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#### **“INTRAPRENEURSHIP – YOUNG PROFESSIONALS STARTING INNOVATION”**

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##### **The broader context**

- Innovative companies are a precondition for productivity increases, strong growth and job creation. Especially in the current economic context, it is important that innovation efforts are not scaled back, as they will only impede on the development of products and business models that are necessary for a strong post-crisis economy. Investments in innovation show their positive results not only in the short-term, but especially on a medium to long term horizon.
- At the global level, Europe is the biggest exporter of products and services. If it wants to maintain this position, being at the forefront of innovation is essential as Europe cannot compete with emerging countries in the production of low-cost and low-value added products. Thus we need to focus our attention on fostering human capital.  
At the moment, Europe is still relatively well placed thanks to the strong knowledge base and the specialisation in quality, high value-added products. But emerging countries are making major efforts in education and training and thus increase their capacity to compete in higher value-added products as well.

##### **Framework conditions for successful innovation**

- Successful innovation often is the result of a combination of several “inputs”, i.e. the business environment must be supportive. This includes of course access to finance, flexible labour markets and infrastructures. But this list is not exclusive.
- For employee driven innovation, a good education of the workforce (technical and social disciplines) or attractive life-long learning schemes are essential.
  - First and foremost, good education is at the core of successful talent and creativity promotion, which in turn are preconditions for innovation. But of course, for employee driven entrepreneurship a lot depends on the capacity of the individual to provide input. Skill and competence requirements also vary greatly, according to the sectors, occupations, etc. Although different contexts call for different requirements, it is



essential to equip individuals with transversal key competences. Innovation processes are often linked, multidisciplinary and problem-oriented. "Learning to learn" and lifelong learning are crucial in modern working life, not only to enhance employability. Soft skills are increasingly important for all types of innovation in all sectors.

- Transversal key competences that are important in that respect include: Literacy, scientific and mathematical competences, languages and social and cultural competences and digital literacy. Such competences are more conducive to employees who are adaptable and open to change, and who can also lead change.
  - Complex and rapidly-changing circumstances increase the demand for creative problem solving. An entrepreneurial mindset and commercial awareness as key attributes are necessary for innovation-friendly societies.
- Workers also often possess unique knowledge that is for instance based on own experience or on customer feedback. The contribution of their conceptions and ideas can play an important part in generating innovative ideas.

#### **Making “Intrapreneurship” happen**

- In addition to these framework condition, it is important for employee-driven entrepreneurship to achieve measurable results that management is open to new ideas and creates the right atmosphere for innovation at the workplace, where possible and appropriate.
- Increasing levels of workplace innovation can require changed behaviour, attitudes and mindsets in the workplace. Such a shift in attitude can contribute to improve productivity and profitability, customer service and service delivery, notably for SMEs.

An innovation friendly environment could be encouraged by

- connecting different types of people/functions
  - flexible working arrangements (e.g. job sharing, diversity of task allocation)
  - encouraging knowledge sharing, building relationships outside of the company
  - performance-related pay
  - providing means for employee-feedback mechanism
  - necessary “breathing space”.
- However, when social partners agree on conditions that will govern behaviours at workplace level, it is important that they do not introduce unnecessary rigidities that will prevent innovation on the ground.
  - Of course, applying the concept of “intrapreneurship” also depends on companies’ needs and capacities. It cannot be imposed on a generalised basis. For example in the current crisis, companies might need to focus on their core business, leaving only little room for employee-drive innovation programmes.



- At the same time, “intrapreneurship” might be a good way for young employees to get acquainted with concepts of project management or entrepreneurship. Especially university graduates that often have the freshest set of ideas need to be able to enjoy a certain degree of creative freedom, if a company’s innovation potential is supposed to be boosted.

## **Conclusion**

- Strengthening Europe’s innovation potential and thus ensuring future competitiveness in high-value-added activities not only depends on variables independent to companies (labour market flexibility, access to finance or infrastructures). Stimulating employee creativity and drawing on their innovation capacities is also part of responsible management and essential for thriving companies.
- Despite some encouraging examples of employee-driven innovation, the concept should not be imposed uniformly. It must remain the exclusive decision of each company to introduce “intrapreneurship”, based on company needs and available capacities.
- Policy makers should do their part to improve the general business environment and, where appropriate, encourage “intrapreneurship”. This requires a good level of secondary and university education, attractive life-long learning schemes and flexible labour market conditions.

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