

BEYOND THE STEREOTYPE OF AN INTRAPRENEUR – AN EXPLORATORY STUDY OF VARYING INTRAPRENEURS AND CORPORATE CONDITIONS

JEANETTE ENGZELL

Ph.D. Student

UPPSALA UNIVERSITY

Box 513

751 20 Uppsala

Sweden

Tel: +46 18 471 12 34

e-mail: jeanette.engzell@fek.uu.se

ABSTRACT

The corporate entrepreneurship literature has identified the importance of intrapreneurs for maintaining growth, revitalization and performance of corporations. Little is known about different types of intrapreneurs and how they perceive the conditions they work under. The working conditions have importance of how employees behave. This paper empirically investigates corporate conditions from the individual's perspective and what varying types of intrapreneurs that exist. A cluster analysis of intrapreneurs suggests that there are three types of intrapreneurs; resilient, neglected and privileged. The findings indicate that intrapreneurs are a heterogenous group of individuals who perceive the working conditions differently leading to different performance.

INTRODUCTION

Over the last decades it has become axiomatic that corporations that recognize and support their intrapreneurs, or entrepreneurs within the corporate context, perform better than other corporations (Burgelman, 1983; Bierwerth et al., 2015; Kanter, 1989; Zahra, 1991, 1993; Zahra & Covin, 1995). There is a strong need of corporate entrepreneurship and development of new products and services in a global competitive business world.

Even though most corporations know the importance of corporate entrepreneurship, many find it difficult to recognize and identify intrapreneurs and what conditions they work under (Pinchot, 1985, Govindarajan & Desai, 2013). From previous research, we know that how employees perceive their working conditions in the corporation, have importance for entrepreneurial behavior (Kuratko, Hornsby & Covin, 2014; Zahra 1993). Individuals are either supported or constrained to entrepreneurial behavior depending on the internal conditions (Zahra & Pearce, 1994; Kanter, 1985; Knight, 1987; Sykes & Block, 1989). Some employees might feel supported, and some might be constrained of the conditions that they work under (Cluff, 1989). Hence, their perception of the corporate conditions will have effect on their individual performance as well as the corporate performance.

The corporate conditions are necessary to understand in order to identify the variations of employees who behave entrepreneurially within the already established corporation (Hornsby, Kuratko, Holt, & Wales, 2013; Kuratko, 2014; Bhardwaj, 2012). It has been some 35 years since Pinchot (1985) established the view of an corporate entrepreneur, an intrapreneur. Generally described, the intrapreneur is the initiative taker of new ideas and the “dreamers who do” (Pinchot, 1985). Since then, Pinchot’s view of the intrapreneur, a person who takes hands-on responsibility for creating innovation within an existing organization, has been widely adopted in the intrapreneurship literature (Jennings et al., 1994; Pinchot and Pellman, 1999; Kanter 1985; Antoncic & Hisrich, 2003; Kolchin & Hyclak, 1987; Kuratko, Montagno, & Hornsby, 1990; Zahra, Nielsen & Bogner, 1999; Hisrich, 1990; Martiarena, 2013). However, this stereotype of the intrapreneur runs the risk of precluding a deeper analysis of the variation of intrapreneurs. Intrapreneurs are a heterogenous group of individuals, working under very different corporate conditions. This paper aims to explore varying intrapreneurs and how they perceive their working conditions. The differentiation of intrapreneurs remain hidden to date and this research area has not received direct empirical attention.

This paper aims to make the following three contributions to the corporate entrepreneurship literature. First, this paper shows that the working conditions are perceived differently for intrapreneurs when they introduce and develop new products and services. Secondly, this paper shows that there are other views on intrapreneurs than the typical stereotype as the “dreamer who do” (Pinchot, 1985). The stereotype of the typical intrapreneur as a dreamer is expanded and discussed. Third, this paper stresses the importance of supporting varying types of intrapreneurs. If not, intrapreneurs probably leave the corporation and commercialize their ideas by themselves.

LITERATURE REVIEW

The Stereotype of an Intrapreneur

The intrapreneur is portrayed by Pinchot (1985) as the “dreamer who do”. More specifically, they “turn an idea into a profitable reality” (p. ix) and are the “doers” who recognize opportunities within the existing firm. Intrapreneurs take the initiative or get the mandate to lead the process of introducing new products and services, playing a central role in an established corporation’s renewal process. As L. Herron (1992:4) state “they may not personally own the assets involved, not be responsible for the creation of new business entity as such, they are most certainly engaged in the very essence of entrepreneurship”. The typical intrapreneur is a risk taking individual with little time available who wants to accomplish change within the corporation in order to achieve their goals (Ashourizadeh & Schøtt, 2013; Bager, Ottosson, & Schott, 2010; Martiarena, 2013; Pinchot, 1985). Furthermore, the intrapreneur is generally goal-oriented, self-motivated and proactive (Antoncic & Hisrich, 2003). The intrapreneur has many characteristics that are similar to champions of innovations. Howell and Higgins (1990), claim they can capture attention, allocate resources and convince people about the potential of a future initiative. Also, champions of innovations are more likely to take higher risks, initiate more and use tactics (Howell and Higgins, 1990). These characteristics are in line with Pinchot’s original description of an intrapreneur in 1985 as “the doer” who recognize opportunities and can overcome challenges.

Working Conditions and Well-being

In corporate entrepreneurship research, several researchers have written about corporate conditions. The working conditions in the corporation have importance for entrepreneurial behavior (Kuratko et al., 2014; Zahra 1993). Employees are either supported or inhibited to entrepreneurial behavior depending on the internal conditions (Zahra & Pearce, 1994; Kanter, 1985; Knight, 1987; Sykes & Block, 1989). However, we know surprisingly little about how intrapreneurs perceive their corporate conditions and how this relate to their well-being and performance (Gawke, Gorgievski, & Bakker, 2018; Martiarena, 2013).

Researchers have written that independence and autonomy are important for employees initiating of new products and services (Baumol, 2002; Kuratko et al., 2014; Gnyawali & Hatfield, 2007). Previous research has also looked at how personal recognition and rewards effect individuals' entrepreneurial behavior and motivation (Kuratko et al., 2014; Marvel et al., 2007; Zahra, 1991). Individuals that are personally recognized and rewarded for their engagement in entrepreneurial work, find it attractive to be involved in development of new products and services (Galbraith, 1982; Kanter, 1985; Monsen, Patzelt & Saxton, 2010). Time availability for employees means that routines can be changed in order to have time to work with new ideas and initiatives. This is generally seen as positive for generating entrepreneurial behaviour (Hornsby et al., 2009; Kuratko et al., 2014).

Altogether, the interplay of corporate conditions have impact on employees behavior and well-being. Employees who experience poor conditions and have negative well-being can be less productive, take wrong decisions and be more absent from work (Boyd, 1997; Jamal, 1990; Wright & Bonett, 2007). In the end, employees who experience negative well-being are more likely to leave the corporation. Consequently, poor conditions leading to negative well-being influence both the individual and corporate performance in negative ways in the long term (Danna & Griffin, 1999). How intrapreneurs perceive their corporate conditions and how this relate to their well-being and performance remain hidden to date (Gawke, Gorgievski, & Bakker, 2018; Martiarena, 2013).

METHOD

Sample and Data

This paper is based on a sample of 4,011 employees in Swedish private corporations. The data was collected in 2017 by Ipsos, a global market and opinion research corporation. The company maintains a panel of respondents who can be seen as a representative of the population of Swedish employees in private corporations. The corporations were categorized in to small (9-49 employees), medium (50-249 employees) and large corporations (more than 249 employees). The corporations represented 21 different industries (defined by Statistic Sweden's industry classification). The survey included questions that covered the individual and the corporation. The questions were drawn from corporate entrepreneurship literature, specifically the literature on corporate entrepreneurial behavior (Kuratko, Hornsby & Covin, 2014) and organizational structures, routines and culture (Kanter, 1985; Knight, 1987; Sykes & Block, 1989).

Description of Variables and Measurement

The analysis of the corporate conditions are based on the employees perception of the working conditions (Rigtering & Weitzel, 2013). Respondents own working conditions might not

always represent the actual conditions in the corporate environment, but it is what respondents perceive their working conditions that drives their behavior.

The following statement was used to define the respondents' involvement in intrapreneurial activity: "I am currently leading the development of a new product or service in our corporation" (binary question, 1=yes, 0=no). This operationalization was consistent with the entrepreneurial employee behavior in the Global Entrepreneurship Monitor (2019) where intrapreneurship was measured as active involvement in the development of a new project or service of an self-initiated project of corporate renewal.

The three variables that defined the intrapreneurs' working conditions were time availability, degree of personal independence and personal recognition and rewards (Kuratko et al., 1990; Hornsby et al., 1999; Kuratko et al., 2014). The survey questions regarding the working conditions were based on a 7-point Likert scale, ranging from 1='do not agree' to 7='agree completely'. For all questions, respondents were able to answer 'do not know'.

A principal component factor analysis (with varimax rotation and Kaiser normalization) was performed in order to see the factorial structure of the items (Worthington & Whittaker, 2006). The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.707, and relevant since it exceeded the acceptance level of 0.6 (Tangirala, Tabachnick & Fidell, 2001). The Bartlett's test of sphericity showed χ^2 9888.264, $df = 28$, $p < .001$ and the data was suited for performing a factor analysis (Williams, Onsman, & Brown, 2010). The first factor (eigen- value was 3.135) reflected time-availability (two items). Cronbach's Alpha of 0.718, which is above the recommendation of 0.7 that is often recommended (Nunnally, 1978). The second factor (eigen- value was 1.582) reflected the dimensions of personal independence (three items). Cronbach's Alpha of 0.879. The third factor (eigen- value was 1.391) reflected the dimensions of personal recognition and rewards (three items). Cronbach's Alpha of 0.764. The value for the fourth factor was 0.695 indicated that the three factors was suitable to use. The three factors explained 76,35 % of the proportion of variance of all the measures. There was satisfactory discriminant and convergent validity.

Statistical Method

The main statistical method used was K-means cluster analysis (k-means partitioning) which groups cases into clusters that are as different from each other as possible, while the members within each cluster are as similar to each other as possible (Ammon, Bowman & Mourad, 2008).

RESULTS

Descriptive Statistics

The condition personal independence (4.81) was perceived by the whole sample as well as the intrapreneurs who lead the development of new products and services (5.51) as the most important corporate condition compared to the other conditions. Time availability was perceived as the second most important condition (4.43) for the whole sample as well as for the intrapreneurs who lead the development of new products and services (4.78). Both samples scored personal recognition and rewards as the least more important condition, for the whole sample (3.85) and for intrapreneurs who lead the development of new products and services

(4.65). In sum, the results indicate that intrapreneurs who lead the development of new products and services perceive the corporate conditions higher than the whole sample of respondents.

In total, there were 53 % (n=2117) men and 47 % (n=1894) women answering the survey in the whole sample. The majority of the respondents had a high school degree 53 % (n=2124) and a university degree 42 % (n=1684) and only 5 % (n= 203) primary school degree.

Furthermore, there were 64 % (n=297) men and 36 % (n=170) women as intrapreneurs who lead the development of new products and services. The majority of the intrapreneurs had a university degree 65 % (n=301) and high school degree 34 % (n=158) and only 2 % (n= 8) primary school degree. From these results, there were no significant biases in terms of gender and education level in the cluster analysis.

Cluster Analysis Results

Cluster 1. The Resilient Cluster. Individuals in this cluster (n=131) perceived their corporate working conditions as stressful. They do not think that there is enough of time for routines in order to have time to work with new ideas and initiatives (Hornsby et al., 2009). The intrapreneurs in this cluster think that they always work under time pressure, probably because they experience that they do not have enough time to do other than routine tasks, they are likely to be stressed out. They experience that they have autonomy in their work and are rewarded when they perform extra good (Turner & Pennington, 2015). Hence, the cluster got the name “resilient” due to the fact that they do not have much time but are left to work as they please and do get recognition for their work. They may be neither stressed or adaptable, but simply A-players (Huselid, Beatty & Becker, 2005) or elite individuals (Alvesson & Robertson, 2006).

Cluster 2. The Neglected Cluster. Individuals in this cluster think that the corporation ignores them when performing good results, especially when they perform well they do not get the extra recognition. In other words, members of this cluster do not feel recognized for their work and might be intrinsically motivated. Hence, this group got the name “neglected”. The second cluster (n=105) also has the significantly lowest perception of personal independence. This means that the employees in this cluster experience their autonomy as lowest compared to the other clusters (Globocnik & Salomo, 2015; Turner & Pennington, 2015). Given that personal independence is low, they might be given their tasks by senior managers and have to double check decisions frequently. In other words, they do not have as much autonomy as the other groups of intrapreneurs. Potentially there might be senior managers who get the recognition and rewards of their work. Finally, they shared similar perception of time availability as cluster three. Individuals in this cluster feel that they have less time available.

Cluster 3. The Privileged Cluster. Cluster three was the largest group (n=217). These individuals perceived the corporate conditions as more autonomous and that they are rewarded when performing very good. The corporate reward systems and resource availability might have a positive effect on the individuals’ motivation and behavior in this cluster (Kuratko et al., 2014; Marvel et al., 2007; Zahra, 1991). The third cluster experienced that they had time availability as a resource for generating new ideas and initiatives. It is possible to think that this type of person wants and is allowed to be their own boss. In sum, this cluster got the name “privileged” cluster since they are happy and have high on all three working conditions.

DISCUSSION

This explorative paper contributes to our understating of corporate entrepreneurship by showing that there are different types of intrapreneurs. It challenges Pinchot’s view of an intrapreneur as a

dreamer (Pinchot, 1985). This paper shows that there are three types of intrapreneurs, namely the resilient, the neglected and the privileged intrapreneur. Although this paper question the stereotype of an intrapreneur, it is consistent with literature that is confirming variations of intrapreneurs that have different intentions (Douglas & Fitzsimmons, 2013).

In contrast to these results, Martiarena (2013) claims in her research that some individuals become intrapreneurs because of self-selection rather than because of how they perceive the internal corporate conditions. They select a competitive and challenging environment that fits to their behavior and their well-being (Salop & Salop, 1976; Michaels, Handfield-Jones & Axelrod, 2001; Wunderer, 2001; Cooper, Kirkaldy, & Brown, 1994; Cartwright & Cooper, 1993; Anderson & Grunert, 1997). However, the findings speculates that the corporate conditions play an important role fostering intrapreneurs. Conditions such as time availability, personal independence and personal recognition and rewards, influence individuals to become different types of intrapreneurs. Hence, this paper contributes to expanded and discuss the intrapreneurial types that are related to individuals' perception of varying corporate conditions.

Several limitations should be kept in mind in evaluating the findings and conclusions. One must kept in mind that there are limitations to generalize the results of intrapreneurs due to the fact that the data was collected in Sweden. The limitation to Sweden was a result of the prohibitive costs of collecting data in other countries.

This research is cross-sectional and precludes the analysis of dynamics. The perception of internal conditions develop and change over time depending on how the individual and the corporation interacts with its external business environment. Normally the corporation learns over time how to successfully cope with its business environment in order to stay competitive and survive (Nelson & Winter, 1982). This reasoning suggests that corporations will have different intrapreneurs over time depending on how the individuals perceive the different internal corporate conditions and what activities that they have to prioritize resources and assets for (Honig, 2001). Further research should look at how corporate conditions affect the individuals as well as their well-being. Hence, we know surprisingly little about how intrapreneurs perceive their corporate conditions and how this relate to their well- being and performance.

CONCLUSION

This paper expands and challenges Pinchot's view of an intrapreneur as a dreamer. Hence, there are three types of intrapreneurs: the resilient, the neglected and the privileged intrapreneur. Irrespective of intrapreneurial type, paying attention to and support all types of intrapreneurs are important. They contribute to economic growth and are highly desired in corporations (Boon et al., 2013). Hence, corporations that recognize and support their intrapreneurs, perform better than others (Burgelman, 1983; Bierwerth et al., 2015; Kanter, 1989; Zahra, 1991, 1993; Zahra & Covin, 1995).

REFERENCES AVAILABLE FROM THE AUTHOR

Copyright of Academy of Management Annual Meeting Proceedings is the property of Academy of Management and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.