

INTRAPRENEURSHIP FOR ENVIRONMENTAL AND SOCIAL SUSTAINABILITY A LEADERSHIP OPPORTUNITY

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INTRODUCTION

Recognition of the increasing risks of climate change and social inequity is on the rise in the business and non-profit sectors of the economy. Business leaders are realizing that economic sustainability of their enterprise is at risk if serious steps are not taken to mitigate climate change and to adapt to the harm of climate change and social inequity on a global scale.

Similarly, the non-profit organizations and the supporting foundations are realizing that their traditional practices for alleviating pain caused by the dual crises of climate change and social inequity are becoming more and more inadequate.

Achieving the Un Sustainable Development Goals (UNSDGs) requires a new paradigm of innovation in both technology development and business operations in all sectors of the economy.

Most business enterprises value innovation in their organizations in order to improve competitiveness of their existing products and services and to enhance profitability and market share. They also innovate to create business opportunities in new segments. Many large companies recognize the value of intrapreneurship and allow employees to spend a fraction of their time on new technologies and products that may not be of immediate value to their primary job functions.

However, the prevalent space of innovation in business often misses the opportunities in attaining environmental and social sustainability. Perceiving the dual crises of climate change and social inequity on the global scale as opportunities for purposeful and targeted innovation enables new exciting possibilities.

The actors in changing the status quo and enabling innovation that achieves both profitability and sustainability as equally important strategies in business operation are the intrapreneurs and their managers.

Millennials and Gen Z employees, who are currently less than 40 years old, represent an increasing fraction of the employees in business. These employees think differently about the dual crises of climate change and social inequity than the older generations who are often their immediate managers. The younger generation recognizes the urgent need for innovative solutions to sustainability problems.

The older generations who were a significant contributor to the creation of the sustainability crises by primarily ignoring the problem, are currently in decision-making roles but hesitate to change the operational paradigms of the past that they know well and are comfortable with. They continue to focus their innovation strategies and tasks of their employees

on the traditional business for maximizing profitability and competitiveness in their served market.

The Millennials and Gen Z employees are “ahead” of their managers in recognizing the need for urgent action to address the climate and inequity crises. However, they tend to self-restrain their innovation and to stay within the framework of the status quo business because they want to receive management de-facto approval and support for follow up work in bringing their inventions to market.

The middle managers on the other hand, have a strong incentive to remain focused on the short-term goals and on incremental change in the existing business, which often lacks focus on sustainability.

And here lies the need for *leadership* by the managers and business executives to unleash the latent potential of the young intrapreneurs in their organization to innovate solutions to the dual sustainability crises.

In my teaching practice in business organizations, when I ask the lower-level employees, particularly the engineers, supply-chain, and operations staff what they can do to improve the sustainability of their company across the Scopes 1, 2 and 3 of the business, they come up with many creative ideas that are worth serious consideration. These ideas are often overlooked by their managers because they fail to directly contribute to the short-term business objectives and Key Performance Indicators (KPI).

Many companies today allow certain free time for employees to innovate in a less structured space and less constraint applications. Managers need to channel this space of innovation in the direction of sustainability. They can also enhance the innovation velocity and quality by promoting diversity, equity, and inclusion (DEI) in their organization.

Managers need to relax the primacy of short-term profitability and market share growth as the objective functions of innovation in their company. While promoting intrapreneurship, they should raise sustainability to high priority for improving the current products and supply chain strategies and in creating new products and services.

Non-profit organizations and foundations can also increase their focus on sustainability by redirecting their funds away from pain alleviation to systemic change by promoting guided intrapreneurship and impact investing in their organizations.

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