

Intrapreneurship



Vinod Shastri

Deputy Director, SIBM Pune

Email: vinodshastri@sibm.edu

As an entrepreneur and management educator for over two decades, the Researcher got an opportunity to interact directly with a number of entrepreneurs as well as with corporate executives. These interactions over a long period led to an interesting observation that most entrepreneurs and some corporate executives exhibited similar traits and skills while conceiving and executing new projects. The only difference was that entrepreneurs did so for their own ventures while corporate executives did so for their employers. The corporate executives who exhibited traits similar to those generally attributed to entrepreneurs, performed better than their colleagues in their organizations or peers in other organizations. In addition, they also contributed significantly to the growth of their organizations.

It is more or less obvious why these corporate executives prefer to remain employed in larger organizations despite possessing most of the entrepreneurial traits and skills- their aversion to financial risk being the prime reason. One way of looking at this situation is to feel sorry that the country is losing out on entrepreneurial talent which is so very crucial to the economic development. However, the phenomenon can be looked at from a different perspective; it is actually this entrepreneurial talent which is helping the large organizations innovate, expand and in turn create more jobs and consequently add to the nation's economic development.

Digging slightly deeper into the literature, one comes across upon the term 'Intrapreneur' to describe such individuals. The term was first used by Gifford Pinchot III and Elizabeth S. Pinchot in a 1978 article titled 'Intra-Corporate Entrepreneurship'. In their own words, the article was merely 'Some thoughts stirred by attending Robert Schwartz's School for entrepreneurs'.

In an 'Economist' Article titled 'Intrapreneur Now' in 1982, Norman Macrae gave formal credit to Gifford Pinchot III as the inventor of the term 'Intrapreneur'. In 1985, Pinchot wrote a landmark book titled 'Intrapreneuring: Why You Don't Have to Leave the Corporation to Become an Entrepreneur', paving the way for widespread interest and focused research. The word 'Intrapreneur' was finally added to the American Heritage dictionary in 1992. Being just two decades old, it is a highly tempting area for any Researcher.

Pune-based Praj Industries Ltd. initiated a project titled 'Praj Maha-Intrapreneur', which is an effort to look for and award the efforts of such intrapreneurs or 'entrepreneurs within organisations'. The author had an opportunity to work on the project for two years. During his close association with the project, the author observed that while in some cases, the intrapreneurship was a personal phenomenon, in others, it was a result of a deliberate processes followed by organizations in spotting, nurturing and developing in-house entrepreneurial talent.

It is a need today to do an in-depth study of the phenomenon to systematically analyze the process and if possible, arrive at a replicable model for the corporate sector. Such a model is likely to have long term positive impact for corporates in terms of innovation, ensuring sustained growth as against sporadic spurts and slumps.

Such a study has potential of a significant contribution to the existing knowledge.

While there is plenty of research material available on entrepreneurship, there is limited research carried out on the subject of intrapreneurship. The subject- and especially the term 'intrapreneur'-being of a very recent origin, this is understandable.

One of the things that the author observed is that the terms 'intrapreneurship' and 'corporate entrepreneurship' are used interchangeably in the literature. 'Internal entrepreneurship' is still another term used by some researchers to refer intrapreneurship (Schollhammer, 1982). Incidentally, intrapreneurship or corporate entrepreneurship seems to be almost inseparable from innovation in most literature on intrapreneurship. The terms seem to co-exist in the minds of the researchers as well as in their literature (Pinchot, 1985; Hamel, 2002). In fact, Stopford and Baden-Fuller (1990) describe corporate entrepreneurship as 'rejuvenation' within an existing organization; once again signifying the co-existence of intrapreneurship and innovation. Covin and Miles (1999) in fact state that corporate entrepreneurship necessarily implies the presence of innovation. This co-existence is so much that one starts getting a feeling that the two terms are being used as synonyms. The most realistic relationship between intrapreneurship and innovation is probably seen in the

observation that corporate entrepreneurship is a potent tool for delivering innovation (Pinchot, 1985; Hamel, 2002).

One would generally like to believe that 'intrapreneurship', like entrepreneurship would probably signify a 'mind set' or a 'skill set'. However, interestingly enough, some scholars have called it as a process. Sharma and Chrisman (1999) define corporate entrepreneurship as "the process whereby an individual or a group of individuals in association with an existing organization create a new organization or instigate renewal or innovation within that organization." This particular definition is highly significant from two angles- one, it defines intrapreneurship as a process and two, it once again connects intrapreneurship with innovation.

Arguably the most significant contributions on intrapreneurship come from Pinchot (1985) and Hamel (2002). While Pinchot presented the 'Ten Commandments of Intrapreneurship', Hamel presented a comprehensive model of intrapreneurship.

Pinchot's Ten Commandments are:

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

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.

In the light of the literature on the subject available till to-date, a study needs be conducted with the following specific objectives:

- A) To ascertain whether intrapreneurship development is on the agenda of corporates
- B) To discover the formal or informal processes, if any, in place for intrapreneurship development in corporates
- C) To try and propose a new model for intrapreneurship development in corporates.

Statistical tests like the Chi-square tests could be used to check whether the performance of corporate is independent of the intrapreneurship development process.

Apart from speaking to the managers, one should also speak to a few proponents of the concept of intrapreneurship like Mr. Pramod Chaudhari, the Chairman of Pune-based Praj Industries Ltd., who was personally instrumental in the institution of the above-mentioned Praj Maha-Intrapreneur Awards to promote the concept of intrapreneurship and who believes that entrepreneurs can make it big only if surrounded by intrapreneurs.

The study can be further justified on the basis of observations made by Dr. D V R Seshadri and Arabinda Tripathy. In their Paper titled 'Innovation through Intrapreneurship: The Road Less Travelled', they conclude that large companies worldwide are on a journey to create organizational cultures, conditions, and processes that facilitate innovation and enable large numbers of employees to move from an 'employee mind set' to an 'intrapreneur mind set.' They further add that very few companies have actually succeeded in making this transition and that the situation is not very different in India.

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