

## **A STUDY ON IMPORTANCE OF INTRAPRENEURSHIP IN AN ORGANIZATION: A GLOBAL PERSPECTIVE**

**Dr. Avish D. Petras**\*

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### **Abstract:**

“A corporate manager who starts a new initiative for their company which entails setting up a new distinct business unit and board of directors can be regarded as an **intrapreneur**.” Oxford dictionary gives a simple but crisp definition of “Intrapreneurship” as, “A manager within a company who promotes innovative product development and marketing”. “Intrapreneurship is an important aspect of any organization. When an organisation is studied from the point of view of “Meso”, it is learned that intrapreneurship provides cutting edge to an organization while facing cut throat competition in the market. This is one trait that should be instilled in employees of organization to develop itself as a learning organization. This paper makes an attempt, first to get to know the role of intrapreneur in an organisation. This was followed by understanding the inquisitiveness among employees to be an intrapreneur. Lastly, the feedback was used to make models for an organisation with respect to the factor, ‘intrapreneur. People from varied background were requested to provide their feedback which was used for framing model.

**Keywords: Intrapreneur, Meso, Organization, Performance and Innovation**

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\* **Assistant Professor & PRO, Dr. Ambedkar Institute of Management Studies & Research, Deekshabhoomi, Nagpur.**

**Introduction:**

The most important goal for all organizations is to achieve the highest possible performance. To sustain high performance and develop a competitive advantage, organizations need to focus to Intrapreneurship as a competitive factor. As mentioned above, studies show that Intrapreneurship dimensions have an important role in increasing organizational performance. In addition, learning organization plays an important role in creating Intrapreneurship. Therefore it can be maintained that for organizations to foster Intrapreneurship in order for organizational performance improvement, they have to try to become learning organizations. On the other word, Intrapreneurship can mediate the relationship between learning organization and organizational performance; however, empirical studies need to be performed to support such a claim.

**Intrapreneurship**

Organizational factors such as organizational structure, organizational culture, management support, reward systems and resource availability could be regarded as important moderators in the relationship between learning organization and intrapreneurship. Studies show that these factors influence to development of intrapreneurship (Source: Ireland, et al., 2009; A. Zahra, et al., 2004) and organizational performance (Source: Wood, et al., 2008; S. Zahra & Garvis, 2000). Based on the proposed model and above discussions it will be logical that the organizational factors can moderate the relationship between the learning organization dimensions and intrapreneurship.

**Conceptual Setting:****The Micro, Meso and Macro levels in an organisation:**

**Levels of analysis.** Ruas (1999) proposed representing explicitly the relations of objects that reflect much of the geographic world's semantics (Source: Mustier and Moulin 2002) for map generalization. In doing so, map space is organized in so-called levels of analysis (spatial levels of map generalization) namely a micro, meso and macro level of analysis

(Source: Ruas 1995, Barrault et al. 2001, Ruas in press)

- The *micro level* is attached to individual geographic objects such as a river, a building, a road etc. It deals with the independent generalization of objects.
- The *meso level* is dedicated to a group of objects, for instance, all buildings of a city block or all the roads of a town, and their contextual generalization. An object on the meso level can consist of objects that belong either to the micro or to the meso level.
- The *macro level* refers to a population of objects, for instance, all the buildings or all the polygons of a data set. The main task of this level of generalization is to guide and control the generalization of its population.

These different levels of analysis establish a hierarchical organization of geographic objects. The organization offers multiple hooks to map generalization, that is, for instance, to coordinate map generalization or to define a sequence and hierarchy of objects in generalization. Hence, in considering spatial levels and their hierarchy map generalization can benefit in such a way that better generalization solutions are achieved more efficiently.

(Source: Barrault et al. 2001). While this concept is successfully applied to the generalization of topographic maps – see, for instance, Barrault et al.

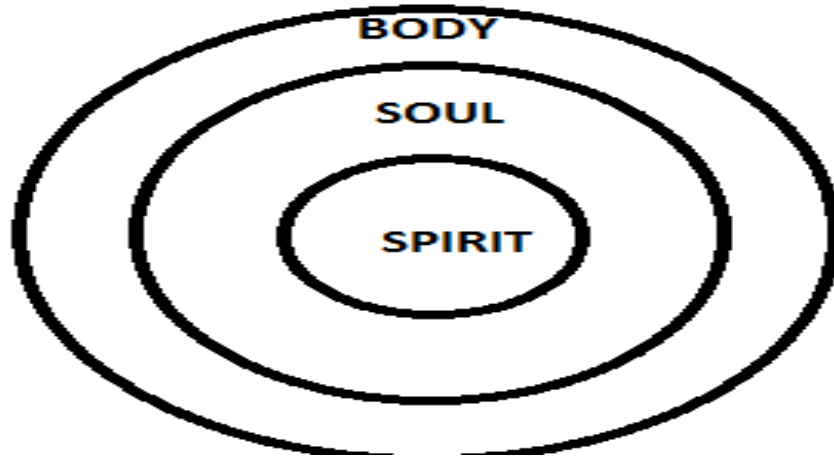
Meso: When we talk about meso level of an organization, with respect to Bruhn and Witness Lee we may feel, we are dealing with Soul part of an organization which refers to underlying beliefs, goals, policies, and procedures that are implemented, besides, “how conflict is handled, how change is managed, how members are treated, and how the organization learns”. But Meso level represents more than that. Witness Lee calls it as HEART of a person. Heart of a person comprises all the three functions of Soul plus one function of Spirit i.e. conscience. Conscience recollects all the memories earned through experience, watching, hearing or learning and provides maturity to the individual. Similarly, meso level in an organization functions in the sense that it actually receives the strategies and plans of top level management and gets them successfully implemented in lower level without grudges or hurdles aiming organizational growth at all occasions.

It is in this sector of an organization that Intrapreneurship has its role to play. In this sense, Intrapreneurship plays a very vital role in success story of an organisation.

### **Literature Review**

A considerable body of literature exists on organizational effectiveness; but there are relatively few articles or books that focus explicitly on organizational well being at different levels like micro, meso and macro. Scholars in the new field of “positive organizational studies” are now addressing “the dynamics leading to exceptional individual and organizational performance” and “the ways in which organizations and their members flourish and prosper in especially favorable ways” (Source : Cameron and Caza, 2004: 731). Bruhn (2001) based an extensive exploration of the topic on the definition developed by the World Health Organization (WHO). That is, health is a state of physical, mental, and social well-being and not merely the absence of disease (Bruhn, 2001). As Bruhn applies this to the health of an organization:

- *Body* refers to the structure, organizational design, uses of power, communication processes, and distribution of work;
- *Soul* refers to how underlying beliefs, goals, policies, and procedures are implemented, “how conflict is handled, how change is managed, how members are treated, and how the organization learns”;
- *Spirit* “is the core or heart of an organization ...what makes it vibrant, and gives it vigor. It is measurable by observation” (Source: Bruhn, 2001: 147).



### **Structure of Human Being by Witness Lee (Developed by Author)**

The book “Economy of God” written by Witness Lee co-relates this to human structure. He writes:

“**Man:** To fulfill His plan, God made man as a vessel (Source:Bible,Romans 9:21-24). This vessel has three parts: body, soul and spirit (Source:Bible, 1 Thes. 5:23). The body contacts and receives the things of the physical realm. The soul, the mental faculty, contacts and receives the things of the psychological realm. And the human spirit, the innermost part of man was made to contact and receive God Himself (Source:Bible, John 4:24). Man was created not merely to contain food in his stomach, or to contain knowledge in his mind, but to contain God in his spirit (Source:Bible, Eph. 5:18).”

He has correlated and given details of each level which forms simile with what is said by Bruhn. Witness Less summarizes that Bible teaches that every human being constitutes:

**Body:** which is made up of mud/soil and therefore it follows the principles followed by soil/mud/ground. One of the principles he stresses on is “the principle of seed faith”. Body acts as a shell/house It has parts which follows instructions issued to it by the soul and the spirit. It is active till the time soul and spirit resides in it. Different parts of the body are like head, hands, legs, stomach and others who coordinate and fulfill the issued command.

**Soul:** It comprises Will, Mind and Emotion.

Mind: It knows, can accumulate knowledge. It counsels and has ability to consider. It can remember things and instances.

Will: It can choose and take decision.

Emotion: It can love, hate, experience grief, joy and have lots of desires.

**Spirit:** It comprise Conscience, Intuition and Fellowship

Conscience: It has extra ordinary power to remember, analyse and interpret the situations. Anything that is seen, read or heard, if the matter undergoes meditation of few seconds, it gets deposited in conscience, which thereafter unknowingly stores it to form understanding.

Fellowship: Fellowship is an intimate relationship between two. It leads to impartation of nature, approach and behavior. Every individual irrespective of his background yearns to have fellowship with his creator. It is this fellowship that provides peace (shalom) to a person.

Intuition: It is an ability of an individual to guess the future. It leads to prophecy in due course of time. However, as future is known only to the creator, it the fellowship that one has with the creator that he can understand the future easily.

### Comparison Of Bruhn And Lees Findings

Parameters	BODY	SOUL	SPIRIT
<b>BRUHN</b>	<i>Body</i> refers to the structure, organizational design, uses of power, communication processes, and distribution of work	<i>Soul</i> refers to how underlying beliefs, goals, policies, and procedures are implemented, how conflict is handled how change is managed, how members are treated, and how the organization learns	<i>Spirit</i> “is the core or heart of an organization ... what makes it vibrant, and gives it vigor. It is measurable by observation

<b>WITNESS LEE</b>	Body is made up mud/soil/ground and therefore follows principle of mud/soil/ground. It includes body parts that coordinate among each other to fulfill demands issued y soul and spirit.	It comprises Will, Mind and Emotion.	It comprise Conscience, Intuition and Fellowship.
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(Developed by Author)

### Research Methodology:

Methodology refers to a body of methods of technique used in conducting a study. Different types of methods are used in social research. In selecting a method a researcher should take into account not only the suitability of the method but also adequate knowledge of the method.

Methods of data collection:

The Methods were as follows:

- 1) Primary Method
- 2) Secondary Method

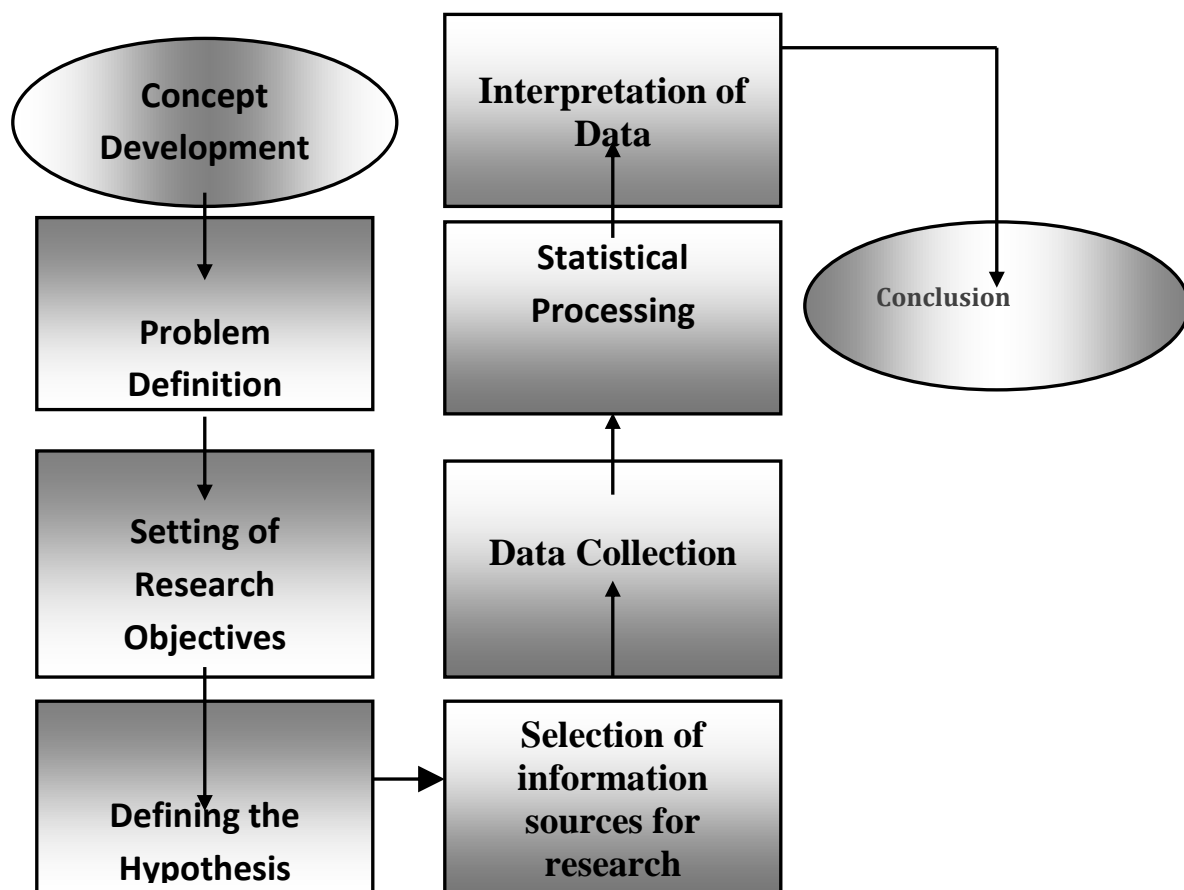
Primary Method constitutes observation, interviews of employees at various levels, informal discussions and structured questionnaires.

Secondary Method constitutes use of documented sources such as magazines, books, Internet, newspapers, HR reports, house journals etc. For this study proposed companies where studies h undertaken are as follows :

1. Larsen & Toubro Ltd., Nagpur
2. NECO Ltd., Nagpur
3. Pix Transmissions Ltd., Nagpur
4. Government Medical College, Nagpur
5. ITC, Nagpur

6. Religare Technologies Ltd.,Nagpur
7. Dr.Ambedkar Institute of Management Studies & Research,Nagpur
8. MSEB,Khaparkheda
9. HDFC Bank, Nagpur
10. Baidyanath,Nagpur
11. BMS Tradewings Pvt. Ltd.,Nagpur
12. Central Railways,Nagpur

**Research design :**



(Developed by Author)



The ideal research design should be logical and well planned. It also requires systematic composition. The basic objective of the research design therefore was to set up the flow of research so as to allow logical conclusion to be drawn.

### **Sample selection and sampling model :**

The whole group from which the sample is to be selected is known as universe and the group actually selected for study is known as sample. The use of sampling allows for adequate scientific work by the researcher. Instead of spending a lot of money and time on the analysis of the information gathered from the universe, it is always better to get the information from the sample representing the universe and then study the problem concerned. As the universe is too big in size, it was not easy to collect data from all the respondents. So the researcher had selected a small sample of 500 users.

### **Hypothesis**

Without this concept any research can never be rightly completed. It was assumed apparently the Internet users are low in number.

Hypothesis was followed with a Scientific Methodology to pursue, to investigate the problems of the subject. To study the said problems the random sampling, questionnaire and interview methods were followed.

Hence the statements of the hypothesis were as follows.

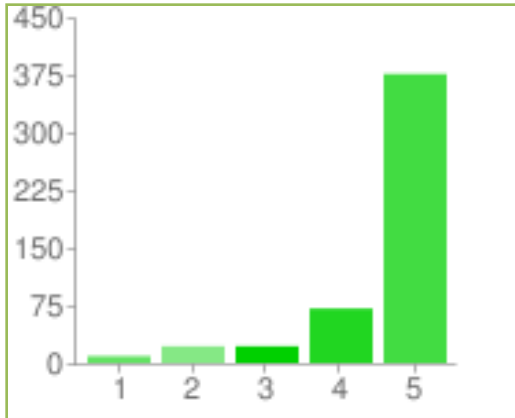
#### ***For this study the hypothesis was***

- $H_0$ : That there is no significant difference between the independent variables.
- $H_1$  : There exists a significant difference between the independent variables
- $H_{03}$ : Perceptions on intrapreneurship traits at meso level are independent of sector.

### **Data Analysis and Interpretation:**

Following responses were collected from 500 employees from different sector to understand the view of Intrapreneurship.

**“ When I perform well I expect appreciation from my immediate superior of existing company”**



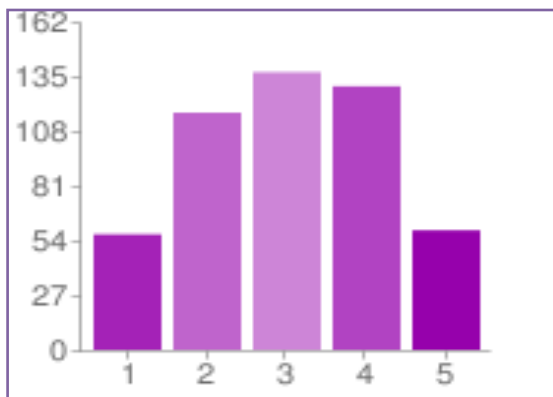
75% people felt that they strongly expected appreciation from their immediate boss when they have done their job in a better way. Another 14 % also showed their positive nod in this same query. Merely 10% respondents thought that they do not expect appreciation from their immediate superior.

1	Strongly Disagree	9	2%
2	Disagree	22	4%
3	Neutral	22	4%
4	Agree	71	14%
5	Strongly Agree	376	75%

Immediate superior acts as a leader in a working group. This meso level of an organisation has lots of attachment with their leader/superior. There is every effort to impress the leader by performance to be in race of growth. The culture developed by the leader matters a lot when we think about group dynamics. The meso factor of appreciation from the leader keeps the morale boosted up and a better coordination among the members. A leader needs to be intelligent enough to grab all the opportunities to keep his group motivated and interconnected for better and consistent performance.

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**When I think I have an innovative idea that can be implemented in my profile then I would like to inform it first to any top Level Management personnel**

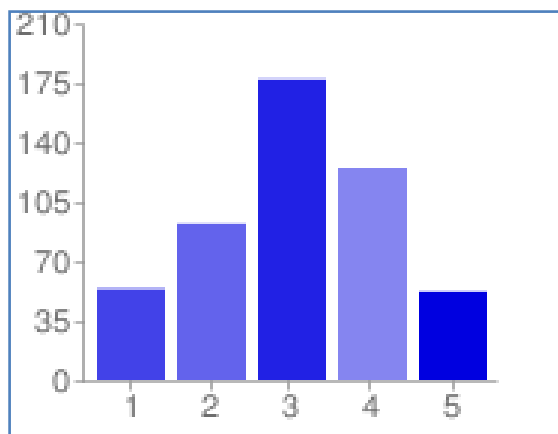


1 -	Strongly Disagree	57	11%
2	Disagree	117	23%
3	Neutral	137	27%
4	Agree	130	26%
5 -	Strongly Agree	59	12%

Almost 70% respondents reacted negative in approaching to top-level personnel any new thing they would like to implement in their job profile. Only 12 % felt that it is worth informing top-level personnel about innovative idea. A quarter number of respondents still felt that they enquire from top level management people about practicality and scope of their idea.

Intrapreneurship is the demand of the time for growth of an organisation. Every employee needs to motivated and encouraged to think new and beneficial for the organisation at least in the area where they are involved. Spirit of intrapreneurship is a must. However, above results show that top level management cannot do much in this area. Off course, implementation and application of the idea is something that is up to the top level management people but, an employee feels reluctant to share his innovative methodologies to outside his group may be because of lack of confidence or fear of rejection.

**When I think I have an innovative idea that can be implemented in my profile I would like to inform it first to any Management appointed expert.**



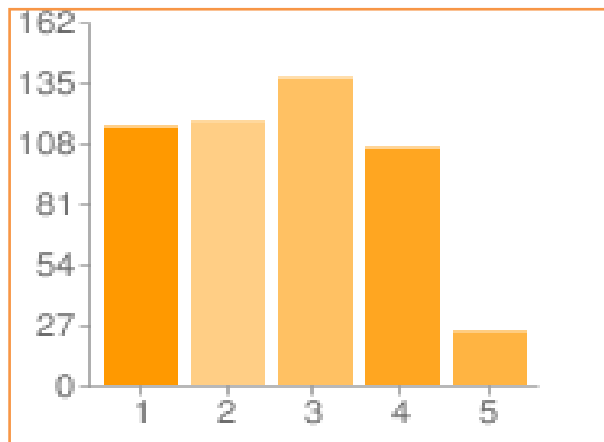
1	Strongly Disagree	<b>54</b>	11%
2	Disagree	<b>92</b>	18%
3	Neutral	<b>177</b>	35%
4	Agree	<b>125</b>	25%
5-	Strongly Agree	<b>52</b>	10%

Only 10% respondents were of opinion that they would strongly like to inform management appointed expert about the innovative idea they have .25% people gave positive nod on idea of sharing the new methodology with an expert from outside. Balance 60% employees were of idea that they have no inclination towards the thought of sharing the idea with management appointed expert.

The meso group which is a core group of people would like have their confidential things within themselves. The confidence level on members outside the group is very low. Hence

although intrapreneurship is to be groomed, people from outside may not act as a strong motivation factor. Going with the data, it is understood that experts may be contacted for additional advice on technical parameters or application standards, but this would be done as a group activity. Meso is a very strong structure which wraps its members within itself with enough strength.

**When I think I have an innovative idea that can be implemented in my profile I would like to inform it first to any Colleague of my last company.**

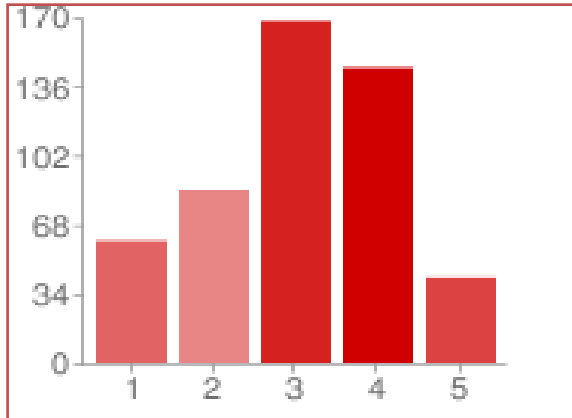


1	Strongly Disagree	<b>115</b>	23%
2	Disagree	<b>118</b>	24%
3	Neutral	<b>137</b>	27%
4	Agree	<b>106</b>	21%
5	Strongly Agree	<b>24</b>	5%

75 % respondents deny the idea of sharing innovative ideas with colleague o last company. Only 5% people think that they would compulsorily inform their colleague of last company about their innovation and 21% respondents agree with an idea to share the idea with people from last company.

There is a strong indication that group follows ethical parameters as far as maintaining secrets is concerned. Meso group shows a typical characteristic of alienation from an old relation and being faithful with new group. 5% people who strongly feel that they would like to go to old pals is may be for getting more advices and suggestions that may help. They want to encash the expertise available in last company.

**When I think I have an innovative idea that can be implemented in my profile I would like to inform it first to any Colleague of existing company.**

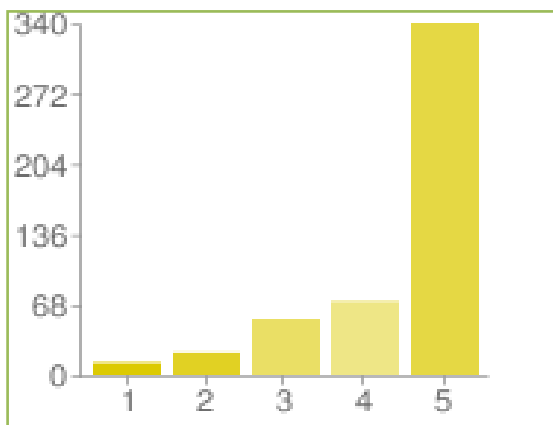


1	Strongly Disagree	<b>60</b>	12%
2	Disagree	<b>85</b>	17%
3	Neutral	<b>168</b>	34%
4	Agree	<b>145</b>	29%
5	Strongly Agree	<b>42</b>	8%

37% respondents have reacted positively to the idea of sharing any innovative idea with their colleagues. 34 % respondents did not comment positive or negative on the matter.29% respondents feels they may not inform it to their colleagues.

The lukewarm response from the respondents regarding idea of sharing innovative idea with the colleagues is a clear indication of competitive atmosphere among the colleagues. Respondents who agree or degree in this factor is almost same, hence we interpret that I meso level of organizing system exchange of ideas where it can create edge over other is not very encouraging rather every works on creating an opportunity for himself.

**When I think I have an innovative idea that can be implemented in my profile I would like to inform it first to my immediate superior of existing company.**



1	Strongly Disagree	<b>12</b>	2%
2	Disagree	<b>22</b>	4%
3	Neutral	<b>54</b>	11%
4	Agree	<b>72</b>	14%
5	Strongly Agree	<b>340</b>	68%

Total 82% respondents have clearly conveyed that they would like to share the innovative idea with their immediate superior. 11% people responded neutral and 6% people responded negative.

The statistics strongly supports the idea that every employee feels secured and assured in his group. The courage to change for betterment has to be cross checked before it is highlighted; the above response clearly shows that this confidence and trust is with the leader/ superior who can give feedback after critical analysis and also record it for further analysis and decisions. Employee can have an open debate over the issue and put his view/point the way he wants. He lack these facilities when he has to approach top level management personnel, management appointed expert, colleague of last company or colleague of this company. The superior has the capacity to appreciate the efforts put by the employee in favor of the organisation.

### MODEL AND HYPOTHESIS:

SUMMARY OUTPUT	INTRAPRENEURSHI P				
<i>Regression Statistics</i>					
Multiple R	0.743405				
R Square	0.552652				
Adjusted R Square	0.549957				
Standard Error	0.299491				
Observations	502				
<b>ANOVA</b>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	55.18258	18.39419	205.0753	1.36E-86
Residual	498	44.66802	0.089695		
Total	501	99.8506			
	<i>Coefficients</i>	<i>Standard</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>

		<i>Error</i>			
Intercept	-1.34141	0.085588	-15.6729	45	2.71E-15
X Variable 1	0.248759	0.020758	11.9837	5	2.98E-29
X Variable 2	0.209398	0.02427	8.62770	8	8.44E-17
X Variable 3	0.169164	0.027518	6.14729	1	1.62E-09

The above given statistics is an output generated for multiple regression model. This model i.e.

$$Y = -1.3414 + 0.2487 X_1 + 0.2093 X_2 + 0.1691 X_3$$

represents the linear relationship between dependent variable Y i.e. Intrapreneurial traits in meso group and the independent variables:

$X_1$  = Source of functional change

$X_2$  = Manufacturing cost controller

$X_3$  = Introducer of new technology

This model is a predictor model of the relationship between the dependent variable Y and the independent variables  $X_1$ ,  $X_2$ , and  $X_3$ . By substituting the obtained values of the independent variables for individual respondent or person and unit, we can predict whether the respondent perceives 'Y' quality or not.

Secondly,  $R^2$  is 0.55 i.e. 55%. It is the coefficient of determination of the model obtained. This implies that the given model determines 55% influence of the relationship between dependent variable and the independent variables, which is with respect to the figure, moderately high. Thus, the given model does not explain 45% influence due to the extraneous variables which are not the part of the study.

Thirdly and the most importantly, the hypothesis is tested for whether there exists a significant variation between the independent variables. This is given as follows:

$H_0$  : There is no significant difference between the independent variables.

H1 : There exists a significant difference between the independent variables.

From the table # (A1-5)

F (calculated) = 205.0753

R (tabulated) @ 5 % level of significance and (3.496) degrees of freedom (*df*) = 1.3614

Therefore F (calculated) > F (tabulated)

Therefore, we reject H0 and accept H1.

Hence, we conclude that there exists a significant variation between the independent variables X<sub>1</sub>, X<sub>2</sub> and X<sub>3</sub>.

### **CONCLUSION:**

1. At meso level, intrapreneurship should be encouraged. Employees working as line managers should be encouraged to innovate systems that can be easily incorporated and result in reduction of production cost or transportation cost. Proper training and culture can bring up strategies that may be non-traditional, but improve the efficiency of the workers.
2. Workers only follow the instructions without questioning the cause. They have no authority, but only responsibility. Suggestions and advices may be taken from them. They actually use the machines and instruments. If they are trained in their job and proper supervision is provided, their efficiency can be raised. This can check rise in manufacturing cost. However, they cannot be made responsible for manufacturing cost.
3. In a meso group, top-level management plays important role in controlling the cost. Design Engineers and Production Engineers can coordinate and come with methodologies to reduce cost by time study and motion study method. Ergonomics can be used to redesign the working ambience and thus increase the efficiency of employees.
4. Standing committee being a temporary committee can monitor and check the production cost. But as it disperses, it loses its identity as well as its responsibilities. Standing committee can recommend steps and measures to control the cost. They would be the right group to jot down specific steps to reduce overall cost of manufacturing.



5. Finance department cannot play any role in reduction of manufacturing cost. The production department sanctions the budget.
6. Implementation of any change is a tough job. Technological change refers to a big change. Once top-level management decides about the change, help of HR is taken to execute it. Execution involves counseling, training, shuffling the profiles, etc. Group dynamism breaks and hence it takes long time to implement the change.
7. Top-level management continuously makes a study of coping with the technology in the market; reduction in manufacturing cost by change in technology and renovation of the product by minor changes in the technology. Top-level management proposes the change that would be in favor of the organisation.
8. Technical experts are hired to access the services of the expert in the said area. They may require certain changes in the system. However, they do not do implementation of these changes.
9. Any change recommend on technology changes to be accepted by the lower level management. The only option with them is to learn the skill and execute the changes. Teaching the skills and providing proper guidance is the responsibility of shaft floor managers.

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