

Augmenting Intrapreneurship in Learning Organizations

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Abstract—Now-a-days intrapreneurship has become a revolutionary concept for speeding up the innovations within learning organizations by making the effective use of entrepreneurial talent. In current scenario, organizations especially the large ones, will not survive in this era of rapid transformation and innovation unless they acquire entrepreneurial competence. Thus, great potential lies in applying business principles within the learning organizations for the purpose of corporate sustainability and competitiveness. To become a learning organization, intrapreneurial development is vital as it facilitates an organization to grow and diversify its business by satisfying and retaining its best, talented workforce, and also by exploiting its underused resources in newer ways. The conscious blend of individual learning and intrapreneurship can help employees apply their knowledge more strategically to better support the learning of the organization as it faces more complex scenarios now-a-days. Intrapreneurship or corporate entrepreneurship is significantly noticed as an essential and valuable instrument for making organizations stronger and powerful. This paper analyses the core concept of intrapreneurship with its dimensions and also provides the insights about the nature of learning organization and its linkages with intrapreneurship.

Keywords: entrepreneurship, innovation, intrapreneurship, learning, organization.

1. INTRODUCTION

Due to economic reforms and globalization of the world economy, business environment requires the transformation of corporate organizations to the learning organizations for staying adaptive in regard to the innovative ideas and creative approaches. In this fast moving economy, organizations are growing and changing rapidly. Hence, it becomes imperative for the managers to welcome new talent, ideas and approaches. Competitive edge can be gained only if the organizations focus on innovation within their respective departments.

Globalization has compelled many organizations to innovate and maintain their competitive edge to survive in this era of cut throat competition. We are living in the century wherein, innovation becomes the primary determinant for effective and efficient working in existing organizations. Large organizations need to replace bureaucracy, top down

command or control with entrepreneurial empowerment, else they will soon realize that they will cease to exist. The organizations which are flexible and adaptive in nature can only survive in the global economy. Towards the end of the last century, a term 'intrapreneurship' was introduced to represent such regime of self directedness, innovation, autonomy and flexibility in the organizations. Intrapreneurship is more realistic and demanding in case of modern organization.

According to Morris, Kuratko & Covin (2008), the world experiences an entrepreneurial revolution. In the last decade, the researches have increasingly focused on the area of entrepreneurship within the boundaries of existing organizations. This sub-field of entrepreneurship research is known as 'intrapreneurship' or 'corporate entrepreneurship'.

Further, Ross (1987) had substantiated that the corporate organizations who appreciate and encourage the entrepreneurial resiliencies among their workforce, have the best of both worlds and it holds true equally for the entire corporate sector organizations, may it be the manufacturing or service sector.

Intrapreneurship is a concept which is linked to the entrepreneurial orientation of an organization. In general, it is the spirit of entrepreneurship within an established organization. Majority of the successful private organizations were once entrepreneurial start-ups and they worked hard and have grown to the point where they became the mature organizations. In such situations, sooner or later the entrepreneurial spirit is no longer active and alive. Hence, there is a need to catalyze the organizations by instilling the new spirit of intrapreneurship i.e. developing the spirit of entrepreneurship within the realms of an established organization.

Intrapreneurs work within the organizations to develop new products, generate new ideas, innovation, and boosts employee morale. Intrapreneurship attracts to some because it allows them to pursue creative business ideas with the support of a large company's resources.

The term 'intrapreneur' was first coined by Gifford Pinchot in the late 1980's and it refers to those individuals who take hands-on responsibility for shaping innovation inside the organization (Saetre, 2001, Manion, 2001). He described intrapreneur as "person who focuses on innovation and creativity and who transforms a dream or an idea into a profitable venture, by operating within the organizational environment" (Carland & Carland, 2007).

Antoncic & Hisrich (2003) pointed out that economists are now rapidly transferring their attention to the role and contribution of entrepreneurs within the larger organisation. They refer to these as 'intrapreneurs', emphasising that it is the attribute of an intrapreneur to behave as an entrepreneur within the boundaries.

2. KEY CHARACTERISTICS OF INTRAPRENEURS

Intrapreneurs are generally self-driven, hands-on and pragmatic individuals who feel at ease with inventive moves within the limits of an organization in pursuit for an innovative product or service (Investopedia, 2013). An intrapreneur display key attributes of innovator, enabler (new designer), leader, entrepreneur, change agent, adventurer and animateur.

The literature review portrays some specific traits of intrapreneurs in comparison to the managers. For one they claim that intrapreneurs tend to change their environment while, the others simply adapt. Personal characteristics reported by the researchers were autonomy, pioneering innovative motive, optimism, creative ability, achievement motivation and managerial skills (Sayeed & Gazdar, 2003). Thus, intrapreneurs refer to those individuals or groups in the organizational setting who are engaged in exploring the high end rewards via innovation through substantial plans of action.

3. INTRAPRENEURSHIP DIMENSIONS

Previous studies of intrapreneurship had explained the four diverse dimensions (Dhaliwal, 2001) which are as follows:

- New business venturing,
- Innovativeness,
- Self-renewal,
- Proactiveness.

New business venturing is the most classic definition of intrapreneurship, where intrapreneurs are always searching for the creation of new businesses within their organizations regardless of the empowerment which their organizations give to them. In other words, intrapreneurs could be placed in any of the position within the organizational hierarchy or structure.

Innovativeness is related to innovations which mean the successful creation, development and introduction of new products, processes or services. The organization culture plays a significant role in stimulating innovativeness. For instance,

the companies which are always attentive for the creation of new or better products and services, consequently, look forward for the intrapreneurs who are willing to challenge the current products and services.

Self-renewal means that the organizations believe in change and are adaptable to cope up with new threats. The changes could be marginal or radical depending upon the size of the problem. Reengineering is an appropriate example for the radical transformation in companies which rigorously believe in changing their structures, human resources, and strategies etc. Organizations are currently seeking newer ways to create more flexibility in order to adapt with the environmental changes.

Finally, **Proactiveness** implies that the organizations which have developed this component, are not followers. On the contrary, they are the leaders of change who wanted to establish the game rules in the industry. They always aspire to be ahead of their competitors by creating and developing the new products or services which are innovative and at the same time, add value to their customers' needs and demands.

These four dimensions are interconnected and help in fostering the intrapreneurial synergy within the organization.

4. CONCEPT AND CHARACTERISTICS OF A LEARNING ORGANIZATION

In this fast paced deadline focused world of business, different organizations that are operating now are becoming progressively complex day by day. In order to survive, organizations need to adapt themselves to the new changes and developments. The learning organizations are considered as a major privilege in this competitive world (Zare, Jajarmizadeh, & Abbasi, 2010). Organizations cannot survive and improve themselves solely on the basis of previous knowledge. Infact, they need to learn and strive for overcoming the turbulent changing conditions (Hannah & Lester, 2009).

According to Watkins and Marsick (1993), if the organizations wanted to transform into learning organizations, they may use various compelling forces such as changing the nature of work, changing the way people used to learn and so forth. Learning organizations constantly support, encourage, accelerate, and reward the process of individual learning through an organizational system which in turn, promotes continuous self-development and employability (Marquardt, 2002).

According to Sandra Kerka (1997) the learning organizations seem to work on the assumption that 'learning is valuable, continuous, and most effective when shared, and that every experience is an opportunity to learn'.

5. KERKA HAS IDENTIFIED SIX CHARACTERISTICS OF LEARNING ORGANIZATIONS:

1. Provide continuous learning opportunities.
2. Use learning to reach their goals.
3. Link individual performance with organizational performance.
4. Foster inquiry and dialogue, making it secure for people to share openly and take risks.
5. Embrace creative tension as a source of energy and renewal.
6. Are aware and interact with the environment continuously.

Thus, for an intrapreneurial learning organization, learning must be captured and embedded into the main system. Managers should seek the newer ways and methods continuously for the purpose of knowledge sharing among the employees.

6. INTRAPRENEURSHIP AND LEARNING ORGANIZATIONS

The most possible goal for all organizations is to achieve the highest possible performance. To sustain high performance and for developing a competitive edge, organizations need to focus on intrapreneurship as a competitive factor. For organizations to foster intrapreneurship, they have to become a learning organization.

Learning organizations motivate their employees to behave like an intrapreneur by taking ownership of a product from concept to the marketplace, keeping a group of intrapreneurs separate from the rest of the firm and rewarding their innovations and talent. The most relevant skill for an entrepreneur is their ability to capture new ideas and strategies that will improve organizational performance. This capacity is developed within an organization that supports and facilitates both individual and organizational learning.

Learning organizations attempt to use and develop their internal resources by providing an environment that is most appropriate for radical and rapid innovation (Schaper & Volery, 2007). Rather, organizational learning culture seems to affect innovations in a direct, positive and strong way (Shu & Chi, 2010; Skerlavaj, Song, & Lee, 2010).

Innovation has always been at the centrepiece of competitiveness. Zahra (1991) observed that intrapreneurship leads to product and process innovation and market development. An innovation can be in the form of new product or service, a new system, or a new plan or program relating to the organizational members.

Promoting an intrapreneurial philosophy in organizations results in numerous advantages, which includes the development in the size and/or diversity of the product and service range, and helping the organization to grow and expand. An intrapreneur blends existing factors and new combinations in a business for gaining the corporate sustainability. This approach supports the workforce in maintaining competitiveness and promoting conducive climate for higher achievement.

Schaper and Volery (2007) stated several reasons that justify the development of intrapreneurship in a learning organization i.e.

- To grow and diversify the business.
- To satisfy and bright motivated staff.
- To exploit underused resources in a new way.
- To eliminate non-core activities.

Pinchot (1999) had reported that intrapreneurial activities increase the cost-effectiveness and speed up the technology transfer to the marketplace via powerful research and development. Pinchot has developed the “Ten Steps to an Entrepreneurial Organisation” based on need factors, which he considers vital for the development of intrapreneurism within the organization.

1. Users of internal services are allowed to make their own choice of which internal vendor they wish to use.
2. Give employees the security of something similar to ownership rights in internal enterprise they create.
3. Companywide involvement is encouraged by insisting on truth and honesty in marketing and marketplace feedbacks.
4. Intrapreneurial teams are treated as a profit center rather than a cost center (i.e, they are responsible for their own bottom line). One way some companies handle this is for the team to have their own internal bank account.
5. Team members are allowed with variety of options in jobs, in innovation efforts, alliances, and exchanges.
6. Provide extensive training and education, and safety nets, so employees can develop and take risks as their organisation develops.
7. Create an internal “bank account” for every internal enterprise.
8. Streamline systems for registering internal enterprises so that they have standing in the organization.
9. A system of contractual agreements between internal enterprises is defined and supported by the organization.
10. A system for settling disputes between internal enterprises and between employees and enterprises should be part of the intrapreneurship plan.

Intrapreneurism in business has evolved to encompass a variety of concepts: identifying and promoting employees who are having intrapreneurial traits, developing an intrapreneurial process for the part or for all business, and developing innovation by rewarding intrapreneurial behaviour.

Thus, the successful initiation of intrapreneurial policies within an organization requires introduction of holistic systems approach. Thus, organizations must move on to introduce, implement and reward intrapreneurship - in terms of its regularity and the rigor with which it is executed. Hence, it is imperative that entire workforce or employees belonging from senior management to the bottom level should be engaged in nurturing the intrapreneurial talents (De Coning, 1992).

7. IMPLICATIONS FOR PRACTICE

Entrepreneurial and intrapreneurial actions are the means by which organizations can adapt to meet out the changing demands at the marketplace. Besides entrepreneurship, intrapreneurship is also an important predictor for any organization's growth. Firms that have high intrapreneurial orientations and those who nurture organizational value system are more likely to grow than other organizations which are low in any of these parameters. Managers should form intrapreneurial culture wherein, central part will be taken up by all the employees. Every innovative solution should be publically promoted, and innovators should be rewarded. Organizations require to think in its own way for creating a new product/ services.

In nutshell, it can be said that intrapreneurship is viewed as a creative act and an innovation. In generic term, it is all about creating something which has no previous existence. It is a strategic response for the pursuit of gaining competitive advantage and improved performance. Intrapreneurial learning organizations are those organizations that engage themselves continuously in new business venturing, are innovative, proactive, renew them critically for attaining the profitability and survival in this ever dynamic changing environment.

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