Review Article

Intrapreneurship as a Launch - Pad for Organizational Re – Engineering

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Abstract

This paper examines and also gives credence to the potency of intrapreneurship as a launch - pad for organizational re – engineering that is considered as the vitally needed catalyst for economic growth and development. Intrapreneurship refers to employee initiatives in organizations to undertake something new, without being asked to do so. It is a process by which individuals-either on their own or inside organizations-pursue opportunities without regard to the resources they currently control. Major activities related to intrapreneurship include opportunity perception, idea generation, designing a new product or another recombination of resources, internal coalition building, persuading the management, resource acquisition, planning and organizing. Key behavioural aspects of intrapreneurship are personal initiative, active information search, out of the box thinking, voicing, championing, taking charge, finding a way, and some degree of risk taking. It discusses the similarities and differences between intrapreneurship and independent entrepreneurship. Organisations employing intrapreneurial strategies have a competitive edge, which also boosts economic development. Clear reward systems and strategies must be in place to ensure that the intrapreneur is adequately compensated for their innovation.

Keywords: - Intrapreneurship, History of Intrapreneurship, Scope of intrapreneurship, Commandment of Intrapreneurship

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Introduction

“He that will not apply new remedies must expect new evils: for time is the greatest innovator” Francis Bacon (1561 – 1626)’

Intrapreneurship

It can be defined in broad terms as entrepreneurship within an existing organization. Intrapreneurship refers to initiatives by employees in organizations to undertake new business activities. Intrapreneurship includes entrepreneurial behaviors and orientations of existing organizations. Intrapreneurship exists in a firm, for example, when the firm acts entrepreneurially in pursuing new opportunities; in contrast, a non-intrapreneurial firm would be mostly concerned with the management of the existing (Antoncic and Hisrich, 2003) and would make decisions predominantly on the basis of the currently controlled resources. Intrapreneurship may be seen as doing new things and departing from the customary to pursue opportunities (Pinchot, 1985); as a process by which individuals inside organizations pursue opportunities without regard to the resources they currently control as a spirit of entrepreneurship within the existing organization (Hill, 2003); or as emergent behavioral intentions or behaviors deviating from the customary way of doing business (Antoncic and Hisrich, 2001, 2003). Intrapreneurship is a special type of entrepreneurship and thus shares many key behavioral characteristics with this comprehensive concept, such as taking initiative, pursuit of opportunity and some element of ‘newness’. At the same time, intrapreneurship also belongs to the domain of employee behavior and thus faces specific limitations that a corporate hierarchy and an intra-organizational context may impose on individual initiative, as well as specific means of support that an existing business may offer to an intrapreneur.

The Meaning of Intrapreneurship

According to Gifford Pinchot, Intrapreneurship means:

1. A set of business practices that liberates people with entrepreneurial personalities to innovate rapidly inside larger organizations for the benefit of that organization and its customers.
2. The actions of an individual and/or a team that is acting in an entrepreneurial manner to serve the best interests of larger organization and its supply chain, with or without official support

THE ACTIVITIES INVOLVED IN INTRAPRENEURSHIP

Major activities related to intrapreneurship include:

Opportunity perception, idea generation, designing a new product or another recombination of resources, internal coalition building, persuading management, Resource acquisition, planning and organizing.

THE BEHAVIOURAL ASPECTS OF INTRAPRENEURSHIP

Key behavioral aspects of intrapreneurship include the following:

Personal initiative, Active information search, out of the box thinking, Voicing, Championing, Taking charge,

The term intrapreneur was first used by Gifford Pinchot in the late 1980's and refers to individuals who take hands-on responsibility for shaping innovation inside the organization (Manion; 2001: 6). 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 and Carland; 2007:84).

The term 'intrapreneur' had been added to The American Heritage Dictionary in 1992. Intrapreneur defines in it 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" (Hill; 2003: 19).

The intrapreneur: "is not a blue-sky dreamer or an intellectual giant. He or she may even be a product-service idea thief or may be impatient and egotistical. But most of all, such people get the job done. And when they do, they are fêted in style with lights flashing and big rewards." (Menzel *et al.*, 2007).

Intrapreneurs can be determined as entrepreneurs within established firms, and they almost resemble independent entrepreneurs (Menzel, Aaltio and Ulijn; 2007:734). An intrapreneur changes his/her own environment (Menzel *et al.*, 2007). Intrapreneurs turn ideas into realities within an organization (Shetty; 2004:54). The intrapreneur challenges the status quo and struggle to improve the system from within. Intrapreneurs come up with new estimations, take full advantage of opportunities and turn them to beneficial new realities, support change and develop creative reactions in the organization (Menzel Aaltio and Ulijn; 2007:734). An intrapreneur is act in organization as an entrepreneur.

HISTORY OF INTRAPRENEURSHIP

In an article in The Economist in 1976, Norman Macrae predicted a number of trends in business - one of them being "that dynamic corporations of the future should simultaneously be trying alternative ways of doing things in competition within themselves". In 1982, he revisited those thoughts in another economist article, noting that the trend had resulted in confederations of intrapreneurs.

He suggested that firms should not be paying people for attendance, but should be paying competing groups for modules of work done. One suggestion was to set up a number of typing pools contracted for a certain amount of work over a certain time period for a lump sum. The members of the pool would be responsible for apportioning work, setting pay, setting work hours or even whether to subcontract out part of the work. Applied across the business spectrum such groups would provide the intrapreneurial competition he envisioned.

During the same time frame, Pinchot and Pellman (1999) were developing their concept of intra-corporate entrepreneur. They coined the word intrapreneur giving credit for their thinking to the 1976 article by Macrae. Under their model a person wishing to develop an intrapreneurial project would initially have to risk something of value - a portion of their salary, for instance

The intrapreneur could then sell the completed project for both cash bonuses and intra-capital which could be used to develop future projects. Based on the success of some of the early trials of their methods in Sweden they began a school for intrapreneurs and in 1985. They published their first book, intrapreneuring, combining the findings from their research and practical applications.

By 1986 John Naisbett was citing intrapreneurship as a way for established businesses to find new markets and new products in his book, " Re-Inventing the Corporation" and Steve Jobs was describing the development of the Macintosh computer as an intrapreneurial venture within Apple.

The concept was established enough that in 1990 Rosabeth Moss Kanter of Harvard Business School discussed in her book, " When Giants Learn to Dance", the need for intrapreneurial development as a key factor in ensuring the survival of the company. And, in 1992, The American Heritage Dictionary brought intrapreneurism into the main stream by adding intrapreneur to its dictionary, defining it as "a person within a large corporation who takes direct responsibility for turning an idea into a profitable finished

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product through assertive risk-taking and innovation". Intrapreneurship was a concept here to stay.

THE SCOPE OF INTRAPRENEURSHIP

As there is a large conceptual diversity in the literature with respect to the relevant scope of entrepreneurial behavior, this also reflects on the intrapreneurship concept. There are at least three alternative conceptual approaches.

The first is 'pursuit of entrepreneurial opportunity' (Menzel *et al.*, 2007). This includes developing a new product or service, a new geographical market or a new production process in the widest sense.

This view probably represents the most encompassing view of entrepreneurship, as it acknowledges both the Kirznerian and the Schumpeterian perspective of entrepreneurial opportunities (Gartner, 1989).

The second view may be labeled 'new entry' (Gartner, 1989). New entry includes entering new markets with new products, entering established markets with new products or entering new markets with established goods or services. In the latter case, the venture may be characterized as replicative rather than innovative. This concept is particularly relevant for intrapreneurship.

Finally, 'new organization creation' (Gartner, 1989) offers a behavioral view of entrepreneurship as the process by which new organizations are created. Following this specific view, intrapreneurship could be either innovative or replicative but should always be linked to some sort of 'internal start-up' (such as establishing a joint venture, a new subsidiary, a new outlet or a new business unit).

CHARACTERISTICS OF INTRAPRENEURSHIP:

These include the following:

- It is a new activity for the organization
- It is promoted and developed in the organization.
- It is more hazardous than the regular activity of the organization
- It implies more uncertainty than the regular activity of the organization
- It will be operated as a separate business in the future.
- Its aim is to increase sales, benefits, productivity or quality

It can be defined as follows

Arguably the most significant contributions on intrapreneurship come from Pinchot (1985) and Harris, 1998). While Pinchot presented the 'Ten Commandments of Intrapreneurship', Hamel presented a comprehensive model of intrapreneurship.

PINCHOT'S 'TEN COMMANDMENTS OF INTRAPRENEURSHIP'

Pinchot's Ten Commandments are:

- Come to work each day willing to be fired.
- Circumvent any orders aimed at stopping your dream.
- Do any job needed to make your project work, regardless of your job description?
- Find people to help you.
- Follow your intuition about the people you choose, and work only with the best.
- Work underground as long as you can – publicity triggers the corporate immune mechanism.
- Never bet on a race unless you are running in it.
- Remember it is easier to ask for forgiveness than for permission.
- Be true to your goals, but be realistic about the ways to achieve them.
- Honor your sponsors.

HAMEL'S COMPREHENSIVE MODEL FOR INTRAPRENEURSHIP

In Hamel's comprehensive model for intrapreneurship, apart from the culture of innovation in the organization that the top management is responsible for creating, there are three other major components, viz.,

Innovation activism, that is, the role played by autonomous corporate entrepreneurs, Innovation as a capability whereby people in the organization are trained for innovation, and, finally, Innovation as a process which ensures that ideas are progressively ramped up from imagination to experimentation, assessment, scale-up and finally reality.

TWO PHASES OF INTRAPRENEURSHIP

Pinchot (1987) refers to intrapreneurs as 'dreamers that do'. Accordingly, it is possible to distinguish between two phases of intrapreneurship, which may be called 'vision and imagination', 'preparation and emerging exploitation'.

Analytically, this distinction formalizes the sequential nature of the various intrapreneurial activities.² Empirically, it helps in assembling relevant items for

measuring intrapreneurship. In practice, these stages may overlap and occur in cycles, as the perception of an opportunity sometimes follows various preparatory activities such as product design or networking (Harris, 1998). The two core elements of intrapreneurship are also strongly linked as imagination includes exploring possible barriers and problems facing the project and figuring out various solutions.

INTRAPRENEURSHIP DIMENSIONS:

Antoncic and Hisrich (2003) describe intrapreneurship dimensions which include:

- New ventures and new businesses;
- Product/service innovativeness;
- Self-renewal;
- Proactiveness;
- Risk taking;
- competitive aggressiveness.

NEW VENTURES AND NEW BUSINESSES

New business venturing is the most important dimension of intrapreneurship as it can result in the creation of a new business within an established organization by redefining the firm's products/services and/or by entering new markets (Antoncic and Hisrich; 2001: 498).

The new ventures dimension refers to creation of new parts or firms, whereas the new business by the founded organization without forming new organizational entities (Antoncic and Hisrich; 2003: 16).

PRODUCT/SERVICE AND PROCESS INNOVATIVENESS AND INNOVATION

Intrapreneurship includes new product improvement, and new manufacture methods and procedures (Antoncic and Hisrich; 2003: 16).

New product and/or service improvement can be estimated a vital factor that differentiates successful from unsuccessful organizations (Harris, 1998).

Schumpeter stressed the role of entrepreneur as an innovator. From a Schumpeterian view an entrepreneur carries out new combinations of resources to create products that never existed before (Harris, 1998).

Innovation, is an important dimension of intrapreneurship, it brings about entrepreneurial action in an existing organization.

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Extent of innovation refers to the measure of newness of a venture in the market. For the ventures that are totally new to the marketplace, and perhaps even create new markets, the firm in question is the pioneer and faces significantly better challenges as a result (Shabana, 2014).

SELF-RENEWAL DIMENSION

It means the transformation of organizations through the renewal of basic ideas on which they are built. It has strategic and organizational change nuances and includes the redefinition of the business conception, reorganization, and the introduction of system-wide changes for innovation (Antoncic and Hisrich; 2001: 499).

PROACTIVENESS DIMENSION

Proactiveness indicates a company's determination to follow promising opportunities, rather than only responding to competitors' moves (Shabana, 2013).

Proactiveness concept is: "...refers to the extent to which organizations attempt to lead rather than follow competitors in such key business areas as the introduction of new products or services, operating technologies, and administrative techniques." (Antoncic and Hisrich; 2003: 18).

RISK-TAKING

Intrapreneurs are risk takers who are willing to commit their time and energy to making a good idea an innovative reality in their organization. Through this process they add a large repertoire of skills and experiences that helps build a career (Menzel *et al.*, 2006).

It is necessary to develop an intrapreneurial environment for risk-taking. Risk-taking emerges as a regular factor in that employees and management must have a wishful to take a risk and have a tolerance for collapse should it arise (Menzel *et al.*, 2006).

Intrapreneur is somebody who "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" (Menzel *et al.*, 2006).

Risk-taking is one of the important elements of intrapreneurship. So by encouraging risk taking and experimentation, a corporation has more chances of creating a successful product (Menzel *et al.*, 2006).

COMPETITIVE AGGRESSIVENESS

Competitive aggressiveness refers to the company's tendency to challenge its competitors. Competitive aggressiveness is an administrative tendency expressed in an organizational willingness to take on and dominate competitors. Entrepreneurial condition is fairly reflected in the firm's tendency to aggressively compete with industry rivals. (Antoncic and Hisrich; 2003:18). Competitive

SIMILARITIES AND DIFFERENCES BETWEEN INTRAPRENEURSHIP AND ENTREPRENEURSHIP.

These include the following:

- Intrapreneurs are company employees, but they are supposedly given free rein to run a particular aspect of the company, perhaps a new product line or subsidiary
- Entrepreneurs are self-employed people running their own company.
- Intrapreneurs know that if they fail, the company is still going to ensure they have a paycheck, at least for a while.
- Because of the system in which they work, intrapreneurs are chosen based mostly on corporate standards, not entrepreneurial success.
- Entrepreneurs don't necessarily have to worry about if they attended the right school or circulate in the right social circles--they're worried about making enough money to meet payroll and pay other bills.
- Intrapreneurs are usually selected by a corporate hierarchy and don't have to worry about building more structure they need to sustain a business (e.g. tech support, HR or marketing and sales).

- Entrepreneurs build all themselves

One of the biggest differences is that intrapreneurs have at least a modicum of support from the primary organization; the entrepreneur doesn't.

Intrapreneurs must get final approval of an idea from a senior executive. Entrepreneurs answer to themselves.

INTRAPRENEURSHIP AS A PROCESS

Intrapreneurship can be considered as a process. Sharma and Chrisman describe intrapreneurship as the process whereby an individual or a group of individuals, in association with an existing organization, create a new organization, or instigate renewal

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or innovation within that organization” (Seshadri and Tripathy, 2006). It is a process by which individuals-either on their own or inside organizations-pursue opportunities without regard to the resources they currently control.” (Seshadri and Tripathy, 2006). Another description of intrapreneurship as a process is “the process of uncovering and developing an opportunity to create value through innovation and seizing that opportunity without regard to either resources or the location of the entrepreneur” (Antoncic and Hisrich; 2001:497).

Intrapreneurs used three main modes or process to describe their scheme. Intrapreneurship process can be categorized in three distinctive modes: Analytical, Intuitive and Political.

THE ANALYTICAL PROCESS/MODE OF INTRAPRENEURSHIP

Intrapreneurs in analytical mode focused on implement solutions and characterized analytical thinking. They operating in this mode wanted to focus on a particular problem that they could command, having the functional proficiency and the authority to apply to it. These intrapreneurs focused their concentration on objective results and on the use of administrative formulas.

In addition, they used authority, whether hierarchical or technological, to impact decisions (Janczak and Boiteux; 2007).

THE INTUITIVE PROCESS/MODE OF INTRAPRENEURSHIP

Intrapreneurs focused their energies on producing new ideas for developing inventive initiatives in the intuitive mode. In this mode they undertake initiatives that not only added value to their organizations, but also gave distinction to them and/or their employees. In generally these intrapreneurs describe their estimations while the process to complete their venture initiatives. Also they use of emotions to affect decisions (Janczak and Boiteux; 2007).

THE POLITICAL PROCESS/MODE OF INTRAPRENEURSHIP

In the third mode, intrapreneurs focused their efforts on the political process of haggling strategies to develop results. In this process, intrapreneurs described a complex network of links that caused them to transform their early goals (Janczak and Boiteux; 2007).

THE INTRAPRENEURSHIP DIMENSIONS

Antoncic and Hisrich (2003) describe eight intrapreneurship dimensions:

- New Ventures;
- New Businesses;
- Product/Service Innovativeness;
- Process Innovativeness;
- Self-Renewal;
- Risk Taking;
- Proactiveness; And
- Competitive aggressiveness.

INTRAPRENEURSHIP AND ORGANIZATION PERFORMANCE

Given that internationalization is a complex, challenging and costly process, the success of intrapreneurship efforts can considerably influence firm performance (Davis, 1999). It is entrepreneurship within existing organizations) and a significant factor in organizational and economic improve (Antoncic and Hisrich; 2001:496). It can be accepted as an important result of corporate performance. Intrapreneurship is the key element of a successful organization. “The relationship between intrapreneurship and growth and profitability has been confirmed in past research on large firms and on existing firms regardless of their size” (Ashford, 2013).

A company’s performance can be improved by formal and informal intrapreneurship. This is achieved with creating new knowledge which becomes a foundation for building new competencies or revitalizing existing ones (Amo, 2006).

IMPROVING OF INTRAPRENEURSHIP THROUGH INNOVATION TO DEVELOPMENT

Intrapreneurship and innovation are companion terms. Intrapreneurship involves looking for a new innovation and taking advantage of it. And it is an activity of acknowledged importance in companies large and small, old and new.

It is an essential means of innovation for competitive advantage, especially in rapidly changing sectors and uncertain economic times. The academic community demonstrates intrapreneurship in many facets of its business and with suitable organizational infrastructures can offer a relatively secure environment in which postgraduate researchers can be sponsored to learn the skills of intrapreneurship through practical experience.

A special combination of both managerial and entrepreneurial skills defines intrapreneurs. These skills are realized through participation in innovative processes, which can enhance the organization as well as provide direct experience for individuals. "Intrapreneurship supports organizational growth through community rather than individual actions.

Intrapreneurs engage proactively in innovation processes leading to successful implementation and exploitation, involving more than just having the initial 'good idea'. Teamwork, cross functional groups and several intrapreneurs working together can be required during the innovation process.

New ideas and creative thought are required but delivery requires the successful individual or team to proceed with persistence and determination throughout the process no matter what obstacles or difficulties are in the path. Having confidence and experience in organizational politics and dynamics, managing people and overcoming technical or practical challenges are crucial.

Intrapreneurs may be self-selected; each bringing different strengths to the innovation process but their success requires organizational support and recognition especially from senior management (Davis, 1999: 322-325).

INNOVATION FOR INTRAPRENEURSHIP

It has been conceptualized as the actions of individuals within organizations leading to innovation of product, services or processes. Failing to consider linkages between the phases of team development, service innovation and product innovation has prevented organizations from optimizing the benefits accruing from intrapreneurial activities. Innovation also involves the introduction of new products, services, systems or processes, or the adaptation of existing ones. Innovation requires allocation of resources, long-term planning in the future. This provides insight into what is related in terms of new products, procedures and services. In addition to faith in the future, innovation needs management committed to quality, productivity and effectiveness and the policies, programmes and procedures that make middle management and those they lead, skeptical of the efforts to create greater effectiveness and productivity.

At the centre of this approach is the appropriate application of education within an environment that communicates and promotes innovative, thought-aligned actions. Success through a planned and structured approach to innovation can contribute to corporate growth and competitive advantage. A review of three approaches adopted by

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successful companies suggested that multi-disciplinary teams have an important role to play particularly in screening proposals and developing strategy. “The innovation process operates as a continuous spiral at the team development, service innovation and product innovation phases. Achieving appropriate levels of knowledge and outcomes indicate the point of departure for the next phase of the process” (Gapp and Fisher, 2007: 330, 331)

OBJECTIVES OF INNOVATION AND INTRAPRENEURSHIP

Cost reduction and/or improved customer focus tend to be the primary objectives of innovation and intrapreneurship.

At the level of an individual intrapreneur, the trigger for innovation could emanate from the desire to challenge oneself beyond the obvious. Intrapreneurs seeking to reinvent a company in order to increase efficiency may do so by removing ‘unproductive layers’ of bureaucratic hierarchy, harnessing the power of technology, proper delegation of authority and power or find other ways to improve efficiency and effectiveness.

Another trigger for intrapreneurs could be the desire to provide more value to the customer through intense customer focus. They may develop innovative means of minimizing inconvenience to the customers that would enable them to become companies that are ‘easy to do business with.’

Alternately, they may seek to enhance the company’s market offerings by providing additional features to its market offerings.

FACILITATORS OF INTRAPRENEURSHIP

We could have intrapreneurs in technical or non-technical functions; senior, middle or junior management levels; line or staff functions; manufacturing or service related roles; etc.

Some important enablers of intrapreneurial activity in a company are the support of the top management to the intrapreneurs, the freedom to fail, and the ability of the management to condone mistakes and create an atmosphere of learning for them.

Intrapreneurial vision on the part of the intrapreneur, the ability to get the intrapreneurial team to own the vision, fostering team work, accepting the brutal reality, taking prompt and proactive actions, and making timely decisions are essential for intrapreneurial success.

Resource constraints and time pressure also bring out the best of intrapreneurial innovation. The managers whom we interviewed also felt that the intrapreneur, especially one with a proven track record of intrapreneurial performance, must be allowed the latitude to operate freely. These include freedom to induct or remove any member of the intrapreneurial team, freedom to select suppliers, etc. This is what Hill (2003) refers to as an 'open market for talent.'

THE IMPORTANCE OF INTRAPRENEURSHIP TO ECONOMIC GROWTH

Allowing employees to introduce and implement innovation within an organisation is a means of fostering economic growth. Few innovations have been derived from a flash of genius; most are the result of a conscious, purposeful search for innovation opportunities.

Drucker (2002) has identified four areas of opportunity which exist within a company and three that exist outside a company:

Areas of opportunity within a company or industry:

- Unexpected occurrences.
- Incongruities.
- Process needs.
- Industry and market changes.
- Additional sources of opportunity, which exist outside a company in its social and intellectual environment:
 - Demographic change.
 - Changes in perception.
 - New knowledge.

Drucker acknowledges that the sources overlap and differ in the nature of their risk, difficulty and complexity, and that the potential for innovation may well lie in more than one area at a time. However, Drucker stresses that they account for the majority of all innovation opportunities. Purposeful, systematic innovation begins with analysis of new sources of opportunities.

Innovation is both conceptual and perceptual, an intrapreneur therefore must look, ask and listen. They must consider people and figures to work out analytically how an innovation can satisfy an opportunity. The most effective innovations are simple and focused, they should be directed towards a specific, clear and carefully designed application. Most usually only do one thing. Intrapreneurism is work rather than genius,

it requires integrity, knowledge and focus. Intrapreneurism has evolved to include a number of concepts, Hill (2003) lists the following:

- “Identifying and fostering employees who are considered to have intrapreneurial traits;
- Developing intrapreneurial processes for all or part of a business.
- Developing innovation through rewarding intrapreneurial behaviour.”

The need for intrapreneurism is a key factor in any company’s survival. Fostering an intrapreneurial environment means taking risks, not all risks will pay off, but many will. Organisations employing intrapreneurial strategies have a competitive edge, which boosts economic development. The main reason for this is innovation. Ideas are at the heart of a business, organisations that nurture ideas and innovation in their employees have a better chance of surviving, and thriving, in a competitive economy. Industry leaders are often those who have embraced intrapreneurism. Lew Lehr (3M) stated “3M is designed to encourage entrepreneurs to take an idea and run with it. The entrepreneurial approach is not a sideline at 3M. It is the heart of our design for growth.” An intrapreneur’s innovative idea may require capital and company marketing. It may also require ongoing access to proprietary technology and a staff sponsor. Ideas often have the greatest success when they fit the intrapreneur (skills, passion), the market (demand, margins) and the company (expertise, culture). Creative expression and growth are the most commonly cited reasons for employees setting up on their own. Consequently, if employees have the freedom, fuel and facilitation to develop their ideas, the organisation will gain a competitive, intrapreneurial edge whilst retaining valuable, skilled staff.

THE INTRAPRENEURIAL ORGANIZATION

Intrapreneurs have been credited with increasing the speed and cost-effectiveness of technology transfer from research and development to the marketplace. While intrapreneurs are sometimes considered inventors, inventors come up with new products.

Intrapreneurs come up with new processes that get that product to market. Part of the reason they are considered similar to inventors is that they are creative and are risk-takers in the sense that they are stepping out of their traditional role within the business. However, their risk-taking behavior is personal. In terms of the business, they actually work towards minimizing the risk through the innovative approaches they use to more efficient and effective product production and sales.

Some methods that have been used by businesses to foster intrapreneurship are:

- Users of internal services are allowed to make their own choice of which internal vendor they wish to use.
- Intrapreneurial employees are granted something akin to ownership rights in the internal intraprises they create.
- Companywide involvement is encouraged by insisting on truth and honesty in marketing and marketplace feedback.
- 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.
- Team members are allowed a variety of options in jobs, in innovation efforts, alliances, and exchanges.
- Employees are encouraged to develop through training programs.
- Internal enterprises have official standing in the organization.
- A system of contractual agreements between internal enterprises is defined and supported by the organization.
- A system for settling disputes between internal enterprises and between employees and enterprises is part of the intrapreneurship plan. Intrapreneurism in business has evolved to encompass a variety of concepts: identifying and fostering employees who have what a considered to be intrapreneurial traits, developing an intrapreneurial process for part or all of a business, and developing innovation through rewarding intrapreneurial behavior.

DEVELOPING INTRAPRENEURSHIP WITHIN LARGE ORGANIZATIONS

Many organisations have placed greater importance on a service-orientated approach to their business activities. Customers are seen as both internal and external and employees are expected to be positive, polite and professional. This customer service focus has resulted in an emphasis on being a team player. In such team performance environment employees must manage their own time, solve problems, apply logic and reasoning skills and be able to set and follow through goals. "They need to be self-motivated

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entrepreneurs who are fixers, not finger pointers.” Consequently, the culture and ethos of a customer service focus has enabled an increase in intrapreneurism.

This in turn has led to the development of intrapreneurial competing teams within a company. Teams can function as small businesses within the organisation, which are nested and networked together. Teams can focus on either a product or a process (such as secretarial services or PR). Such practices result in a free market system where work is more effectively coordinated and responsibility is distributed more evenly. Pinchot (1999) has noted that intrapreneurial activity increases the speed and cost-effectiveness of technology transfer from research and development to the marketplace.

TEN STEPS TOWARDS ACHIVING AN ENTREPRENEURIAL ORGANISATION

Pinchot has developed the “Ten Steps to an Entrepreneurial Organisation” based on need factors, which he considers vital for the development of organisational intrapreneurism.

- “Give users of internal services a choice of more than one internal vendor.
- Give employees the security of something akin to ownership rights in internal intraprises they create, as well as the larger corporation
- Demand and engender truth and honesty, marketplace feedback and marketplace discipline, to support widespread decision-making.
- Give intrapreneurial teams responsibility for their own bottom line even if they are subsidised – as a profit centre rather than a cost centre.
- Allow many options and diversity in personnel, in jobs, in innovation efforts, alliances, and exchanges.
- Provide extensive training and education, and safety nets, so employees can develop and take risks as their organisation develops.
- Create an internal “bank account” for every internal enterprise.
- Streamline systems for registering internal enterprises so that they have standing in the corporation.
- Establish a system for registering agreements and contracts between internal enterprises, so that people can give their word and trust the system.
- Establish a justice system for adjudicating disputes between internal enterprises and between employees and enterprises.”

One of the most exciting concepts in intrapreneurism is developing intrapreneurial competing teams within a company. The organization can be organized around teams that function as small businesses nested and networked together.

These teams can be focused on a product such as a new car, a process, such as public relation or a service, such as the secretarial services of the organization. What evolves is a free market system with work coordinated more effectively and responsibility distributed more widely.

WHAT RETARDS INTRAPRENEURSHIP?

The primary factors retarding Intrapreneurship are:

- The costs of failure too high, and the rewards of success are too low. Intrapreneurs need to be given the space in which to fail, since failure is an unavoidable aspect of the Intrapreneurial process. This is not to say that organisations should simply condone failure, but rather that organisations need to begin to measure and attribute failure to either Intrapreneur fault, or circumstances beyond the Intrapreneurs control - and punish and reward accordingly.

Similarly, the rewards for success are usually inadequate - few organisations provide rewards for Intrapreneurs that even closely approximate the rewards available to the Entrepreneurial counterparts. Most incentivisation systems need to be upgraded accordingly. "Enron: If we've broken a paradigm, it's the compensation paradigm. We pay people like entrepreneurs. A lot of companies talk about intrapreneurship and ask people to take risks, but if those people succeed they get nothing more than a small bonus, and if they fail they get fired."

"You can't create wealth unless you are willing to share it."

INTRAPRENEURSHIP AS A PATHWAY TO PERVASIVE INNOVATION

Many scholars have highlighted the importance of pervasive innovation across the organization (as opposed to centralized innovation by specifically created groups/teams) as one of the important strategies for long-term marketplace success, especially in large organizations.

However, most large organizations experience a severe gap between intent and reality in this regard. These issues have been extensively discussed in literature (Pinchot, 1985; Hamel, 2002; Carrier, 1996).

There is a strong relationship between innovation and employees taking on psychological ownership of the company's growth thereby manifesting entrepreneurial behaviour. Since this is done within the framework of a large organization rather than as an

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autonomous entrepreneur, it is more appropriate to look at these innovators as corporate entrepreneurs or intrapreneurs (Pinchot, 1985; Dhaliwal, 2001; Gapp and Fisher, 2007; Carrier, 1996).

Intrapreneurism enables employees of an organization to unleash their passion that often results in generating new avenues for business growth or alternately provides radically different ways of doing existing business.

Every company requires new ideas to survive and grow profitably and, hence, it has to find ways to tap the entrepreneurial potential inherent in its employees. Scholars have recognized that the top management has a significant role in creating an atmosphere wherein employees are encouraged to experiment.

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BARRIERS TO INTRAPRENEURSHIP

In a competitive business environment, it is clear that companies need to search for new business notions and opportunities and they make the essential arrangements to bring them to gainful results. However, many organizations face some difficulties in doing this. Barriers of intrapreneurship prevent entrepreneurship within the organization (Eesley and Longenecker; 2006: 601).

Some operational difficulties to intrapreneurship have been noted. These include:

- Inadequate Planning,
- Improbable Corporate Expectations,
- Insufficient Corporate Support,
- and Misreading the Market,

THE CATEGORIZATION OF THE BARRIERS TO INTRAPRENEURSHIP

Intrapreneurship barriers can be categorized into four main titles.

RESISTANCE TO CHANGE

Individuals frequently resist change for the reason that they have already invested a great contract of time and force in mastering certain job, and fear that their asset will be wasted. Change is resisted because of the future is unfamiliar and collapse could potentially cause risk to personal status and respect. It's meaning that innovation could pressure existing power structures and relations (Hill; 2003:24, 25)

THE INHERENT NATURE OF LARGE ORGANIZATIONS

In large organizations managers are required to structure in order to be able to control it. In large organizations management is forced to establish stable, quantifiable performance standards, resulting in large quantities of paperwork. The traditional corporate culture has a climate and recompense system (Hill; 2003: 25, 26).

Intrapreneurship is prevented when an organization is characterized by poor communication and structural silos by the flow of useful information (Eesley and Longenecker; 2006: 19).

In a traditional corporate culture guide principles are to: "follow the instructions given; do not make any mistakes; do not fail; do not take the initiative but wait for instructions; stay within your turf; and protect your backside. This restrictive environment is of course not conducive to creativity, flexibility, independence, and risk taking - the jargon of intrapreneurs". (Hill; 2003: 26).

LACK OF ENTREPRENEURIAL ABILITY

Entrepreneurship is a concept and it can be defined as a creation of new organization or as create of new economic activity or as the pursuit of innovation (Rocha; 2004:363-367). And an entrepreneur discovers, evaluates, and exploits opportunities to create new goods and services (Hill; 2003: 26). When we look at definition of intrapreneurship we see that an intrapreneur acts as an entrepreneur. Therefore, to be able to realize the intrapreneurship in a company it is necessary to have entrepreneurial tendency and ability. So lack of entrepreneurial tendency can be accepted as a barrier to intrapreneurship.

UNSUITABLE COMPENSATION METHODS

“Organizations that are replete with unhealthy political activity, infighting, and uncooperative organizational members have a very difficult time bringing out the best in people to create better business performance.” (Eesley and Longenecker; 2006: 19).

NURTURING INTRAPRENEURIAL EMPLOYEES

It is important to nurture intrapreneurial employees. Intrapreneurs can provide a fantastic boost to your company's bottom line. Not only do innovations add to your revenue stream, they also increase motivation and empowerment among your intrapreneurial employees. Intrapreneurial employees are typically energetic and enthusiastic, imaginative and inventive. Most likely, they already have ideas for creating new products or services (Pinchot and Pellman, 1999). Perhaps they're even working on developing their ideas in their off-work hours. So why not provide them the encouragement, resources and manpower? If you don't, they may move on to another company, or they may start their own and become one of your competitors – taking customers and business away from you! Intrapreneurial environments also promote expansion. You are only one person, trying to do a hundred different things all at once. When you look at the scope of your day, how much time and energy do you have left over to devote to creating new products and services that could help your company grow? The likely answer is, very little. As the old saying goes, two brains are better than one. So, wouldn't it make sense to utilize all of the brain power that you are already paying for? Yes, Nurturing intrapreneurial employees means taking chances, but these chances can pay off big. In fact, the Ford Mustang, IBM's personal computer and Kenner Toys' "Star Wars line" were all forged by intrapreneurs working for other people (Piramal et al., 2000).

DREAMS THAT HEARTEN INTRAPRENEURSHIP:

Dreams that hearten Intrapreneurship: Following are some dreams that hearten Intrapreneurship-

- Make sure people are not afraid to fail. This fear will kill any and all possible innovation.
- Create an in-house team to track the competition. You might even need several teams. You will want to focus on single products.
- Hire an independent consultant to track competition on a regular basis. He will be objective and to the point, not marred by corporate bias or fear of reprisal. After all, his goal is to push people not to become complacent.
- Continually ask people what products or services your company could be providing that would be helpful. Have people from different departments work

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with one another to come up with new products and ideas that are consistent with your business” purpose, values, and vision.

- Create regular customers based focus group in order to collect consumer opinion on products that are already on the market, as well as those that your business could provide.
- If your business has a website, make sure that there is a suggestion box or comment form.
- Offer prizes to those who give the best feedback and ideas.
- Try to create at least one collaborative venture with another company.
- Ask your employees to openly discuss what they think your company does well and where improvements can be made. Have them talk about what changes they would make, then try to implement these changes as soon as possible?
- Form a list of objectives and performance standards that can be used for innovation. For example, have each of your managers come up with monthly ideas that will add value to your company. □ Create an in-house venture capital pool. Have people submit ideas and plans to it.
- Create an in-house “genius grant”. Allow people to have some time to have fun. This is the type of environment where people will want to work and wherein they will be able to flourish. (i.e. Google)
- Create a class for your employees to help them learn more about creative thinking.

INHIBITORS TO INTRAPRENEURSHIP

The top management’s inconsistent, intermittent or sporadic enthusiasm or lack of commitment of the top management to the growth of the company as perceived by the employees can kill the intrapreneurial spirit in employees.

This often results in poor follow-up and indifference on the part of the management to intrapreneurial achievements in the organization leading to non-existence or presence of weak reward and recognition mechanisms. This, in turn, can remove the steam from the innovation engine in the company (Dhaliwal, 2001).

A high manpower turnover perhaps due to poor human resources policies or a rigid or myopic approach by the top management can hurt the intrapreneurial process. Some companies simply lack the courage to accept failures and instead penalize employees for failures.

While their brochures and slogans declare that the company seeks innovation, their action and words belie this intent creating widespread cynicism. Even an occasional and inadvertent slip in word or action by the top management that signals undermining the spirit of innovation and intrapreneurism in the company is enough to bring the intrapreneurs' enthusiasm to a grinding halt for a long time to come. "Intrapreneurship is not a choice; it is the only survival attitude (Dhaliwal, 2001)"

Conclusion

Intrapreneurship refers to employee initiatives in organizations to undertake something new for the business, without being asked to do so.

Being a successful intrapreneur requires a lot more than creativity. Intrapreneurial behaviour is most likely to occur in organisations that encourage it. Intrapreneurs are more likely to be personally pre-disposed towards proactive behavior. Intrapreneurial activity within an organisation can foster a culture of motivation and empowerment amongst employees, ultimately resulting in increased revenue.

Organisations employing intrapreneurial strategies have a competitive edge, which also boosts economic development. Clear reward systems and strategies must be in place to ensure that the intrapreneur is adequately compensated for their innovation. The key to intrapreneurism is organisational flexibility.

Innovation contributes to the growth of the economy because intrapreneurs produce innovations. Intrapreneurship is important for the economic development of an organisation because it: i. Increases employee productivity and motivation. ii. Increases the speed and cost effectiveness of operations and business services. iii. Promotes effective teamwork.

Intrapreneurial organizations engage in new business venturing, are innovative, continuously renew themselves and are pro-active. Intrapreneurship requires the existence of environment and systems that encourage and stimulate employees to act and behave intrapreneurially; Chang (1998) contends that the relationship between entrepreneurial posture and firm performance is moderated by environmental conditions. Firms that nurture organizational structures and values conducive to intrapreneurial activities and have strong intrapreneurial orientations are likely to experience better performance.

Intrapreneurship is closely related to firm performance, with firms experiencing high performance levels characterized by high intrapreneurial intensities. The outcomes of intrapreneurial efforts include new products, new processes, new technologies, new markets, learning, customer satisfaction, job satisfaction; all having a positive effect on firm growth and profitability. Firms regardless of size should pursue intrapreneurship as a competitive and performance improvement strategy. For intrapreneurship to thrive, firms need to put in place an environment with support systems, structures and resources that encourage employees to behave entrepreneurially.

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