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THE ROLE OF INTRAPRENEURSHIP IN CORPORATE INNOVATION - INSIGHTS FROM 5 BIG CORPORATIONS IN PORTUGAL

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Abstract

This study examines the organizational factors that influence intrapreneurial activity in driving corporate innovation, analyzing five leading corporations in Portugal. A qualitative approach was used, through the interview of Innovation Leaders and Intrapreneurs. The findings highlight that top management support, intrapreneurial programs, and the integration of employee-driven ideas are critical for fostering an innovation culture. This work provides insights from a Portuguese perspective, addressing a gap in research, which is typically focused on U.S. companies. The results offer insights for leaders seeking to enhance innovation capabilities through intrapreneurship.

Keywords

Intrapreneurship; Internal Innovation; Internal sources of innovation; Internal initiatives of innovation; Corporate value creation; Corporate Internal Innovation

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1. Introduction

To understand the practical context and rationale behind this research, it is essential to explore the dynamics of today's business environment. In a fast-growing world, where consumption grows at a fast pace, and resources are scarce, innovation has been increasingly part of the answer. In this context, organizations are facing increasing pressure to develop innovative solutions, products and processes that will enable them to answer to this demand and remain competitive, as referred by Baruah and Ward (2014).

Frequently, top management is focused on the search for innovation externally, whether through strategic partnerships, acquisitions or market research, whereas this incessant search for new ideas and solutions can lead to an unintentional neglect of internal sources of innovation. Within the organization itself, employees have a unique understanding of the challenges, opportunities and resources available (Shepard 1967). However, this internal expertise is often not fully exploited due to a lack of recognition or the absence of formal channels for expressing and developing their ideas (Manimala, Jose, and Thomas 2006). As a result, top management can inadvertently miss out on valuable innovation opportunities that reside within the organization.

In this scenario, intrapreneurship emerges as a crucial strategy for fostering innovation within organizations (Khoury and Feghali 2007). Nevertheless, although many recognize the importance of intrapreneurship, its effectiveness and successful implementation are still challenges to be overcome (Arena et al. 2018).

This research aims to understand how to support intrapreneurship to drive innovation within organizations. In particular, it intends to answer the main research question: **How intrapreneurship can be leveraged as a driver of innovation within organizations?**

A secondary question that the study addresses is: **How to create environments that support intrapreneurship?**

This work project is organized into five sections. Following the introduction, the second section is dedicated to the literature review, which highlights frameworks and key concepts related to intrapreneurship and organizational factors that drive innovation performance. In the third section the research methodology is presented, whereas in the fourth the findings are presented. Finally in the last section, the conclusion offers recommendations based on the findings and suggests directions for future research.

2. Literature Review

2.1 Intrapreneurship

The word intrapreneurship was introduced by Gifford Pinchot in the seventies of the XX century, who defined it as: "A method of using the entrepreneurial spirit where many of our best people and resources are: in large organizations." (Gifford Pinchot III 1985).

As discussed by Perlines, Ariza-Montes and Blanco-González-Tejero (2022), many authors have highlighted the absence of a coherent definition of intrapreneurship, largely due to the various synonymous terms used both before and after its emergence. Terms such as Internal Corporate Entrepreneurship, Organizational Entrepreneurship, Corporate Venturing, and Corporate Entrepreneurship often serve as alternatives, depending on the context. Nonetheless, Antoncic and Hisrich (2003) offer a broad definition of intrapreneurship as "entrepreneurship within an existing organization". Huang, Yang Lin, and Hsieh (2021) further discuss that intrapreneurship involves entrepreneurial activities initiated bottom-up by employees. Seshadri and Tripathy (2006), add that intrapreneurship happens when an employee takes a "psychological ownership of the company's growth", channelling their passion and commitment to foster business expansion. Nevertheless, as referred by Bosma and Stam (2010), this employee behavior can be limited when the corporate hierarchy or the internal organizational context impose over individual initiative.

Perlines, Ariza-Montes, and Blanco-González-Tejero (2022) concluded that the academic interest in intrapreneurship saw an exponential grow from 2008 onwards, potentially explained by the global crisis and the need that organizations had for new business models and sustainability. However, this growing academic interest did not reflect what was happening in practice. Huang, Yang Lin, and Hsieh (2021) noted that "Intrapreneurship in practice […] is not as wide-spread as expected", highlighting the challenges practitioners face in establishing internal processes that facilitate intrapreneurship.

2.2 Evolution of Intrapreneurship Assessment Frameworks

In 1990, Kuratko, Montagno, and Hornsby, developed the first instrument to understand the ability of an organization to foster intrapreneurial activity - the Intrapreneurship Assessment Instrument (IAI). This instrument was first structured around 5 hypothesis and then evolved to a 3-factor framework of analysis: management support for intrapreneurship, organizational structure and resource availability. This framework also had in consideration sub factors such as time availability (an aspect of resource availability) and risk-taking (an aspect of management support for intrapreneurship). Although this was a preliminary framework it already showed some empirical evidence of the association between those organizational factors and intrapreneurship.

This instrument kept being developed and refined over the years until the introduction of the Corporate Entrepreneurship Assessment Instrument (CEAI), by Hornsby, Kuratko, and Zahra (2002), a 48 variable instrument designed to measure five internal organizational factors: management support for corporate entrepreneurship, work discretion, rewards/reinforcement, time availability and organizational boundaries.

Building upon the previous instruments, in 2010, Alpkan et al. developed a model (see Figure 1), relating innovative performance with organizational support factors (Management Support, Allocation of Free Time, Work Discretion, Performance based Reward Systems and Tolerance for Risk Taking) and Human Capital.

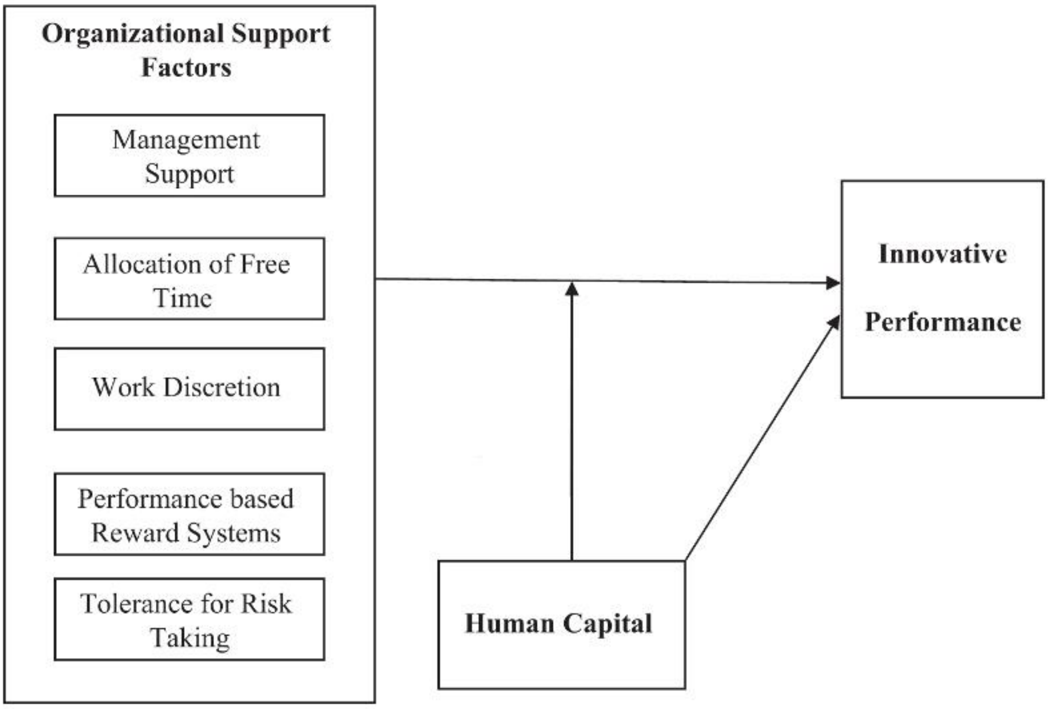

Figure 1 - The theorical model from Alpkan et al. (2010).

The evolution of intrapreneurship assessment frameworks demonstrates a growing understanding of the complex factors that influence intrapreneurship within organizations. From the initial IAI to the CEAI, researchers have refined their approach to measuring organizational support for intrapreneurship. Alpkan et al. (2010) model represents a significant advancement in this field by incorporating human capital as a key factor, alongside organizational support elements, as determinants of innovation performance. This holistic approach recognizes that innovation performance is not only dependent on organizational structures and policies, but also on the quality and capabilities of the human resources within the organization. Alpkan et al. (2010) study empirically revealed that: "[…] when Human

Capital is of low quality, the Organizational Support is still influencing positively innovative performance.”

This evolution in theoretical frameworks sets the stage for a more detailed examination of how organizational support factors and human capital interact to drive innovative performance.

2.3 Organizational Support Factors

2.3.1 Management Support

As defined by Neessen et al. (2019), management support “refers to the willingness of top-level management to facilitate and promote intrapreneurship”. This support involves providing the necessary resources, expertise, and infrastructure to encourage idea generation, develop them into innovation and acknowledging it in the organization (Baruah and Ward 2014). Effective management support creates an environment where employees feel valued for their contributions and are motivated to engage in innovative activities (Khoury and Feghali 2007). According to literature, this is the most relevant factor in fostering innovation within organizations and has a significant positive impact on innovative performance (Hornsby, Kuratko, and Zahra 2002; Alpkan et al. 2010).

2.3.2 Allocation of Free Time

Allocation of free time refers to providing employees with time away from their regular job duties, allowing them to think freely, be creative, learn or pursue innovative ideas and projects (Gifford Pinchot III 1985). Companies like 3M and Google are known for allocating a percentage of employee time for working on innovative side projects of their choice that led them to breakthrough products and innovations. Although being considered an important organizational support factor, the studies of Hornsby, Kuratko, and Zahra (2002) and Alpkan et al. (2010), showed that allocation of free time had low relevance for innovative performance.

2.3.3 Work Discretion

Work discretion refers to the autonomy and freedom given to employees to make decisions and act without excessive oversight or micromanagement. According to Baruah and Ward (2014) and Neessen et al. (2019) this decentralization of the decision-making and freedom in their work processes, results in more intrapreneurial activities, self-efficacy of employees and encourages innovation. On the other hand, Alpkan et al. (2010) did not found a correlation between work discretion and innovative performance in their study.

2.3.4 Performance Based Reward System

Performance-based reward systems refer to the use of incentives to increase employees' commitment to innovation and rewarding successful intrapreneurial efforts, beyond the standard reward system (Hornsby et al. 2013). According to Gawke, Gorgievski, and Bakker (2019) and Neessen et al. (2019), rewards increase the disposition of employees to engage in intrapreneurial behaviors.

2.3.5 Tolerance for Risk Taking

According to Gawke, Gorgievski, and Bakker (2019) "In the context of intrapreneurship, risk taking entails taking bold actions and allocating significant personal and organizational resources in intrapreneurial projects when the outcome is uncertain"; Kuratko, Montagno, and Hornsby (1990) also refer that it additionally involves being tolerant of potential failures. Organizations that do so, create a supportive environment that empowers intrapreneurial behavior in employees. According to the literature, a culture that is tolerant of failure and allows for calculated risk-taking, stimulates intrapreneurial behavior and have a positive effect on the organization's innovative performance (Alpkan et al. 2010; Kalay and Lynn 2015).

2.4 Human Capital

Alpkan et al. (2010) refers that human capital, which " is the sum of the individual knowledge, skills and abilities of the organizational human resources", should be regarded as the most valuable asset, since it establishes the basis of the organization performance. According to the authors, the higher the level of human capital, the higher their innovative performance, which can be further strengthened through employee education and work experience. Additionally, they highlight that human capital becomes even more critical for driving innovation when organizational support is limited.

2.4 Innovative Performance

Innovative performance is the ability of an organization to generate and implement new ideas, products, or processes that contribute to its overall effectiveness and competitiveness, and is also an important consequence of intrapreneurship (Antoncic and Hisrich 2001).

3. Research Methodology

The present study started with a literature review to establish the background knowledge pertaining to the topic under research.

In the framework of the "Research Onion" model (Saunders, Lewis, and Thornhill 2020), this study follows an exploratory, interpretivist philosophy, and an inductive and qualitative approach, to understand the experiences and opinions of the participants on their organizations regarding intrapreneurship. In particular, it aims to understand the views and experiences of innovation leaders and intrapreneurs, allowing to shed light over the intrapreneurial paradigm in each organization, comprehend their limitations, challenges and successes.

The organizations were selected from a list of large organizations with decision-making centers in Portugal, with recognized Research, Development and Innovation activities, with a turnover of over 100 million euros and from different sectors. The final selection also depended on the availability of the innovation leaders contacted. The five big Portuguese corporations were anonymized and labeled from A to E.

The organizations involved in this study vary in the size and maturity of their innovation areas, reflecting different organizational strategies towards innovation and approaches to support intrapreneurship.

- **Company A** created its innovation area in 2022, making it the newest among the organizations studied. The team currently consists of 10 employees, and it is mostly focused on disruptive innovation.
- **Company B** began its innovation efforts in 2010, making it the most mature innovation area among the participating in this study. The team has 17 employees, supports innovative practices across various business areas, does research and development and aggregates most of the innovation activities of the organization, including Program B, the intrapreneurial program.
- **Company C** launched its innovation area in 2018 and currently employs 30 people. The team works on a range of innovation projects across the whole organization, including process improvements and new market opportunities, and also leads the intrapreneurial program of the organization, Program C.
- **Company D** implemented a new governance structure for its innovation area in 2020. This updated governance structure aimed to change from a technological driven area to an innovation area. Currently employs 30 people.
- **Company E**'s innovation area was created in 2015 and has a total of 16 people, comprising seven dedicated team members and nine shared resources from other areas. This was also a technological driven area, that gradually evolved to a research and development innovation area.

For the investigation on the intrapreneurship environment of these companies, semi-structured interviews were conducted, allowing flexibility for new insights, but still ensuring coverage of the key topics. Two sets of interviews were conducted:

1. **Innovation Leaders** - from top management to managers, with responsibilities over innovation in the organization.
2. **Intrapreneurs** - employees that were referred by the previous leaders as intrapreneurs.

The interview script for innovation leaders (Annex I) was informed by the literature review and its structure inspired by the theorical model from Alpkan et al. (2010). Additionally, the scale developed by Dobni (2008), to profile the organization's actual level of innovation culture, was also used as an inspiration for background topics and questions.

All innovation leaders were invited to recommend an intrapreneur for the second interview, although only the two companies with established intrapreneurial programs (Program B and Program C) provided employee recommendations on time of this research, namely Company B and Company C, accordingly, Intrapreneur B and Intrapreneur C.

- **Intrapreneur B** has been with Company B for four and a half years, started in the commercial area, and three years latter transitioned to the marketing area, in part, due to his motivation for innovation projects. He is enthusiastic of, and advocates for, intrapreneurship programs, having participated in Program B, and believing they are crucial for the company's growth. Self-described as a committed employee, always in search of new challenges, despite encountering some limitations along the way, which eventually causes him some frustration.
- **Intrapreneur C** has been with Company C for four years, working in the legal area. Self-described as proactive employee, with an innovative mindset and a strong focus on problem-solving. Demonstrated willingness to take risks, and pursuit for solutions

rather problems, even in a very restrictive area. Has experience in transformation and innovation projects, having actively participated in initiatives such as Program C, and other projects from the innovation area.

The interview script for intrapreneurs (Annex II) was adapted from the interview script for innovation leaders (Annex I). Additionally, to assess the interviewees as intrapreneurs, a set of questions and an analysis inspired on the Employee Intrapreneurship Scale (EIS) (Gawke, Gorgievski, and Bakker 2019) was done, which involved three key approaches:

1. The Entrepreneurial Orientation Approach to assess the interviewees' inclination toward innovativeness, risk-taking, and personal initiative.
2. The Intrapreneurial Outcomes Approach to evaluates the participants' involvement in the organization's intrapreneurial efforts.
3. The Behavior-Based Approach focusing on employee activities that contribute to firm-level intrapreneurship.

By analyzing the responses of the employees from Company B and C, through these perspectives, it was possible to draw meaningful inferences that identified them as intrapreneurs. With this approach, it was possible to compare the vision of innovation leaders and intrapreneurs across sectors, and when possible, understand both visions for intrapreneurship under the same organization.

The interviews were conducted online, via Microsoft Teams. All organizations, with one in exception, allowed the recording and transcription of the interview.

For the data analysis, the method of thematic analysis was used, inspired by the approach from Nowell et al. (2017), which implied identifying, analyzing, and describing patterns or themes within the collected data from the interviews. Those patterns emerged through the familiarization with the data, its coding and review. The thematic analysis helped to address both research questions, by supporting the understanding of the interviewee's perceptions and experiences, and the triangulation to compare the perspectives of innovation leaders and intrapreneurs, regarding the topics covered.

The limitations associated to this research should be considered when interpreting the findings. First, the sample size and scope are restricted to five large Portuguese corporations, which limits broader generalization because it may not capture the experiences of other large organizations, as well as the experience in medium and small companies. Additionally, the research was conducted in a single moment in time, meaning it did not account for evolving trends or changes in intrapreneurship practices over a longer period. The limited availability of participants also posed a challenge, influencing the final sample size and the range of perspectives included.

Another limitation is the relatively narrow participation, with a total of seven interviews, of which, two intrapreneurs, due to only two companies providing individuals for this part of the research, which limited a complete comparison between leaders' and intrapreneurs' perspectives across all organizations.

Additionally, inherent limitations associated with qualitative research, such as the subjective nature of interviews, can influence the data collected and the interpretation of results. The use of thematic analysis, while appropriate for this type of study, involves some subjectivity in identifying themes, and the findings may be shaped by the researcher's perspective.

These limitations were considered when drawing conclusions.

4. Results and Findings

4.1 Innovation Leaders

Corporate Strategy

The strategy of these innovation areas aims to ensure business diversification for the organizations. However, the alignment with the organizations global strategy and scope of action varies. Companies B, C, and D align their innovation strategies with the global business strategy, while Companies A and E intentionally choose not to align, to protect innovation from the influences of business areas. Nonetheless, each organization environment eventually influences the projects that are developed.

Additionally, these innovation areas alignment with the organization's overall strategy, correlate with their focus on either incremental or disruptive innovation. Companies B, C, and D engage in both incremental innovation projects in collaboration with business areas and disruptive innovation initiatives. In contrast, Companies A and E exclusively pursue disruptive innovation, stating that incremental innovation is solely the responsibility of the business areas and their respective product teams.

Lastly, the innovation area at Company E primarily concentrates on exploring emerging technologies, whereas the other interviewed companies maintain a broader scope that also includes organizational, process, product, and new business innovation.

Innovation Sources

All innovation leaders emphasized that innovation is a continuous process or method rather than a sporadic occurrence. They highlighted the use of various tools for innovation, including the establishment and monitoring of technological radars to anticipate trends, as well as conducting meetings and workshops with top management and business areas. Collaboration with external partners and startups was also noted as essential. Additionally, Companies B, D, and E mentioned their partnerships with academic institutions, while Company B specifically highlighted the importance of monitoring patent registrations to stay ahead of trends.

Among the five organizations, only Company B and Company C reported having open innovation programs for their employees, known as intrapreneurship programs: Program B at Company B and Program C at Company C.

Management Support

All five organizations actively promote intrapreneurship through various initiatives for their employees, including training, internal mobility, participation in events, and diverse networking opportunities. While each area of innovation has dedicated budgets for their projects, financial support for employee ideas is infrequent. Exceptions are Company B and Company C, which allocate specific budgets and resources to ideas from employees participating in their programs.

Both Company B and Company C report that their programs serve as significant catalysts for intrapreneurship and innovation within their organizations. These initiatives not only train and develop their employees, but also help identify talent and facilitate the creation and validation of ideas, of which, part evolve into developed concepts and some even reaching the market. Company D also shared to have done something similar with an idea from an ideation program for graduates, the winning idea was brought to life by the innovation area, and it was the first time that an idea from that initiative reached the market.

Companies A, D and E share a different view of these initiatives, referring that they do not endorse these types of intrapreneurship programs because it involves a great deal of effort and ideas are rarely implemented, due to a lack of alignment with the organization objectives, leading to frustration among the employees involved. A sentiment shared by Intrapreneur B on his interview. This frustration regarding the lack of implementation of employee ideas is also mentioned in the literature (Gifford Pinchot III 1985; Zahra 1991).

Allocation of Free Time

When asked whether employees are encouraged to allocate part of their time to innovation, it became clear that Program B and Program C play a significant role in fostering this practice, with the management actively incentivizing their teams to dedicate time to these initiatives. Company E has a specific dynamic with the employees working in the innovation area, due to the duality of dedicated employees and shared employees from other business areas, meaning those shared resources that dedicate time to innovation in addition to their regular responsibilities. Overall, all companies reported having specific moments of ideation, primarily tailored to their business areas or the innovation team itself.

Concerning free time for activities not directly related to business or innovation outcomes, none of the companies reported having any formal practices in place.

Work Discretion

It is observed that employee autonomy is generally tied to their specific functions. Positions focused on routine tasks and core business operations tend to offer less autonomy compared to others. In contrast, roles within innovation areas are characterized by a strong emphasis on autonomy and proactivity, which are essential for success in those areas.

Performance Based Reward System

Company A and E said that employees in the innovation area are no different from others and are rewarded according to the defined objectives.

Company B mentioned that, in its Program B, employees, in addition to visibility and recognition, when winning the program, win a trip to take an innovation route, meeting startups related to their initiative. Additionally, when their projects successfully reach the market, they are featured in the press release.

Company C said that in its Program C winners, meet with the CEO and present their projects to the organization. In addition, they receive a substantial monetary prize and continue to provide support as advisors throughout the project development.

Company D mentions that innovation employees who excel in their projects have the opportunity to meet with the CEO to present their work, gain valuable internal visibility and that it can significantly impact their career advancement.

Companies C and E mentioned the potential future consideration of allowing intrapreneurs to receive participation or royalties from the business they generate.

Tolerance for Risk Taking

All these companies demonstrate a strong inclination toward risk, reflected in their efforts in Research and Development and the establishment of dedicated innovation areas. From a leadership perspective, while risk is inherent, it is managed through a careful allocation of resources and multiple validation processes that ensure success or quickly determine non-viability. Specifically, Companies A and E referred that they do not require a business plan to initiate projects, while Company C stated that a business plan is developed only when an idea reaches a sufficient level of maturity to advance to the project phase.

Regarding the culture of risk tolerance, innovation leaders at Companies D and E highlighted significant challenges they faced during the early stages of their governance. Company E emphasized the importance of executing projects and presenting results, noting that even failures must be seen as learning opportunities, but the innovation team must understand that while making mistakes is acceptable, repeating them is not, a statement also endorsed by Company C. Company D mentioned the establishment of various internal initiatives aimed at fostering a culture of transparency, accountability, and open dialogue, allowing employees to express their opinions without fear. One such initiative invites organizational leaders to share their mistakes during open sessions.

In contrast, Company B reflects a strong cultural embrace of risk, emphasizing that innovation has been a core aspect of the organization since its founding and has consistently been encouraged by top management.

Human Capital

As observed with these organizations, while innovation is broadly encouraged through various initiatives, Programs B and C are particularly effective in motivating employees to actively engage in innovation and develop skills that nurture the human capital.
Additionally, Company E, pointed that not all employees are inclined to generate and develop new ideas, and this choice must be respected, as their daily contributions are also vital to the organization's success.

Innovative Performance

While it is not feasible to directly compare the results of these innovation areas due to various factors, ranging from their distinct sectors to differing innovation objectives, all organizations reported having products available in the market. Notably, Companies B and C were the only ones to highlight that they have launched products originated from employee ideas. In particular, Company B mentioned several products that have emerged from Program B, with one specific product currently generating significant revenue for the organization.

Challenges in Promoting Intrapreneurship

The primary challenges identified by these organizations in promoting intrapreneurship centered around the low support from top management and a lack of culture of innovation. This encompassed issues such as inadequate financial resources, insufficient human capital, limited autonomy, high pressure, and skepticism regarding outcomes.

Advice for Leaders

Company A noted that many organizations are not yet prepared for intrapreneurship. However, if they wish to pursue it, they should look to companies like Google, Apple, and Amazon, which create dedicated teams, provide necessary resources, and allow sufficient time to achieve results without frequent shifts in objectives. Company B emphasized the importance of involving internal stakeholders in the program, stating, “The initial program was developed in collaboration with the organization’s front line.” Company C referred that Intrapreneurship should be part of the strategic agenda and integrated horizontally across the organization, rather than being treated as a standalone initiative. Company E highlighted the need to focus on the company culture, asserting that without a strong culture, progress will be limited.

4.2 Intrapreneurs

Corporate Strategy

Intrapreneurs B and C, recognize that innovation is an integral part of their companies culture. Intrapreneur B mentions that there is a strong desire to drive innovation as a growth engine, that innovation is valued within the company’s culture, but there are still gaps in the processes, which prevents the desired results from being achieved swiftly. Intrapreneur C states that innovation is rooted in the organization’s transformation and growth, although there is resistance in some areas, primarily due to the company's longstanding history and its transition from a public to a private context. But highlights investments in innovation, such as initiatives in the innovation area (e.g. Program C) and projects in artificial intelligence, which reinforce this innovative culture.

They agreed that innovation is a core value of the company but noted the need for improvements to maximize its impact on the organization and employees.

Both intrapreneurs recognize their contributions to innovation within their organizations. Entrepreneur B emphasizes its role in marketing, leveraging from the analytical skills to identify trends and develop new products and concepts through internal entrepreneurship programs. Entrepreneur C highlights the importance of being a proactive problem-solver, noting that without individuals alike, project advancement may face delays and resistance.

They validated that intrapreneurship is integrated into their organization's strategy, recognizing the efforts with the intrapreneurial programs and other activities.

Intrapreneurs B and C highlighted the importance of the advantages of intrapreneurship, such as the promotion of creativity, increased employee engagement, and the development of new solutions that can provide a competitive edge and strengthen the company's market position.

Participation in the Programs

Intrapreneur B participated multiple times in Program B, taking on dual roles of idea generation and active project engagement. Valued the diverse backgrounds of group members, describing the experience as startup-like, referred the agile environment during the program, that greatly supported the early stages of project development and provided ample resources and training. However, Intrapreneur B pointed that when the project transitioned into the organization's larger structure, it encountered resistance that slowed progress, leading to some frustration.

Intrapreneur C participated in Program C, contributing to a project centered on the metaverse and mentioned that the idea actually was originated from conversations outside the program. Intrapreneur C felt that contributions were well received, reflecting a strong team dynamics, and although their idea did not win Program C, it was selected for acceleration and transitioned to a specific area of the organization. Intrapreneur C expressed a desire to stay more connected to the project, acknowledging that this might not align with the current role.

Management Support

Intrapreneur B acknowledged that management support during Program B was strong, particularly in the initial phases, where they benefited from comprehensive training and guidance. However, Intrapreneur B expressed frustration with the slow pace of progress after the program, noting that projects are often stalled for extended periods. While there are many resources available within Program B, Intrapreneur B referred that the general organization's daily support is limited, unless employees specifically search for that support.

Intrapreneur C expressed strong appreciation for the management team of the Program C, noting their incredible support throughout the process, highlighted that management was always available for discussions and provided valuable feedback. Outside the program, intrapreneur C mentioned the existence of a learning platform with numerous training resources but did not feel there was a push for employees to use it to develop new skills.

Allocation of Free Time

Intrapreneur C feels that while their department lacks formal encouragement for creativity, other areas like the innovation area actively engage in team arrangements and activities.

Intrapreneur B believes that while creativity is encouraged within programs like Program B, but day-to-day operations do not promote such moments. Both referred that those programs take an extra effort of time and dedication beyond the working hours.

Work Discretion

Both intrapreneurs noted that while they cannot speak for the entire organization, they never felt hindered from sharing their opinions. However, turning those opinions into tangible outcomes often involves a significant journey.

Performance Based Reward System

Intrapreneur B acknowledged that there are rewards for successful innovative projects, such as a trip for the winning team, which serves both as a prize and a learning opportunity. However, Intrapreneur B pointed out that those who do not win do not receive any compensation, suggesting that offering some form of reward or recognition for all contributors could encourage more individuals to share their ideas and foster a culture of innovation.

Intrapreneur C feels that the organization does provide some incentives for innovative ideas, valuing the support from the in-line manager, that allowed time to dedicate to Program C. Intrapreneur C appreciated the visibility gained through the program, especially when presenting to top management, viewed as a strategic move for career progression. However, Intrapreneur C expressed a desire for more intervention and support in the post-project phase to further enhance recognition and outcomes.

Tolerance for Risk Taking

Intrapreneur B feels that the organization is open to calculated risk-taking, but pointed out that the challenge lies in effectively communicating these ideas to the right stakeholders, noting that while suggestions are heard, the encouragement to innovate is not always explicit. Also observed that the opportunity for risk-taking is not consistently available, as some managers may not support their employees' initiatives.

Intrapreneur C believes that employees are encouraged to take calculated risks to promote new ideas and noted that while there have been projects that did not succeed, the environment allows for experimentation, particularly within areas that embrace innovation, although feeling that encouragement for this type of contributions are limited in the daily work.

Challenges as Intrapreneur

Both intrapreneurs referred difficulties in balancing their innovative pursuits with their regular job responsibilities, needing additional effort and dedicated personal time, with Intrapreneur C pointing that some colleagues struggled due to lack of support from their management. Intrapreneur B emphasized that the preparation process for ideas before acceleration could be enhanced through a more structured approach, ensuring that concepts are fully developed prior to execution for improved outcomes. Intrapreneur C recognized considerable challenges in product development and marketing during Program C, highlighting the lack of knowledge in those areas, however, also acknowledging the valuable learning experience that came from it.

Advice for Leaders and Intrapreneurs

Intrapreneur B referred the importance of top management recognizing the organization's human capital, since employees who understand the business are well-positioned to contribute more valuable ideas than external players, while being cost effective and boosting employees engagement with the organization. Intrapreneur C emphasized the importance of top management actively promoting innovation by encouraging their leadership teams to foster a culture of innovation among employees. Both mentioned the importance of these innovation areas and intrapreneurial programs, with Intrapreneur C referring that these programs should be widely promoted internally to spark employee curiosity, and Intrapreneur B, referring that these programs should be repared to take the ideas "until the end", otherwise it can create frustration on their employees.

They also mentioned that Intrapreneurs should proactively propose ideas, even if faced with potential rejection. Intrapreneur C also added that they should stay in touch with innovation areas and enroll in innovation programs with an open mindset and as an opportunity of growth.

Conclusions

Intrapreneurship, although having multiple designations, has a clear and simple definition – it is entrepreneurship inside organizations. This is backed by the growing literature and relevance that this topic has won in the last decades. But in practice, although the definition is clear for organizations, its application is not so clear, or even render concrete, due to multiple factors. This research aimed to understand how intrapreneurship can be leveraged as a driver of innovation within organizations and how to create environments that support intrapreneurship, by exploring the practices, strategies, and challenges associated with fostering intrapreneurship and innovation within five large Portuguese corporations. The insights obtained reveal significant differences in how these organizations drive innovation, allocate resources, and support employee-driven innovation and while all organizations recognize the importance of intrapreneurship, there are gaps in how it is supported and implemented. This analysis contributes to the existing literature by deepening the understanding of the intrapreneurship role in corporate innovation and by providing a set of recommendations for organizations looking to implement or enhance intrapreneurial initiatives.

Management Support emerged as the crucial factor on these organizations for enabling intrapreneurial activities. All innovation leaders referred the importance of top management. Their support to push innovation and to foster intrapreneurship is seen as crucial, with companies B and C also highlighting the importance of their intrapreneurial programs. Intrapreneurs also highlighted the importance of the intrapreneurial programs and leadership support in promoting intrapreneurship.

Allocation of free time is discussed in the literature as an effective strategy to promote innovation (Gifford Pinchot III 1985). However, the study found that none of the companies had formal policies for providing time outside of regular duties for innovation or creativity. Instead, the interviewed organizations managed to integrate innovation activities into the existing workflow through planned activities. Intrapreneurs confirmed the lack of free time, and highlighted how complex is to innovate and think outside the box with the daily demands of the usual work responsibilities. And while intrapreneurial programs help to dedicate time to innovation, it comes at the cost of doing it on top of their regular work.

Work discretion was found to be role-dependent, with greater autonomy on positions within executive areas. While both intrapreneurs indicated that decision-making freedom was important for pursuing new ideas, it was generally not seen as a limitation, likely due to the roles held by them, which inherently involved a higher degree of autonomy.

Regarding performance-based rewards, different strategies were employed across the organizations, particularly within intrapreneurial programs, which offered valuable prizes. However, what intrapreneurs most valued was the opportunity to advance their careers and bring their ideas to life. The potential for career growth and the realization of their projects were seen as more motivating than the tangible rewards themselves.

Tolerance for risk-taking was not perceived as a major issue by the intrapreneurs, although they recognized some limitations, but highlighted Programs B and C as initiatives promoting risk-taking to explore new ideas. On the other hand, innovation leaders played a vital role in ensuring that risks were manageable and aligned with the objectives, using mechanisms to validate and demonstrate results and the value of risk-taking efforts to the organization.

Lastly, human capital is identified as a significant factor in driving innovative performance. The interviews reveal that intrapreneurial programs not only encourage innovation but also help develop skills that nurture human capital. For example, Programs B and C offered employees training and opportunities to work on new projects, enhancing their problem-solving abilities and entrepreneurial mindset, giving them skills that also benefit their regular work.

Based on the findings of this study and existing literature, several recommendations can be made to help organizations effectively leverage intrapreneurship as a driver of innovation. These recommendations address the challenges identified in developing intrapreneurial activities, the enhancement of support structures, and the creation of environments conducive to innovation. By implementing these recommendations, organizations can better empower employees to contribute to new ideas and projects, ultimately driving growth and competitive advantage.

Organizations should integrate intrapreneurship into their strategic agendas, with top management clearly defining priorities, allocating resources, and providing incentives to support these initiatives.

Management should establish structured programs to facilitate idea generation and collaboration, such as intrapreneurship initiatives or open innovation platforms. Programs like B and C, which incentivize employee participation through structured support and recognition, can serve as models for fostering an innovation-friendly culture and enhancing the organization’s human capital. However, it is important to note that as previously referred, even these organizations encountered challenges in implementing such programs, the following recommendations should also be considered, in order to incorporate those learnings.

Innovation leaders should adopt a top-down approach, starting with initiatives that involve top management. By demonstrating the value and impact of these programs at the executive level, leaders can secure sponsorship and support from management, which will then trickle down to their teams.

Projects emerging from these programs should have a planned path beyond the program's end. For example, organizations could establish dedicated teams to maintain momentum and further develop the innovations. As noted by Gifford Pinchot III (1985), 3M's chairman, Lew Lehr, emphasized the company’s approach: "For many years the corporate structure [at 3M] has been designed specifically to encourage young entrepreneurs to take an idea and run with it. If they succeed, they can and do find themselves running their own business under the 3M umbrella." Recognizing and rewarding employee contributions through incentives such as career advancement opportunities, increased visibility, or formal recognition, can enhance engagement and commitment. Rewarding should also acknowledge participation and effort, helping to cultivate a culture of continuous learning and innovation.

Future Research

Future research could adopt a longitudinal approach to track the evolution of intrapreneurship initiatives and their long-term impact. Expanding the sample to include smaller organizations could help generalize the findings. Additionally, exploring the perspectives of employees in operational roles or using quantitative methods to measure specific outcomes could provide a more comprehensive understanding of the role of intrapreneurship in the innovation performance of corporations.

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Annexes

Annex I – Interview script for innovation leaders

Tema	Questões
Introdução	Poderia se apresentar brevemente?
	Qual foi a principal motivação para a criação da área de inovação?
	Quando é que a área foi criada?
	Quantas pessoas fazem parte da equipa atualmente?
Estratégia	Pode descrever a estratégia de inovação a curto e longo prazo e as principais áreas de foco de uma forma geral?
	Como é que a estratégia de inovação alinha com a estratégia global da empresa?
	Quais são as principais fontes de inovação na sua empresa? - Qual é o papel das fontes internas?
	Quais são as principais metas e objetivos que orientam os vossos esforços em inovação? - Têm métricas para medir o sucesso das vossas iniciativas em inovação? Quais?
	O intraempreendedorismo está enquadrado na vossa estratégia de inovação?
Apoio da equipa de gestão	Que iniciativas ou programas especificos a sua organização implementou para incentivar o intraempreendedorismo? - Quais foram os resultados observados?
	Têm algum mecanismo para identificar taelentos intraempreendedores?
	Têm algum mecanismo para a recolha e análise de ideias/sugestões provenientes dos colaboradores?
Alocação de tempo livre	Os colaboradores são incentivados a parar a sua atividade laboral e a estimular a sua criatividade? São promovidos momentos de inspiração?
	Os colaboradores são incentivados a alocar parte do seu tempo à criação novas ideias?
Autonomia no trabalho	Na sua opinião, considera que os colaborades têm autonomia no seu trabalho, para decidirem como o devem realizar, propôr melhorias, ou outras soluções?
Recursos e capacitação	Que recursos, formação ou orientação são disponibilizados para ajudar os intraempreendedores a terem sucesso?
	Há facilidade em aceder a financiamento para iniciar projetos inovadores de intraempreendedores?
	Que mecanismos tem na sua organização, para decidir que projetos de inovação devem ser apoiados ou não?
Tolerância ao risco	Como promovem uma cultura que aceita: correr riscos, a experimentação e o aprender com os erros?
	A sua organização promove projetos experimentais, mesmo assumindo que parte deles irão falhar?
	Os colaboradores são encorajados a correr riscos calculados para promoverem novas ideias?
Prémios e incentivos	Os colaboradres que apresentam ideias inovadoras recebem algum incentivo da organização?
	Os intraempreendedores com projetos inovadores bem-sucedidos, recebem recompensas e compensações adicionais por suas ideias e esforços, além do sistema de recompensa padrão?
Medição de sucesso	Na sua opinião, sente que o intraempreendedorismo tem tido sucesso na sua empresa?
	Como é que mede o sucesso e o impacto dos esforços em intraempreendedorismo?
	Pode partilhar um exemplo de uma iniciativa intraempreendedora bem-sucedida que levou à inovação e ao impacto nos negócios?
Desafios e superação	Quais são alguns dos desafios que enfrentou na promoção do intraempreendedorismo e como os superou?
Conselhos e visão futura	Que conselho daria a outros líderes que procuram impulsionar o intraempreendedorismo como um motor da inovação?
	Como é que você vê o futuro do intraempreendedorismo no seu setor e na sua organização?

Annex II – Interview script for intrapreneurs

Tema	Questões
Introdução	Poderia se apresentar brevemente?
	Tem algum hobbie, algo que goste de fazer ou que sinta que o caracterize?
	Como é que se descreve enquanto profissional? - Considera-se uma pessoa criativa? - Considera-se uma pessoa inclinada para a inovação? - Considera-se uma pessoa com iniciativa? - Considera-se uma pessoa que arrisca em prol de algo?
Estratégia	Considera que Inovação na sua empresa é algo que faz parte da cultura e não apenas uma palavra cliché?
	Percebe como é que contribui para a inovação na sua organização?
	Sente que o intraempreendedorismo está enquadrado na estratégia de inovação e da empresa?
	Quais é que considera que são as vantagens que o intraempreendedorismo traz para a sua empresa?
Apoio da equipa de gestão	Que iniciativas ou programas especificos a sua organização implementou para incentivar o intraempreendedorismo?
	Têm algum mecanismo para a recolha e análise de ideias/sugestões provenientes dos colaboradores?
	Participou em uma ou mais destas iniciativas? - Pode descrever a iniciativa e o seu papel? - Sente que as suas contibuições foram bem recebidas pelos seus colegas? - Considera que a equipa de gestão ajudou a ultrapassar os obstáculos que foram surgindo? - Na sua opinião o que é que correu melhor e o que é que correu pior?
	Considera que há confiança e respeito entre a equipa de gestão e os colaboradores? - Sente que tem a confiança da sua empresa, para agir no melhor interesse da empresa com o minimo de supervisão?
Alocação de tempo livre	Os colaboradores são incentivados a parar a sua atividade laboral, a estimular a sua criatividade ou são promovidos momentos de inspiração?
	Os colaboradores são incentivados a alocar parte do seu tempo à criação novas ideias?
Autonomia no trabalho	Na sua opinião, considera que os colaborades têm autonomia no seu trabalho, para decidirem como o devem realizar, propôr melhorias, ou outras soluções?
Recursos e capacitação	Que recursos, formação ou orientação são disponibilizados para ajudar os intraempreendedores a terem sucesso?
	Sente que há uma expectativa, de que os colaboradores desenvolvam novos skills, que impulsionem a inovação na empresa?
	Considera que todos os colaboradores são incentivados a utilizar estes recursos?
	Já teve acesso a estes recursos? Se sim, sente que os mesmos são genéricos ou orientados a dar suporte às iniciativas a decorrer e/ou à inovação na organização?
Tolerância ao risco	Considera que a sua organização promove projetos experimentais, mesmo assumindo que parte deles irão falhar?
	Os colaboradores são encorajados a correr riscos calculados para promoverem novas ideias?
Prémios e incentivos	Os colaboradres que apresentam ideias inovadoras recebem algum incentivo da organização? - Se sim, quais? - Pode por favor partilhar a sua opinião sobre a relevância de cada um deles?
	Que outros incentivos consideraria relevantes?
Medição de sucesso	Na sua opinião, sente que o intraempreendedorismo tem tido sucesso na sua empresa?
Desafios e superação	Quais são alguns dos desafios que enfrentou enquanto intraempreendedor e como os superou?
Conselhos e visão futura	Na sua opinião, e de forma geral, o que é que ainda está errado ou precisa de melhorar, relativamente ao intraempreendedorismo e inovação na sua empresa?
	Que conselho daria a líderes que procuram impulsionar o intraempreendedorismo como um motor da inovação?
	Que conselho daria a intraempreenderes que procuram impulsionar a inovação dentro das empresas?
	Como é que você vê o futuro do intraempreendedorismo no seu setor e na sua organização?