

How to Liberate the Inner Intrapreneur in Your Female Employees

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Supporting women entrepreneurs is essential to stimulate growth since the entrepreneurial potential of women has not yet been fully exploited.” This huge untapped entrepreneurial/intrapreneurial potential is waiting for any business, particularly any knowledge-based business, to exploit. It is this sort of make-over that every business will have to undertake if they are to remain viable in the ‘new normal.’ Since, in many enterprises—especially professional service organizations—the majority of employees going forward are likely to be female, this means a change in leadership style to a more transformational one is going to be necessary.

Women who try to be entrepreneurial in large corporations get consumed by the body mass and spat out. That’s why they try to conform. All too often women, who are seen to be different from men run up against the antifeminine prejudice of top management. It takes more courage for a woman to be innovative.

– A Female CFO of a Large Multinational Conglomerate

Every business leader that I talk to tells me that they want their senior employees to be more flexible, more innovative and more entrepreneurial. They need this to survive in the ‘new normal’ of rapid change. In 1992, a new word came into the language, one which

has now become part of business-speak: intrapreneurship. An intrapreneur was defined as “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.”¹

Yet, the vast majority of businesses that my colleagues and I have come across over the last 20 years are structured and led in such a way that it makes being an intrapreneur extremely difficult for at least half of their workforce. It is as if there is an underlying assumption that intrapreneurs are bound to be male. This may not be a conscious assumption, and for most leaders it probably isn’t. However, the way they run their businesses makes the assumption self-fulfilling.

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¹ American Heritage Dictionary, 1992.

In the new normal, the most successful enterprises are going to be knowledge-based (Burton, 2001). Already most of the university graduates in the developed world (outside of engineering) are female and this will only increase as time goes on.² In numerical terms, women will come to dominate a large swathe of knowledge-based businesses, and in many, they already do. However, they are hugely under-represented in the C-suite—for example, only 14.6% of Executive Officer positions in Fortune 500 companies are held by women (about 4% are CEOs).³

European Commission Vice President Antonio Tajani said in 2010: “Supporting women entrepreneurs is essential to stimulate growth since the entrepreneurial potential of women has not yet been fully exploited.”⁴ This huge untapped entrepreneurial/intrapreneurial potential is waiting for any business, particularly any knowledge-based business, to exploit.

Much has been written about the differences between men and women. There are behavioral differences, emotional response differences and basic differences in brain physiology (Smith et al., 2014). The two sexes have different drivers and different responses. In particular, they are often engaged by different things in the work environment (Cahusac and Kanji, 2014). Women are usually the least engaged of a firm’s employees. This is largely because businesses leaders (unfortunately even many female leaders) are fixated by ‘male’ drivers such as outcomes, goals and individual performance metrics, whereas women, generally, are motivated by collaboration, support, relational safety and emotional satisfaction.⁵

It is small wonder then that businesses are not generally geared to get the best out of their women employees, particularly in the areas of innovation and intrapreneurship.

In terms of starting a business of one’s own it is certainly true that there are more male entrepreneurs out there than female. For the most part, men become entrepreneurs because they want to, whereas women start their own businesses because they have to (Curl et al., 2014). It has long been assumed that this is because men are greater risk-takers than women (Nelson, 2012)—at least up to the age of about 40 when the so-called ‘male menopause’ kicks in and the level of male testosterone declines (Okun, 1976). Risk tolerance is strongly associated with entrepreneurship, as it is with intrapreneurship, so the assumption has been that intrapreneurship would be, generally, a male domain. However, more recent research has indicated that this may not be the case. Women may be equally risk tolerant, but in different areas, in different circumstances and under different conditions (Nelson, 2012).

I believe the evidence shows that women can be just as ready to take risks as men, if they feel the structures of the organization they are working in, and its culture, encourage them. A man becomes an entrepreneur because, as I mentioned, he wants to start a business. For him, it is an individual drive for success. It’s very much the testosterone-driven hunter pitting his strength against the woolly mammoth. That’s not what drives a woman.

In order to make the most of their female workforces, enterprises will have to try a different tack.

² “Degrees of Equality”, Economist Online, September 13, 2011.

³ “Quick Take: Statistical Overview of Women in the Workplace”, Catalyst, March 3, 2014.

⁴ European Commission, Enterprise and Industry Newsletter, December 8, 2010.

⁵ “Emotional Engagement: What Makes Some Employee Groups More Engaged Than Others?”, Insynch Surveys, 2009.

Recently, my team and I have been working with the UK branch of a mid-tier firm of accountants, Money Partners (not their real name), with offices in the US, Australia, Europe and Asia. We have been helping them to develop a new strategy which will allow them to thrive in the 'new normal'. Like all professional service firms, Money Partners will have to reinvent themselves, discover new ways of working, new business models, new ways to energize and motivate its employees and new ways of reaching out to and attracting clients.

The larger firms in Money Partners' universe—PwC, KPMG, Deloitte and E&Y—have for some time been buying entrepreneurial businesses as a means of diversifying out of their traditional businesses. PwC's recent swallow of Booz & Company was an example of this strategy. Smaller businesses do not have the luxury of the enormous war chest that their larger brethren do. They have to look inward for change drivers. And maybe this is their intrapreneurial opportunity.

Mike Dolan, CEO of Money Partners, complained to me that his people—most of whom were accountants of one kind or another—were not sufficiently 'entrepreneurial'. When pushed to explain what that meant, he declared that they were too interested in the technical solution to problems their clients brought to them and not interested enough in developing the business. They relied too much on their expertise and their knowledge at a time when that expertise could be found in smaller, more agile, firms and knowledge was increasingly available for free on Google.

What Dolan was looking for was a spirit of innovation among his partners and those below them. He wanted them to think of new ways of marketing the firm's services, a new way of organizing the business, new products or even a new business model.

When my colleagues and I looked more closely at Money Partners, we found that there were a number of impediments which the firm shared with many other businesses and which hindered the development of an intrapreneurial culture. These were:

- An avoidance of, and even punishment of, risk taking.
- A leadership style that discouraged innovation.
- A remuneration system that discouraged collaboration and stressed individual effort.
- Lack of free-flowing, back and forth communication and idea sharing.
- A leadership team too invested in the traditional accountancy business model.
- A hierarchical management structure.

There were a number of other problems that the firm had which would have to be addressed if any intrapreneurial spirit was to be unleashed. These included the fact that the partners of the firm were almost all male and, for the most part, in their late 40s or 50s, whereas the non-partners were roughly equal numbers male and female and much younger. The leadership team, not unnaturally, reflected the partner demographics and traditional accountancy attitudes.

A new 'entrepreneurial' strategy for Money Partners would require a new culture to make it work. The new culture would depend very largely on a change of leadership style, away from their 'transactional' (task and goal focused) way of managing people towards a more 'transformational' (people-focused) style. Transformational leadership has two overwhelming advantages as far as MP is concerned: it allows for innovation and flexibility rather than hindering it and it is the style which most engages employees, especially women (Applebaum et al., 2003).

Why a 'Feminine' Style of Leadership Is Vital for Intrapreneurs

Over the last few decades, attention has been focused on transformational leadership. It is generally seen as the most effective form of leadership, and a number of studies have shown that it is up to 62% more successful in achieving results than the other kinds (Bass and Avolio, 1993).

A really good leader knows, maybe instinctively, when to use each style. Lee Iacocca, perhaps America's greatest corporate leader, never mentions the phrase transformational leadership in his book *Where Have All the Leaders Gone?* Though if you look at how he led Chrysler, and at the traits that he praises in leaders, it is obvious that this is his predominant style of leadership (Iacocca, 2007).

The core fundamentals of transformational leadership are (Bass and Avolio, 1994):

- Individualized Consideration: The degree to which a leader attends to each follower's needs.
- Intellectual Stimulation: The leader encourages innovation and creativity.
- Inspirational Motivation: The leader gives purpose and meaning to his followers.
- Idealized Influence: The leader acts as a role model to his/her followers.
- The leader encourages 'team effort' rather than just individual effort.

This style is also associated with a great deal of coaching and mentoring. It looks at individuals as members of a team rather than as competitive and isolated units. It is more 'tribal' and it gives employees a great deal of emotional and relational safety, as well as motivating them to perform at a higher level. The relational and emotional safety is what allows people, especially women, to become more intrapreneurial.

David Brown is the CEO of Wesfarmers General Insurance Limited, one of Australia's premier insurance companies. In a way, David is typical of those leaders who have come to transformational leadership pragmatically, by seeing what works and, perhaps, not thinking about his leadership style as such. In a conversation we had, he described the way he leads the company. I had asked him how he had been able, in the space of three years, to turn WGIL around. Under his guidance, it went from loss-making to record profits and subsequently being the majority part of a \$2 bn sale. What was his success secret?

"It's giving time to people, it's developing the team. It's being clear about what I need of my people individually and collectively and finding out what they need of me. It's being consistent so people know where I am and can trust me. It's also about allowing people to make mistakes when they're trying something new. It's about my living the values I expect my people to live up to. It's about giving praise and recognition. It's about the whole team being committed to the relationship with me, with the company and with each other."

I am not sure David would appreciate his leadership style being called 'feminine', but in many ways it is. Transformational leadership is called feminine because it is the way women naturally tend to run organizations. It is the way a good parent, particularly a good mother, runs a family. Yet research has shown that it is the only leadership style that will truly and consistently foster entrepreneurship within a business (Sarros et al., 2008).

So if a business wants to foster intrapreneurs, male and female, its leaders will have to adopt a more transformational approach.

Creating Intrapreneurial Teams

I have had CEOs and other high ranking executives tell me, with a straight face, that men were the

more creative and assertive sex which is why they predominate on boards and executive teams. After all, they say, Da Vinci, Beethoven, Mozart, Bacon, Dickens, Shakespeare, TSEliot and Tolstoy were all men. Of course that is true; the individuals quoted—the usual suspects—are all male. And it is irrelevant. There have been an equal number of great female artists, writers and composers, but for some reason they get forgotten.

Research shows that the reason might lie in the fact that women have not—largely for social reasons—been great promoters of their ideas and their talents (McClary, 2000). So women have as many creative and innovative ideas as men, but traditionally they have not had the support and encouragement needed to promote them. Being entrepreneurial—or intrapreneurial—traditionally involves not just coming up with the innovative idea but also promoting it and taking risks to drive the idea against opposition. It is seen as, essentially, an individualistic endeavor.

And this is the problem. Men are more likely to drive an innovation in this way; it is the function of testosterone, as I mentioned earlier. In order to release the creativity of women, the concept of intrapreneurship must be refashioned. Innovation and intrapreneurship must be seen as a team effort as well as an individual one. Women's more highly tuned social instincts can be harnessed to drive innovation.

I believe the way to allow intrapreneurs, men and women, to flourish in an organization lies in a related concept first devised by MIT in Boston— that of X teams (Ancona, 2008). An X-team is not just another high-performing team; it has three essential qualities which are very much in line with the way women's brains work. X-teams take a new idea or process through three distinct phases: 'explore' what is going on in the outside world; 'exploit' what they learn to create something really new; and 'export' the idea or

product to the rest of the firm (promote it, in other words) demonstrating excellence at every stage.

Any high performing team is only as good as the relationships that the team members have with each other. They support and encourage and defend each other and this mutuality results in their high performance and their ability to generate new ideas and promote them. X-teams are all of this but are also externally-orientated from day one. They make use of, and create, contacts and networks not just within their department, or even just within their firm. The female brain is, in many ways, a networking machine. It is geared to relationships even more than that of a man. It is rare for a woman to want to do things, even creative endeavors, on her own; whereas a man is often quite happy to do so.

If she can be an intrapreneur in the context of a team geared towards forming and utilizing supportive relationships, then this is the ideal situation for her to be able to progress and drive her ideas. An X-team can only flourish in a transformational atmosphere. There has to be an acceptance of both risk and occasional failure as part of the intrapreneurial process.

An X-team, like any really high performing team, has to be made up of a diverse group of individuals and includes both male and female members (Guimera et al., 2005). Their ability and freedom to explore ideas and the internal and external support that this kind of team gets in a transformational environment makes it an ideal context for women to exercise their creative and intrapreneurial instincts, which are as strong as those of any man (Shao, 2008).

Conclusion

Money Partners made changing their leadership style a priority and creating a network of high

performing and X-teams part of their strategy. Their executives needed to learn new communication skills, including an emphasis on the more 'feminine' talents of asking and listening rather than telling and the skilled use of praise and recognition. They instituted a program of coaching and mentoring which greatly increased employee engagement. They began to reward experimentation and appropriate risk-taking in the areas of product and business development.

It is this sort of make-over that every business will have to undertake if they are to remain viable in the 'new normal.' Since, in many enterprises—especially professional service organizations—the majority of employees going forward are likely to be female, this means a change in leadership style to a more transformational one is going to be necessary. The creation of high performing teams and even X-teams will have to be a focus of every business strategy. There is really no other option available. Neither male nor female intrapreneurs can flourish under the old conditions of top-down, transactional management. Having a matrix organization with the old leadership style perpetuated within the matrix will not work either. Businesses will have to reward appropriate risk-taking and create the organizational structures and processes which make this possible, for both sexes. Intrapreneurship is the key to organizational survival, and those businesses which, by their leadership style and structure, exclude potential women intrapreneurs may not be around 15 years or so from now. ☺

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