

Facilitating a culture of intrapreneurship: an employee involvement approach

Leon C. Prieto, Simone T.A. Phipps and Kenneth Kungu

Introduction

The business climate is dynamic and complex, and it is necessary that global organizations review and revise their business models as they conceptualize and implement new services and products. Managers are seeing the importance of promoting a culture of intrapreneurship because of the need to become more aligned with their firms' strategic goals. Facilitating a culture of intrapreneurship has become important for almost all organizations that continuously face competition due to globalization because it has become a matter of survival. Firms must become more intrapreneurial, to survive in this current global environment where the new mantra is "innovate or die".

Intrapreneurship defined

Scholars have defined intrapreneurship simply as entrepreneurial behavior within existing organizations, and this concept was made popular by the prominent management thinker Peter Drucker ([Antoncic & Hisrich, 2001](#)). As early as 1958, Drucker pointed out that the demands and needs of the environment are constantly evolving and he emphasized the importance of managers' roles in adjusting the company to the needs and demands of the market ([Drucker, 1958](#)).

According to [Antoncic and Hisrich \(2001\)](#), intrapreneurship can be

classified into four unique dimensions:

1. new business venturing;
2. innovativeness;
3. self-renewal; and
4. proactiveness.

New business venturing is the most prominent dimension of intrapreneurship because it may lead to new business creation within an existing organization by redefining the company's products (or services) and by the development of new markets ([Antoncic & Hisrich, 2001](#)). The innovativeness dimension refers to product and service innovation with an emphasis on innovation and development in technology ([Antoncic & Hisrich, 2001](#)). Intrapreneurship includes new product development, product improvements and new production methods and procedures. The self-renewal dimension reflects the transformation of organizations via the renewal of important ideas on which they were built. It has strategic change implications and includes the reorganization, and the introduction of system-wide changes for innovation ([Antoncic & Hisrich, 2001](#)). The proactiveness dimension is related to aggressive posturing relative to competitors. A proactive firm tends to take more risks by conducting experiments. Those organizations are more aggressive in pursuing opportunities ([Antoncic & Hisrich, 2001](#)).

Intrapreneurship in action

Many organizations in the USA are making intrapreneurship an important part of their organizational culture. Firms such as 3M and Google give their employees time (15 percent and 20 percent, respectively) to engage in intrapreneurial pursuits. These types of initiatives remove organizational barriers and constraints that tend to accompany traditional work. Considering that deviation from the status quo does not always lead to favorable results, those organizations allow employees who create and innovate to fail without fear of repercussion. Facebook is another organization that has an intrapreneurial culture. They often have events known as “hackathons” where they encourage employees to innovate and develop new applications apart from what they do on a day to day basis. For example, the “Like” button that has helped to define Facebook was created at a hackathon.

In the UK, there are organizations who value a culture of intrapreneurship. One example is British Gas, who has gone from being a traditional utilities company to providing smart home technology. Another example is the Virgin Group. Richard Branson, founder of the Virgin Group is well known for being an advocate of intrapreneurship. In an article he wrote a few years ago he said, “*Many millions of people proudly claim the title ‘entrepreneur.’ On the other hand, a title that hasn’t gotten nearly the amount of attention it deserves is entrepreneur’s little brother, ‘intrapreneur:’ an employee who is given freedom and financial support to create new products, services and systems, who does not have to follow the company’s usual routines or protocols.*” While it’s true that every company needs an entrepreneur to get it under way, healthy growth requires a smattering of intrapreneurs who drive new projects and explore new and unexpected directions for

business development (Branson, 2011).”

Employee involvement

Organizational leaders should consciously strive to promote employee involvement, to provide visible extra-role or role-expanding opportunities for individuals or groups at a lower level in the organization to have a greater voice, as it relates to employee involvement. Employee involvement includes four elements, namely, power (i.e. providing people with enough authority to make work-related decisions), information (i.e. timely access to relevant information), knowledge and skills (i.e. providing training and development programs) and rewards (i.e. providing intrinsic or extrinsic incentives for involvement) (Phipps *et al.*, 2013). A culture that promotes employee involvement recognizes and embraces the development of employees, the facilitation of their informed decision-making, the sharing of power between management and the workforce, and the latter’s receipt of incentives for input (Phipps *et al.*, 2013).

Four tips to facilitate a culture of intrapreneurship

When employees are given the appropriate combination of power, information, rewards and knowledge (PIRK)—the four key elements that promote employee involvement—the firm is on the verge of creating a high-involvement organization which may lead to a culture that facilitates intrapreneurship. HR should consider adopting these options to facilitate a culture of entrepreneurship:

- **Power:** Managers should consider giving employees the power and a greater sense of freedom to innovate without fear of repercussions. Creating opportunities for employees to develop and share ideas for improving firm innovation and

performance can be effective, but only when good ideas from employees actually get used.

- **Information:** Employees should be given information such as customer satisfaction reports that can aid in the redesign or the creation of new products and services to serve the needs of the global marketplace.
- **Rewards:** HR should consider providing adequate compensation in the form of bonuses, profit-sharing, etc. that may motivate employees to engage in intrapreneurial behaviors for the good of the firm. HR should ensure that performance evaluations award extra points to employees who pursue ambitious, creative projects, irrespective of successful or unsuccessful implementation.
- **Knowledge:** HR should consider providing the relevant training and development opportunities in key areas that may lead employees to become more intrapreneurial within the organization.

Conclusion

It is imperative for global organizations to give employees the right amount of power, information, rewards and knowledge to facilitate a culture of intrapreneurship within their respective firms. People are the building blocks of organizations, and thus, their success depends on the ability of individuals and groups to perform their tasks effectively, to conceive and refine creative ideas, and to implement innovative solutions to maximize organizational competitiveness. Therefore, it is important to determine the best practices that promote a culture of intrapreneurship, and to find ways to foster employees’ creative vision, so that the organizations for which they

work can reap the benefits of their originality and resourcefulness.

References

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