
Ian Drew - Executive Vice President for Strategy, ARM
Lance Howarth - Executive Vice President for Marketing, ARM
William Parsons - Executive Vice President for Human Resources, ARM
Justin Evans - Leader, UK-MEA Social Infrastructure Market, Arup
Keenan Aksular - Programme Manager CSR and Mobility; Chair Innovation Board, Athlon Car Lease (Rabobank)
Liliane Pellegrini
Antonio Ballabriga, BBVA
Cassiano Mecchi
Lucas Urbano
Norma Snell - CSR Manager, De Bijenkorf and Chair, Business Social Compliance Initiative
Andreas Gollan - Head of CR Academy, E.ON
Dr. Beatrix Kuhlen, - Sicherheitskultur in CEE; CR Reporting, E.ON
Marijn Wiersma - Head of Knowledge and Innovation, FMO
Carrina Gaffney - Sustainability Manager, Guardian
Paul Ellingstad - Office of Global Innovation, HP
Paul Kerssens - Manager E-acquisition, KLM
Dorje Mundle - Group Head, Corporate Citizenship, Novartis
Ingrid Zeegers - Director Sustainable Business Development, Philips Consumer Lifestyle
Andy Wales, Head of Sustainability, SABMiller
Jonas Gebauer - Corporate Compliance Office, Siemens
Richard Bennett - People & Organisational Development, Sony Europe

Katy Dobbs - Head of Internal Communications and Corporate Social Responsibility International, Staples Europe
Arun Pande - Mumbai Innovation Lab, Tata Consulting Services
Yvonne Remmits - Manager CSR & Safety, Transavia; Board member, Peter Pan Holiday Foundation
Wilco van Elk – Manager, Customer Care, Transavia; Chair, Peter Pan Holiday Foundation
Tom van den Nieuwenhuijzen - Manager, CSR and Sustainability, Van Nieuwpoort Group
Maggie De Pree - Director, Imaginals
André Nijhof - Associate Professor at EIBE, CSR & Business Ethics, Nyenrode Business Universiteit
Lara Toensmann - Programme Director CSR in Action!/Independent Consultant , Nyenrode Business Universiteit
Josh Cleveland – Marketing Manager, Unilever; former Senior Strategist, Saatchi & Saatchi S

FOOTNOTES

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ABOUT THE AUTHORS

David Grayson CBE



Professor of Corporate Responsibility Director of the Doughty Centre for Corporate Responsibility

David is Director of the Doughty Centre for Corporate Responsibility at Cranfield School of Management, founded in April 2007 with a grant from Cranfield alumnus Nigel Doughty. During his previous thirty-year career as a social entrepreneur and campaigner for responsible business, diversity, and small business development he founded Project North East, which has now worked in more than 60 countries around the world; was founding CEO of the Prince's Youth Business Trust; was a joint managing-director of Business in the Community as well as serving on various charity and public sector boards. David has been a visiting Senior Fellow at the CSR Initiative of the Kennedy School of Government, Harvard for several years; and variously a Visiting Fellow at several UK and American business schools.

He speaks, writes and advises regularly on business, society, entrepreneurialism, and future trends for businesses, media and business schools around the world. He has worked with many leading global businesses, including BP, Shell, Microsoft and Diageo, and with international institutions such as the OECD, the European Union, and the World Bank.

His books include: *Corporate Responsibility Coalitions: The Past, Present, and Future of Alliances for Sustainable Capitalism* (2013), co-authored with Jane Nelson; *Cranfield on Corporate Sustainability* (2012), co-edited with Nadine Exter, a Cranfield School of Management book with a cross-disciplinary approach to corporate sustainability; *Corporate Social Opportunity: Seven Steps to make Corporate Social Responsibility work for your business* (2004) and *Everybody's Business* (2001), both co-authored with Adrian Hodges.

Prof. Heiko Spitzeck

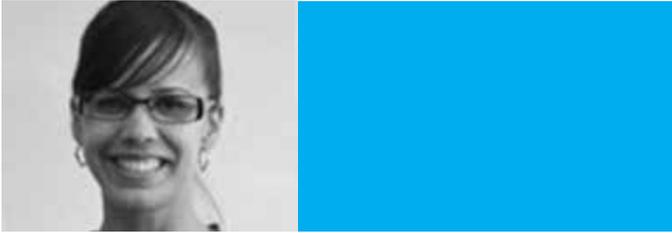


Professor, Fundação Dom Cabral, Brazil Visiting Fellow, Doughty Centre for Corporate Responsibility

Cranfield Visiting Fellow Heiko is a Professor at Fundação Dom Cabral in Brazil and a former lecturer at the Doughty Centre for Corporate Responsibility. His teaching is informed by more than eight years of consulting experience as well as academic research. He is mainly acting in Customized Executive Education for companies such as Siemens, Volkswagen, Vale, Odebrecht, BASF and others in the area of corporate responsibility and sustainability.

Heiko was educated in Germany, Spain and Switzerland. In 2008 he obtained his PhD in Business Ethics at the University of St. Gallen in Switzerland. During 2006 - 2007 he held visiting scholar positions at the University of California at Berkeley and Fordham University in New York. He is Founding Member of the Humanistic Management Network (www.humanetwork.org). Between 2004 and 2006 he served as Director for oikos International, a student-driven NGO for sustainable management and economics. His research is oriented around organizational behaviour, especially learning and innovation from business and society interactions (sustainable innovation, social intrapreneurship). Before starting his academic career, Heiko worked for the international consulting firm Accenture in Munich. He studied European Business Studies at the Universities of Bamberg (Germany) and Seville (Spain).

Dr. Elisa Alt



Senior Lecturer in Strategy and Planning Lord Ashcroft International Business School Anglia Ruskin University

Elisa Alt is a Senior Lecturer (Assistant Professor) in Strategy and Planning at Lord Ashcroft International Business School, Anglia Ruskin University, and a Visiting Researcher at Fundação Dom Cabral (Brazil). Her research interests are in the area of business sustainability, social intrapreneurship, and sustainable leadership.

Elisa received a PhD and a Postgraduate Diploma (DEA) in Management from the University of Seville (Spain), and was a Visiting Researcher at the Doughty Centre for Corporate Responsibility, Cranfield University (UK). During her doctoral studies, Elisa was the recipient of a PhD grant from the ALBan Programme - the European Union High Level Scholarship Programme for Latin America, and a mobility grant from the Spanish Ministry of Education.

Prior to starting her academic career, Elisa completed a BA (Hons) in Social Communication at UNIVALI (Brazil), and worked as copywriter and creativity department director in small advertising agencies in Brazil. She managed multiple projects and contributed to the creative development of communication concepts, advertising campaigns, as well as marketing planning.

Melody McLaren



Director, McLaren (UK) Associate, Doughty Centre for Corporate Re- sponsibility

Doughty Centre Associate Melody McLaren is a writer and consultant with over 25 years of experience in public relations, sales promotion, web development and corporate responsibility campaigning in the US and Europe. She has worked as a specialist consultant with marketing firms in the Netherlands and the UK as well as in online technology client services and project director roles in Silicon Valley. As a sustainability specialist, Melody has worked in diverse management, technology and communications roles at Business in the Community, The SMART Company (part of Chime Communications Group) and the International Business Leaders Forum.

She has co-authored two Doughty Centre publications, Supporting corporate responsibility performance through effective knowledge management (January 2011) and Social intrapreneurs – an extra force for sustainability innovation (January 2011). Since 1990, Melody has also researched, written and edited numerous print and online publications, articles and speeches for Business in the Community's diverse corporate responsibility campaigns.

She holds an MSc in Organizational Behaviour from Birkbeck College and a BSc in Independent Studies (Psychology and Biology) from the California Institute of Technology.

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