# SOCIAL INTRAPRENEURSHIP: A CONCEPTUAL, THEORETICAL AND EMPIRICAL EXPLORATION OF ITS MEANING AND CONTRIBUTION

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#### **Abstract**

According to Grayson, McLaren and Spitzeck (2011) Social intrapreneurs are "people within a large corporation who take direct initiative for innovations which address social or environmental challenges profitable". Social intrapreneurs are expected to contribute to STIR: sustainability, talent, creativity and innovation and reputation. Until now not much research has been done to social intrapreneurship. Therefore, in this contribution, we try to shed light – in the form of a conceptual, theoretical and (limited) empirical clarification and exploration - on the phenomenon of social intrapreneurship and its predicted effects on sustainability, talent, creativity/innovation and reputation. By doing so we contribute to the understanding and the applicability of the so far poorly understood phenomenon of social intrapreneurship.

Key words: social intrapreneurship, intrapreneurial behavior, intrinsic motivation, self determination theory (SDT)

## 1. Introduction

In the last decades all kind of new 'combinations of entrepreneurship' have been developed, like corporate entrepreneurship, innovative entrepreneurship, social entrepreneurship, sustainable entrepreneurship, etc. They all relate to the traditional or independent form of entreneurship: a person who has possession of a new enterprise, venture or idea and is accountable for the inherent risks and the outcome of a product, while the different additions point at the way the entrepreneurship is exercised and/or the environment or sector to which it is oriented. However, since the 1990's we also know a more dependent form of entrepreneurship: the intrapreneur. According to the American Heritage Dictionary an intrapreneur is "a person within a large corporation who takes direct responsibility for

turning an idea into a profitable finished product through assertive risk-taking and innovation". And "Intrapreneurship refers to employee initiatives in organizations to undertake something new, without being asked to do so.". Hence, the *intrapreneur* focuses on innovation and creativity, and transforms an idea into a profitable venture, while operating within the organizational environment. Thus, intrapreneurs are *Inside entrepreneurs* who follow the goal of the organization.

Recently, also in relation to intrapreneurship a new variant has developed, namely 'social intrapreneurship'. According to Grayson et al (2011) social intrapreneurs are "people within a large corporation who take direct initiative for innovations which address social or environmental challenges profitable" and: "In contrast to social entrepreneurs, social intrapreneurs can leverage existing infrastructures and organizational capabilities to deliver social value on large scale". In their article Grayson et al (2011) present an overview of 25 social intrapreneurs in existing large companies in different industries (energy, telecom, media, financial services, engineering consultancy, management consultancy, etc.), based on interviews with these intrapreneurs they come up with a first analysis of this new phenomenon in terms of possible typology, reactions by companies, possible effects, internal and external conditions. Though the article offers a good first overview of social intrapreneurship, it is still very descriptive and general. Especially the way(s) social intrapreneurship can contribute to the foreseen effects (STIR: sustainability, talent, innovation/creativity, reputation) is hardly explained.

Therefore, in this contribution, we try to contribute to the understanding of the phenomenon of social intrapreneurship, the way it works and possible effects. We do this in the form of:

- A conceptual clarification of the concept of social intrapreneurship, also in relation to related concepts like (corporate) entrepreneurship, intrapreneurship and social entrepreneurship.
- A theoretical understanding of the phenomenon of social intrapreneurship with the help of related theories like innovative work behavior (IWB) theories and self determination theory (SDT).
- A (limited) empirical exploration.

Together with Olaf Fisscher, all three authors of this article have a tradition in research to employee contribution to innovation and sustainability. Jan de Leede focused in his dissertation (1997, supervised by Jan Kees Looise and Olaf Fisscher) at 'innovations from the shopfloor', looking especially at the contribution of task groups and self steering teams on process and product innovation. And André Nijhof studied in his dissertation (1999, supervised by Olaf Fisscher and Jan Kees Looise) 'ethical dilemma's in organizational change processes'. André Nijhof also (2002, together with Koos Krabbendam and Jan Kees Looise) researched the contribution to 'innovation through exemptions: building upon the existing creativity of employees'. Last but not least Jan de Leede and Jan Kees Looise (2005) published in this journal an integrated framework for HRM and innovation, also aimed at the contribution of employees to innovation. Against this background it is a great pleasure for us to contribute to this special issue for Olaf Fisscher.

The remainder of the article is organized as follows. In section 2 we try to come to a conceptual and theoretical clarification of the concept of social intrapreneurship. Therefore we discuss and compare this concept in relation to the concepts of and models behind corporate entrepreneurship, intrapreneurship and social entrepreneurship. In section 3 we introduce Self Determination Theory (SDT) as a possible theoretical underpinning. This section is concluded with a preliminary conceptual model regarding social intrapreneurship. In section 4 we present two examples (mini case studies) of social intrapreneurship in practice. In section 5 we draw conclusions and give recommendations for future research.

# 2. Conceptual and theoretical clarification of SI

Grayson et al (2011) define social intrapreneurs (SI) as "people within a large corporation who take direct initiative for innovations which address social or environmental challenges profitable. Typically they are going against the grain and challenge their employers. In contrast to social entrepreneurs, social intrapreneurs can leverage existing infrastructures and organizational capabilities to deliver social value on large scale. Unlike corporate volunteers, corporate responsibility champions or green team members inside companies who are 'close relatives', social intrapreneurs further social and environmental goals while at the same time generating profit for their employers". Though important as a start, this definition leaves a lot of room for questions like:

- who are the people who take these initiatives?
- why do they take these initiatives?
- how does the organization (management, colleagues) react on that?
- under what conditions can people take these initiatives?
- how do these initiatives deliver social value?
- how do these initiatives generate profit for their employers?

In this section we try to find a conceptual and theoretical answer to these questions. Therefore we start with discussing the concept of SI, followed by a theoretical exploration. The section will be concluded with an integral model of SI

As the concept of SI relates to the concepts of corporate entrepreneurship, intrapreneurship and social entrepreneurship, it is important to start with a clarification of the similarities and differences with these concepts.

# 2.1 Corporate entrepreneurship

Like corporate entrepreneurship and intrapreneurship, SI is an internal form of entrepreneurship. Corporate entrepreneurship (CE) can be defined as "formal or informal activity aimed at innovations and market development in established companies" (Zahra, 1991) or "the birth of new business within existing organizations, i.e. internal innovation or venturing" (Guth and Ginsberg, 1990). Successful CE involves simultaneous attention to both innovation and exploitation (Zahra, 1996). Such innovations renew companies, enhance their competitive advantage, spur growth, create new opportunities, and create wealth (Hayton & Kelly, 2006). According to Schmelter et al (2010) there are two basic understandings of CE. On the one hand there is the "strategic philosophy approach" which addresses the company's philosophy to act entrepreneurially (Lumpkin & Dess, 1996; Miles & Arnold, 1991). On the other hand there is the "activity approach" that deals with examining

entrepreneurial activities and actions (Antoncic & Hisrich, 2003; Birkinshaw, 1997). CE itself is mostly operationalized in terms of innovativeness, risk propensity, proactiveness, self-renewal and corporate venturing (Holt et al, 2007; Schmelter et al, 2010)

However, unlike SI that is focused at actions of individual employees, CE refers more to general organizational activities, mostly led by management and not primarily aimed at the role of employees. In their cross-disciplinary overview of entrepreneurship research, Ireland and Webb (2007) state that CE-research is mainly focused on CE influenced by environment, new technologies, strategic leadership, mergers and acquisitions, strategic alliances and networks and organizational forms (balancing exploration and exploitation). More recently however, we also see a growing interest in the role of employees in the form of individual characteristics influencing CE (Holt et al, 2007) and of HRM practices supporting CE (Hayton, 2005; Hayton and Kelly, 2006; Schmelter et al, 2010). This leads to models in which – besides environmental and organizational characteristics - also individual characteristics and HRM practices contribute to CE. These models can also form a starting point for our model of SI: SI can contribute to CE and can also be influenced by the same individual characteristics and HRM practices. However, as been said, there is also an important difference between CE and SI in the sense that CE refers to general managerial activities aimed at the collectivity of employees and not to the self-initiated role of individual employees. This brings us to the concept of intrapreneurship.

## 2.2 Intrapreneurship

Pinchot (1985) was one of the first who used the term intrapreneurship and wrote a book about it. With respect to intrapreneurship different definitions exist (De Jong & Wennekers, 2008). A good example is the definition by Vesper (1984, 295; in Sharma & Chrisman, 1999): Intrapreneurship is "employee initiative from below in the organization to undertake something new; an innovation which is created by subordinates without being asked, expected, or perhaps even given permission by higher management to do so". In all definitions the accent lays on:

- initiatives of individual employees from below in the organization
- to undertake something new/unexpected
- that depart from the usual way of doing business
- by using opportunities independent from the resources they currently control

De Jong & Wennekers (2008) present a conceptual model regarding intrapreneurship. Central in this model is the concept of intrapreneurial behavior, developed in analogy with the existing concept of innovative work behavior (IWB, De Jong, 2007; De Jong & Den Hartog, 2010). Within this concept they distinguish between four stages of intrapreneurship: vision and imagination (like networking behavior, out of the box thinking and recombining information), preparation (taking charge, championing, willful behavior sometimes bordering at disobedience, imagining problems and their solutions and overcoming barriers and finding a way), emerging exploitation (perseverance, getting the job done) and preparation and exploitation (risk of failure, loss of status, damage to career, loss of job). Related to these stages they also distinguish intrapreneurship activities. As consequences they distinguish individual performance and innovative output and as antecedents: individual-level antecedents (pro-active personality, cognitive ability and work autonomy) and firm-level antecedents (intrapreneurial climate, management support and resource

availability). Compared to the CE models, this model offers a more in depth understanding of the intrapreneurial role of individual employees, though the social element of SI is still missing. Therefore we now look at the concept of social entrepreneurship.

# 2.3 Social entrepreneurship

The concept of social entrepreneurship seems to be first used in the 1960's and 1970's. Brock, Steiner & Kim (2008) come up with an overview of twelve different definitions regarding social entrepreneurship. The main variation is that these definitions vary from the 'social innovation' to the 'social enterprise' approaches (Dees & Anderson, 2006; Cukier et al, 2011). The first approach stands for a broad social entrepreneurship that embraces a wide range of activities and organizations. The main common denominator is that these studies acknowledge the impact of societal values – including the debate around corporate social responsibility and sustainable development – on the innovation agenda of companies (Fisscher, Nijhof, Laan and Schreuder, 2001; Fisscher, Frenkel, Lurie, Nijhof, 2005). An example of this is the definition of Austin et al. (2006) who portray social entrepreneurship as an innovative, social, value-creating activity that can occur within or across the non-profit, business, and public sectors. The second approach is much narrower. An example of this is Martin & Osberg (2007) who insist that the field must be restricted to exclude social service provisions or social activism in order to gain respect among "serious thinkers." They tend to focus on a narrower notion of social enterprise, in which profit is earned to advance social objectives, whether by for-profit, non-profit or public/private partnership (Cukier et al, 2011). Recently Mohammed Yunus (2010) - Nobel peace prize laureate and initiator of Grameen Bank - took this line of thinking further by introducing the concept of 'social business'. A social business is defined as "a self-sufficient company with a social mission that invests any profit in expanding the achievements for that mission". The main difference with other forms of social entrepreneurship is that Yunus states that investors in real social business should never get a higher return then their original investment.

However, in most of these definitions the same elements can be found:

- social entrepreneurs are people with vision and/or passion, that are ambitious but also realistic and that are persistent in realizing their 'dream'
- they recognize a social problem and want to solve it
- who use entrepreneurial methods to organize, create and manage a venture
- to achieve social change
- who deal independently with mistakes and failures, profit and losses
- who measure performance primarily in terms of the realization of societal goals
- who are most commonly active in the not-for-profit sector

So these elements should also be incorporated in our concept and model regarding SI

## 2.4 Social intrapreneurship

Meyerson & Scully (1995), Meyerson (2001) and Meyerson (2004) seem to be among the first who wrote about 'Tempered radicalism and the politics of ambivalence and change' and 'Tempered radical: how people use difference to inspire change at work'. However, the term SI seems to be coined in a report by SustainAbility (2008). Grayson et al (2011, see section 1) build on the report of SustainAbility and give the following elements for a definition of social intrapreneurship:

- individuals within large organizations
- who go against the grain and challenge their employers
- who take direct initiative for innovations
- address social or environmental challenges
- profitably for the organization (and perhaps also themselves)
- who can leverage existing infrastructures and organizational capabilities
- to deliver social value on large scale

The concept of SI is on the one hand derived from the concept of intrapreneurship and on the other of the concept of social entrepreneurship. Therefore, we present in table 1 a comparison of the three concepts. The table shows the overlap of the concept SI with concept of intrapreneurship on the points of the position within an existing organization, the aim to contribute to the organization – be it the primary goal for intrapreneurs and the positive side-effect for social intrapreneurs – and the measurement of effects in terms of these (partly) organizational goals and with the social entrepreneurship concept on the point of the orientation to social problems, the wish to realize social change to solve these problems and the measurement of results in terms of the realization of these goals. The overview also clarifies that social intrapreneurs, more than intrapreneurs, operate on the boundaries of their organizations. This can raise questions about their commitment and gives them – compared to 'normal' intrapreneurs – an extra special position. Another conclusion is that social intrapreneurs can operate in all sectors, while intrapreneurs are most active in the profit sector.

	Intrapreneurship	Social Intrapreneurship	Social Entrepreneurship
Type of people	visionary and ambitious employees from below in the organization, who are able to inspire others	visionary and ambitious employees from below in the organization, who are able to go against the grain	visionary, ambitious, realist and persistent individuals
Focus of the innovation	who recognize new economic and/or technological opportunities for their organization	who recognize a social problem and want to solve it with the help of their organization	who recognize a social problem and want to solve it within the context of an own business
Methods used	who use un-common methods within the context of the organization	who use un-common and game-changing methods within the context of the organization	who use entrepreneurial methods to organize, create and manage a venture
Primary motivation	to achieve organizational advantage (though this does not preclude societal goals)	to achieve social change (though this does not preclude making a profit)	to achieve social change (though this does not preclude making a profit)
Background of innovation	who deal with mistakes and failures in the context of the organization	who deal with mistakes, social challenges and responsibilities in the context of the organization	who deal independently with mistakes and failures, profit and losses
Performance measure	who measure performance in terms of realization of their project	who measure performance in terms of realization of a specific societal goal	who measure performance in terms of realization of a specific societal goal
Sector	who are most commonly associated with the profit sector	who are associated with all sectors (profit, not- for-profit and public)	who are most commonly associated with the not-for-profit sector

Table 1: Comparison characteristics intrapreneur, social intrapreneur and social entrepreneur

# 3. Theoretical underpinning of social Intrapreneurship

#### 3.1 Link with Innovative Work Behavior

De Jong & Wennekers (2008) build their concept of intrapreneurial behavior mainly on the concept of innovative work behavior (IWB). They use the definition of IWB by Far & Ford (1990) "an individual's behavior directed towards the initiation and intentional introduction (within a work role, group or organization) of new and useful ideas, processes, products or procedures". IWB differs from employee creativity – the production of new and useful ideas, processes and procedures – because it also includes the implementation of ideas. Unlike creativity, IWB is explicitly intended to provide some kind of benefit (De Jong & Den Hartog, 2010). We think that IWB can be a good starting point for theorizing about (social)

intrapreneurship. However, we also think that intrapreneurship needs more than IWB and that social intrapreneurship needs more than intrapreneurship. Intrapreneurship differs from IWB because it also includes taking action and use un-common methods. This places employees in a rather isolated position in a firm, as we have seen in our research on exempts (Nijhof et al, 2002).

## 3.2 The constituting factors in Self Determination Theory

This is even more the case with social intrapreneurs as they have to go 'against the grain and challenge their employers'. Still some employees choose to develop themselves as social intrapreneurs. Why? Not because they are asked to or because they get a big reward for it. Social intrapreneurs choose this path because they are intrinsically motivated to do so. And for intrinsic motivation it is especially Self Determination Theory (SDT) that explains the main drivers behind this type of motivation. Founders of SDT are Edward L. Deci and Richard M. Ryan. SDT has its origins in experiments on intrinsic and extrinsic motives that started in the 1970s. Intrinsic motivation refers to initiating an activity for its own sake because it is interesting and satisfying in itself, as opposed to doing an activity to obtain an external goal (extrinsic motivation). SDT recognizes that the success of the achievement of the objective is to a large extent determined by the extent to which people are able to take their basic psychological need into account (Deci en Ryan, 2000). SDT builds upon the fundamental view of humanity that people are social creatures that are proactive and might be involved or, in contrast, passive and distant largely due to the social conditions in which they develop and function. SDT assumes that motivation can be understood on a continuum ranging from amotivation, via extrinsic motivations to intrinsic motivation (Gagné and Deci, 2005). Therefore SDT assumes mankind consists of curious, vital and self-motivating people. But and this is where SDT has its main contribution - the social environment has an effect on the psychological needs constituting intrinsic motivation. These three key factors are Need for Competence, Need for Autonomy and Need for Relatedness. These are the three determining factors how intrinsic motivation can be achieved. In addition, using this model shows that people who are inherently motivated perform better than others, especially when it comes to creativity and dedication to achieve results (Hennesey, 2000). Or as Ryan and Deci describe it "Inductively, using the empirical process, we have identified three such needs - the need for competence, autonomy and relatedness- that appear to be essential for facilitating optimal functioning of the natural propensities for growth and integration, as well for constructive social development and personal well-being" (Deci and Ryan, 2000, p. 230). Recently SDT receives a lot of attention by the best-selling book of Dan Pink (2010). In his book he builds upon the ideas of SDT, but changes the labels a bit. Instead of Competence, Autonomy and Relatedness, he writes about Mastery, Autonomy and Purpose. These labels fit even better for our research on Social Intrapreneurship because Purpose is a joint characteristic for all social intrapreneurs. Let's have a closer look at these characteristics.

Mastery – or competence - focuses on the skills, knowledge and capability to execute your affairs. In other words, it is about becoming better at something. It relates to the concept of flow meaning that people have "optimal experiences when the challenges we face are matched to our abilities" (Pink, 2010). Mastery is a learning mindset and it can never be completely attained.

The second factor is autonomy. This factor indicates to what extent people have a full sense of choice and volition over their behavior. A sense of autonomy is stimulated by providing people autonomy over task (what they do), time (when they do it), team (with whom they do it), and technique (how they do it). Results-oriented work environments encourage autonomy. This also means that autonomy is undermined when strict monitoring, control and reward is introduced. Because what happens if you start rewarding people for tasks they already enjoy doing? People create the perception that they are performing the behavior for the reward. The overall effect is a shift in motivation to extrinsic factors and the undermining of pre-existing intrinsic motivation. This is called the over-justification effect (SDT) or the crowding out effect (economic theory). This effect has an important implication for the concept of social intrapreneurship as we will explain later on.

Purpose — or relatedness - is the final factor that is deemed necessary to be present to achieve intrinsic motivation. This factor is based on a certain degree of involvement that individuals search for a connection to a larger whole (as well as organizations). This relatedness gives people a certain feeling of security. It is about a "cause greater and more enduring", emphasizing more than self-interest. The purpose factor is very important to differentiate between intrapreneurs and social intrapreneurs. As we have seen in our research on exempts (Nijhof et al, 2002), all intrapreneurs feel a dedication to realize their innovation. However for social intrapreneurs this dedication is linked to a greater cause like 'making the world a better place', possibly having an even stronger effect on the intrinsic motivation of these intrapreneurs.

SDT has a lot to offer for understanding the emergence of social intrapreneurs in common business organizations. SI can arise in every organization as long as there are employees – can be at the top level but also at the bottom level of an organization – that have a clear purpose, feel competent to do something about it and get the freedom to work on it autonomously. Instead of going to work to earn a salary, social intrapreneurs are typically employees that initiate an activity for its own sake; because it is interesting, satisfying and rewarding in itself. This also explains why the concept of social intrapreneurship has a strong link with intrinsic motivation (Grayson, 2010).

Furthermore SDT generates important starting points for how to manage social intrapreneurs. The basic guideline is: Don't manage too much. Or as Pink (2010) describes it: "Provide a sense of urgency and significance and then get out of the talent's way". It is also important that employees can work on it, because it is rewarding in itself. As soon as an organization initiates tasks or rewards, it may undermine the intrinsic motivation of social intrapreneurs (the crowding out effect). According to SDT instead of taking over, management should stimulate the three factors that underpin intrinsic motivation. This can be done in many different ways. For example a pharmaceutical company can stimulate a sense of purpose by organizing events were employees can relate to the problems caused by certain diseases. Or a bank can organize a study trip to a developing country increasing the visibility how micro-credits can change the life of small entrepreneurs. Competence can be stimulated by organizing skill training session on project management or by sharing good practices. And autonomy can be stimulated by stressing continuously that management hopes for bright ideas and individuals who step forward to implement their idea.

Based on their empirical research Grayson (2010) found that social intrapreneurship results both in outcomes on the individual level – commitment and innovative behavior – as well as

outcomes on the organizational level – sustainability, talent, innovation and reputation. SDT especially provides an underpinning for the innovative behavior. Many experiments have shown that higher levels of intrinsic motivation correlate with higher levels of organizational citizenship behavior (Ryan and Deci, 2000). Social intrapreneurship can be seen as a subset of organizational citizenship behavior because it is also an activity of employees that is not part of their regular job – of what they are required to do based on their job description (Fisscher, Nijhof, Steensma, 2003). Therefore SDT provides the theoretical foundation for the empirically observed commitment and creative and innovative behavior in the study of Grayson.

# 3.3 Towards a preliminary conceptual model

To our knowledge no conceptual model regarding social intrapreneurship exists. Therefore we try to develop such a model. In line with the earlier models of CE (Zahra (Zahra, 1991; Holt et al, 2007) and Intrapreneurship (De Jong & Wennekers, 2008) and the insights of the SDT we come to the following parts of our model:

- The core of the model is social entrepreneurial behavior. As main elements in this behavior we see: social orientation, vision, imagination, tempered radicalism and perseverance.
- As consequences we see organizational consequences like STIR (sustainability, talent, innovation and reputation), employee consequences like pride, satisfaction, commitment and drive and societal consequences like the impact on stakeholders and the view in society on the legitimacy of business.
- As antecedent we see individual level antecedents like social sensibility, proactive personality, competence/mastery, work autonomy and purpose; organization level antecedents like: social intrapreneurial climate, resource availability, management support and limited control – or Managerial autonomy support as it is labeled by Gagné and Deci (2005) and society level antecedents like: social intrapreneurial climate, resource availability and societal support.

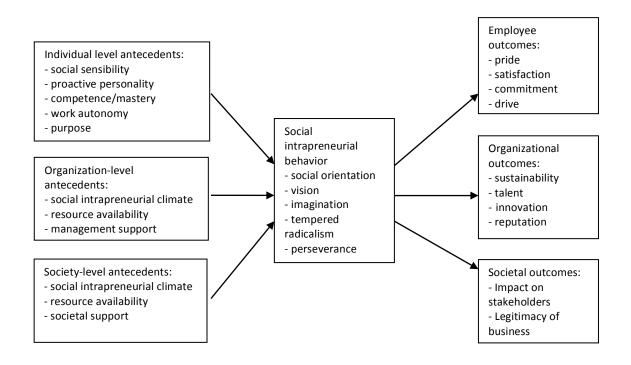


Figure 1: Preliminary conceptual model SI

# 4. Illustration of the conceptual model based on practical examples

# 4.1. Social Intrapreneurship at Transavia

One example of social intrapreneurship is the Peter Pan Initiative that originated within Transavia. Transavia is a Dutch airline company that is now part of KLM – Air France. About 15 years ago Transavia initiated a program to trigger projects around the mission of the organization: Transavia, that's what makes you happy. In this program a general direction was communicated with a lot of free space for the groups of employees to come up with ideas. In one of these sessions Wilko van Elk – a purser at Transavia with a background in physical therapy – proposed the idea that became the Peter Pan Initiative. As a volunteer he contributed as a physical therapist to a project of the Red Cross focusing in children with disabilities. He noticed that many of them spend a lot of time in the medical world and had few opportunities to meet companions that are in the same position. That's why he proposed to build upon the project at the Red Cross and adapt it to the core competences of Transavia: organize holidays for groups of youngsters with the same disease to share experiences in a setting that takes them out of their medically dominated world. This idea generated very positive feedback from the other employees in the group. One of them was Yvonne Remmits and with the help of many other employees they organized the first Peter Pan holiday in 1997 with a group of cancer patients. They also made a video of each holiday that was given afterwards to all participating children. Both Wilko van Elk and Yvonne Remmits are still working for Transavia and are still involved in the Peter Pan Initiative that is turned now into the Peter Pan Holiday Club Foundation. This case description is based on interviews with both Yvonne Remmits and Wilko van Elk.

The website<sup>1</sup> of the Peter Pan Holiday Club mentions: "Our foundation was established in 1996, more-or-less out of the blue when a transavia-purser came up with the idea to use our knowledge and contacts in the travel industry to organize an all-inclusive, fully facilitated and sponsored holiday for a group of young people suffering from an illness or physical disability". So it is recognized on the corporate website that this initiative did not follow from a strategic plan. It was a bottom up initiative, tolerated by management. The resources for the holidays came from various sponsors, like employees of Transavia and medical staff who did this in their free time, providing empty seats by Transavia and allocating free rooms by participating hotels and tour operators. Only later on it was recognized by management that this initiative had also positive effects for the organization, like an improved reputation, strengthened loyalty of employees and better relationships with tour operator partners like TUI and the Thomas Cook Group that became involved in the Peter Pan Initiative.

When we look at this initiative through the lens of the conceptual model there are interesting topics for each of the variables:

# Social Intrapreneurial Behavior

- The case shows clearly the relevance of a social orientation, imagination and perseverance. It is about a group of employees transforming the business of Transavia to contribute to a social goal.
- This initiative was described in a document of 2 pages that was written in one night.
- It is in line with the vision of the organization: Transavia, that's what makes you happy.

#### Individual Level Antecedents

- The initiators showed a proactive personality because nobody asked them to do this
- Even stronger, it was important for them to do this without budget from Transavia strengthening their sense of autonomy
- And the fact that one of the initiators was involved in a related activity at the Red Cross probably triggered a sense of mastery (we can do this together).
- And the purpose motive is illustrated because all people involved dedicated their free time.

# Organization-level Antecedents

- The idea was launched during a brainstorm session that was part of a corporate image program. Wilko van Elk worked already for many years for Transavia and might have had this idea before. But it got momentum when it was discussed with colleagues during this brainstorm session.
- For each holiday about 45 seats are needed for the children, medical staff and facilitators. These seats were provided by Transavia for free.
- Transavia was willing to give financial support in case it didn't work out with the sponsors. In hindsight it proved that it was never necessary to get additional financial support because of the altruistic contributions of many people involved.
- The abstention of control is illustrated due to the lack of monitoring. Also in employee surveys Transavia never asked about the Peter Pan Initiative. The perception that it also

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<sup>&</sup>lt;sup>1</sup> http://www.peterpanvakantieclub.nl/english

contributes to organizational results depends entirely on the enthusiastic reactions and anecdotes told by the participating employees.

# Society-level Antecedents

- Sponsorship and support from tour operators, hotels and medical staff
- The holidays are planned in the down season where there are normally many empty seats on flights and resorts have many empty rooms available. Therefore the initiative creates added value with resources that were otherwise not used.
- Societal trust is crucial to launch an initiative like Peter Pan because parents had to trust their child to the care of a yet unknown organization<sup>1</sup>.

# **Employee Outcomes**

- In the interviews it clearly showed that the people involved felt proud about this work and speak about it with a sense of fulfillment. For example the initiators met one of the participants of the first Peter Pan flight again after many years. He survived the cancer and his wife told that he watched the video about his Peter Pan holiday still every year.
- It is hard to say whether there is a causal relations but the fact that both initiators still work for Transavia could be a clear sign of increased commitment to the organization.

# **Organizational Outcomes**

- For every holiday there are many more volunteers than actually needed. This shows that
  a large group of the employees know about this initiative and want to be involved
  themselves.
- It also has an effect on the reputation, although it is agreed that Transavia shouldn't use
  this for marketing purposes. It is not about showing off, but about the intrinsic value of
  doing this.
- Therefore the initiative has a positive effect on the image of Transavia for especially the internal stakeholders like employees, tour operators and hotel chains.

# Societal Outcomes

- The holidays have first of all an impact on the lives of the children. For them it is an
  opportunity to enjoy a holiday and share the experience with others who suffer from the
  same disease or disability.
- In times where the legitimacy of business is challenged due to many scandals, these kinds of initiatives shed a different light on the relationship between business and society.

## 4.2. TNO's Innovation for Development (I4D)

TNO, founded by law in 1932, is a large institute for applied research in The Netherlands. Approximately 4300 employees are working mainly in The Netherlands (with some offices abroad). They work within three expertise centers Technical Sciences, Earth, Environmental

<sup>&</sup>lt;sup>1</sup> Coincidently there is another example named after Peter Pan that illustrates the importance of trust. At the time of the revolution in Cuba many families with properties wanted to stay in Cuba to watch over their belongings, but didn't want to put their children in the risky circumstances. That's why they organised flights to send their children to the US and trusted them to the care of relatives, the church or some other entity they trusted more than what was happening in Cuba. They named these flights the 'Peter Pan flights' because in the fairy tale Peter Pan took the children by flight to the promising never never land.

& Life Sciences and Behavioral & Societal Sciences on seven themes: Healthy living, Safety and Defense, Mobility, Industrial Innovation, Information Society, Built Environment and Energy.

Inspired by a sense of social responsibility, in 2006 TNO launched a corporate program entitled TNO Development Cooperation, now called Innovation for Development (I4D). TNO wants to share their innovative knowledge and experience in order to improve well-being in developing countries. TNO is committed to making its own contribution to the Millennium Development Goals with the aim of reducing poverty, combating illness and eradicating starvation. Each year TNO strives to get ten projects up and running. These projects involve themes in which TNO has practical knowledge and which can be used in developing countries: water, health, food, energy & environment, ICT, work, product & production and safety. The projects are led and carried out by TNO people who make up what is known as a Flying Innovation Team. TNO invests almost 1 million Euro per year to make this possible, however as a spin-off TNO expects these activities to be a source of inspiration for the development of new, innovative knowledge.

In 2006, one of the first participants within the program is Mrs. Miedema, now the program manager of Innovation for Development. She was and still is enthusiastic by the fact that individual researchers can apply for projects within their own field and try to link that within the needs of developing countries. They have to be social intrapreneurs: they have to think about opportunities, to develop a project, to submit it to the program board, and, after approval, to carry out the project somewhere in India or Africa. The program serves as a key factor for many employees to stay intrinsically motivated at the institute and to be proud of it. In addition, the effects of having such projects in developing countries have an impact on other team members as well. They are able to see the impact of their knowledge for people in these countries. For instance, one of the TNO knowledge areas is ergonomics; one of the projects of Program for Development has been the development of smart hand tools (like the hoe) for small-scale farmers in Ghana. Together with farmers and local scientists, the TNO researchers developed new ergonomic-friendly equipment that improved the quality of work life for many people.

The program has been advanced in the last five years. In 2010, TNO's I4D Program was one of the launching partners of the BoP Innovation Center. BoP stands for the Base of the Pyramid: the four billion people that have to live from less than 2 \$ per day. The goal of the BoP Innovation Center is to become the Dutch Centre of Excellence for market-based propoor innovation strategies. BoP Inc. will achieve this by building a core team of experts who will function as intermediaries between managers and entrepreneurs on the one hand and the expert network provided by our strategic partners on the other. BoP Inc. is based on a strategic partnership between several universities and other expertise centers. So, the impact of the initial project has been great, for the organization, the employees as well as society.

In terms of the conceptual model we observe some interesting topics for the variables.

## Social Intrapreneurial Behavior

- The case shows clearly the relevance of a social orientation, imagination and perseverance. It is about a group of employees who want to make a difference with TNO's expertise in the developing world. They wanted to transform the business of TNO to contribute to a social goal. The original group members had the social orientation, however, to make it concrete, they had to use their imagination to create something new.
- Although the initiative was in line with the vision of TNO, they had to overcome some bureaucratic obstacles, so they showed (tempered) radicalism and perseverance.

#### Individual Level Antecedents

- The initiators showed like many other TNO employees a social sensibility; however in addition, they were also proactive because nobody asked them to do this
- Like other TNO people, they were competent and autonomous enough to do this, but it was the combination with purpose that made the difference: they took the initiative, asked for some budget and developed the project.
- Other engaged TNO workers who were dedicated to make the developing world a better world, left the company to do this within other organisations, however, Mrs Miedema and others stayed to make a difference within TNO.

## Organization-level Antecedents

- The idea was developed by some individuals who got together and developed a proposal for higher management. TNO is a knowledge institute in which new ideas easily are introduced and encouraged. However, the real challenge is to get money for good ideas.
- TNO was willing to give financial support because it was really in line with the mission (to make knowledge work) and to have an impact on society.
- We cannot say that there was limited control. In TNO's environment it is essential for ideas to develop that they are proposed in a way that fits the bureaucratic procedures. The strong point is however that a proper monitoring system is in place: if the project is within the strategy and the first results are promising, then new steps may be taken. The rather quick uptake of the initiative and the alignment with other partners are good examples of it.

# Society-level Antecedents

- Societal support was right from the start in place: the projects were developed in close cooperation with local partners in India and Africa. These local partners were already partners of the big (Dutch) development organisations.
- Also the follow-up was in cooperation with other partners: the program I4D was one of the founding partners of the BoP Innovation Center.

# **Employee Outcomes**

- The program really provides the participating employees pride, engagement and drive.
- In addition, the program was also for other employees a reason to be proud of: TNO is not only good in applying knowledge in our industrialised society, but also in the developing world.
- It is hard to say for all initiators, however, they still work for TNO which is a sign of increased commitment to the organization, at least, for Miedema it is the single reason.

# Organizational Outcomes

- The program has positive effects on the reputation; TNO is viewed as a reliable partner for specific projects in these countries.
- The program has positive effects on the attractiveness for talent, especially internal employees may stay at TNO just because of the program.

#### Societal Outcomes

- The impact on local companies, farmers and communities is difficult to assess (like all other developing projects), but the belief is strong that knowledge really can make a difference overseas.
- TNO's participation in centers like BoP Innovation Center contribute to the legitimacy of their business in society.

# 5. Conclusions and recommendations

Albert Einstein wrote once "The significant problems we face cannot be solved at the same level of thinking we used when we created them". This statement has important implications for the current societal and ecological problems we face. Often it is the way how we live our lives that created the causes behind these problems. For example as long as we don't include the immaterial costs for society – the so-called externalities – in the business models of organizations, there is from an economic point of view no incentive to do something about them. This requires a different way of thinking and social intrapreneurs can provide this within an organization. Often these intrapreneurs challenge their employers by going against the grain. But social intrapreneurs differentiate themselves from people working in a non-governmental organization because they work from within the organization and also understand and pay attention to how things work within their organization. That is why social intrapreneurs are defined as people within a corporation who take direct initiative for innovations which address social or environmental challenges profitable.

In the conceptual model presented in this article we showed that social intrapreneurship requires a sense of purpose. This means that the ambitions of social intrapreneurs are based on care for certain issues and related values like rights for animals, the beauty of nature or alleviating people from poverty. However people care with different hats, whether they are behaving as consumer, shareholder, voter, member of an NGO and/or employee. The social intrapreneurship concept builds on this last role; on the possibility for employees to take their values to the work place and do something with them. If employees dare to do so, this results in behavior that is based on intrinsic motivation and results in high levels of engagement. And theory suggests that when people are engaged this results in more creativity, more commitment and more drive to make their initiatives a success (Hennesey, 2000). That's what is needed to make companies more sustainable and create step by step a more positive impact on our world.

An important line for future research is to analyze to what extent social intrapreneurs can be a driving force for internal transformation. The background for this research is that many companies are currently designed as profit-oriented companies while many employees are looking for work that is more meaningful. Social intrapreneurs cease this opportunity by turning their ambition towards meaningful work into actual practice. Depending on the

impact of these initiatives, their visibility and the number of initiatives, this might have an effect on the overall corporate culture and strategy. Therefore it would be a promising line of research to see if and under what conditions social intrapreneurs can trigger internal transformation of companies towards higher levels of sustainability and responsibility.

This article did not only clarify how social intrapreneurship can be an important driver for creativity and innovation within established companies; it also proposes a model for the conditions that are conducive to social intrapreneurship as a driver for sustainability-oriented innovations. This is especially important if managers want create an enabling environment to stimulate social intrapreneurship. The conceptual model proposes several antecedents that should be taken into account, but these need further operationalization and testing in empirical studies. Especially interviews with social intrapreneurs and longitudinal studies seem to be apt methodologies for this line of research.

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