



ISSN 2278 – 0211 (Online)

Intrapreneurship Centric Innovation: A Step towards Sustainable Competitive Advantage

Dr. Minisha Gupta

Research Associate, Asia Pacific Institute of Management, New Delhi, India

Abstract:

After economic liberalization there is a fierce competitiveness in Indian market, leading to organizations adopting innovation. Organizations resort to this initiative as a result of downsizing, economic recession, promoting intrapreneurship, restructuring, and reengineering. Intrapreneurship is considered as an emerging theme in the 21st century in order to achieve sustainable competitive advantage. This helps companies to cope up with environmental dynamism, revive from the previous losses, and improve their efficiency and effectiveness. People with entrepreneurial skills bring innovation into existing business activities and try to attain sustainability and growth. This paper develops a framework on intrapreneurship centric innovation, which discusses the ways of attaining growth and sustainability in business organizations.

Keywords: *Intrapreneurship, innovation, sustainability*

1. Introduction

Growing and innovating organizations are the essence of developing economies like India. In the last few years, it has become essential for Indian companies to operate beyond domestic peripheries. The present growth, expansion, and competitiveness of companies is due to the liberalization and globalization of Indian economy. But still they have a long way to establish them in this globalized world. To develop India's economic growth it is important to focus on areas like workforce, technology, and intrapreneurship. Intrapreneurship is coming up as a key for Indian companies to unlock the doors of success in the global market. Companies have shifted their focus from commercializing their product to commoditizing it. They strive for achieving sustainability rather than short term profits. They are continuously engaged in generating core competence by creating and innovating high value products and services. To attain such efforts companies are now focusing on intrapreneurship where they give freedom and liberty to their employees for thinking and experimenting their thoughts. Their thoughts bring change in the structure and strategy of organizations. Change act as a source of revival of organizations. It can be in the form of introducing a new product or service or implementing a new strategy. Organizations implement change to sustain in the intense competitive market scenario.

Such change initiatives are the final form of those ideas which comes only by the employees of the organizations. These initiatives are termed as intrapreneurship in the language of management. Many organizations promote intrapreneurship that is entrepreneurship within the organizations to motivate their employees for coming up with new ideas and strategies. These ideas bring innovation in business which promotes its growth and assures its sustainability for long.

2. Objective

This paper tries to conceptualize that intrapreneurship centric innovation is the essence of today's demanding business organizations. It develops a conceptual model showcasing the impact of intrapreneurship on innovation in organizations.

3. Innovation

Innovation means to come up with new ideas, products, strategies, decisions, and processes for the growth and development of the organization. Successful generation and adoption of creative ideas in an organization promotes innovation (Gopalkrishnan & Damanpour, 1997). Assimilation of innovation within an organization is otherwise known as innovation diffusion (Rogers, 1983). The innovation process is categorized as generation and adoption (Gopalkrishnan & Damanpour, 1994; 1997; Klein & Knight, 2005; Klien & Sorra, 1996; Taylor & McAdam, 2004). Generation stage encompasses the idea generation, project-definition, problem-solving, design and development, production, and marketing. Adoption stage is acceptance of new ideas/products/processes and fine-tuning existing ones (Pandya & Anand, 2008). The adoption stage is further divided as: initiation and implementation (Cooper, 1998). Innovation initiation includes awareness of innovation, forming a favorable attitude, and evaluating its worth from organizational

viewpoint. Innovation implementation is verifying its utility through trial and finally approving the product for mass consumption. 1219 managers, team members, and technology users working in 39 manufacturing plants of American companies have assessed the implementation of computerized technology (Klien et al., 2001). Organizational members perceived that, implementation of new technology, is consistent with the organizational policies as per Roger's diffusion theory (1983). Similarly, 996 Israeli members working in 96 health care teams of 1200 clinics have been surveyed to assess the impact of team composition on creativity and innovation (Somech & Drach-Zahavy, 2011). Employees' creative thoughts influence innovation with shared vision and trust between them to foster innovation. Thus, innovation brings escalation, expansion and progress in organizations. They are able to expand themselves and face the turbulent market situations as they become able to sustain for long with their change initiatives. These change initiatives are the result of intrapreneurship facilitated by organizations to its employees.

4. Intrapreneurship

Intrapreneurship means entrepreneurship within the organization. People enriched by the skills like strategic thinking, positive attitude, and willingness to work with a challenging work environment prove to be successful intrapreneurs (Kirby, 1997). They not only face the fierce challenging situations, but also generate future opportunities for their mates. Intrapreneurship is an act of moving things on the path of success instead of seeking permission. They try to renovate old organizations into modern business houses. They change traditional methods into novice corporate strategies with their intrapreneurial thinking. According to the Lessem's spectrum theory of intrapreneurship, intrapreneurial behavior is essential for the development of the organization (Lessem, 1988). The figure below explains conceptually the impact of intrapreneurship on innovation in organizations.

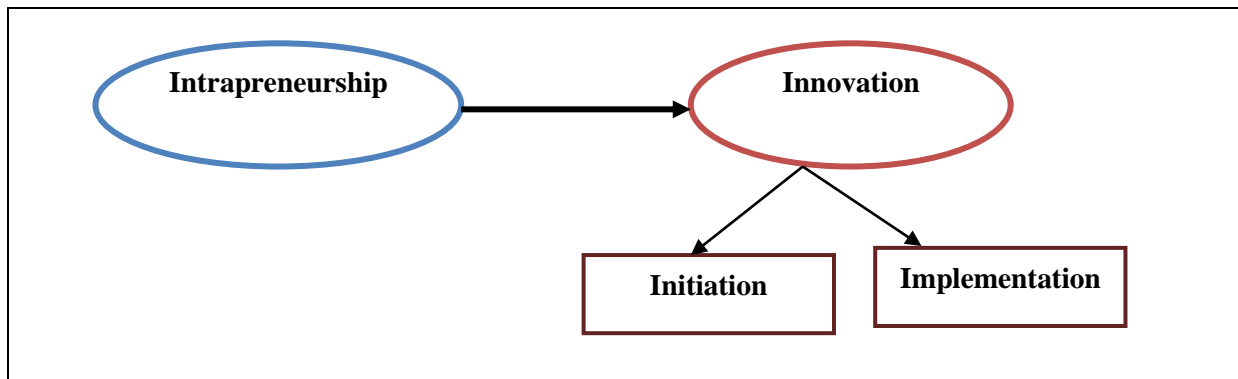


Figure 1: Impact of Intrapreneurship on Innovation

5. Impact of Intrapreneurship on Innovation in Organizations

Intrapreneurship has been studied earlier by various scholars and researchers due to its beneficial effect on revitalization and growing performance of firms. However, it has also been analyzed that intrapreneurship can only be effective if it receives entrepreneurial climate and motivation from the top management of the organization. In a study conducted on Indian pharmaceutical firms it has been identified that intrapreneurship climate is not facilitated in companies due to certain uncontrollable factors (Gupta & Lenka, 2015). Though the employees are highly educated, but lack experience in research capability due to which they are restricted to work in controlled laboratory settings.

Organizations have to maintain secrecy during new drug formulation and development. They can trust on those who have spent a long tenure in organizing or have exemplary research abilities like scientists and doctors with specialized knowledge. They cannot give autonomy to newly joined executives to carry experiments. Experiments by inexperienced people can cause loss to the company and its valuable resources. To avoid the time and cost overrun, top management of pharmaceutical industry often discourages intrapreneurship among new joiners.

Another reason for discouraging intrapreneurship is lack of explicitly tested universal entrepreneurship constructs (Antoncic, 2001). Although various cross-cultural studies have been conducted in few previous years, but none of them have given any conclusive and satisfactory results for the same. Thus, there is a hesitation among corporations and professionals to initiate intrapreneurship among their organizations.

However, researchers have indicated that intrapreneurship not only strengthens the organizational ties with employees, but also help managers to boost profits. As the employees will be given freedom to experiment with their thoughts they bring up creative ideas. It also brings a sense of belongingness among employees. Google asks its employees to come up with new ideas and implement few at a regular interval. Google's doodle is one of the examples of its creative efforts. Suthol antiseptic skin lotion, hand sanitizer, power banks are all the fewer fads of innovating India and occurs due to intrapreneurial climate of organizations.

6. Discussion and Conclusion

This paper summarizes the scope and importance of intrapreneurship for infusing innovation in organizations. It also explains why organizations discourage intrapreneurship. However, for attaining innovative growth and sustainability organizations need to promote intrapreneurship within the organizations. Organizations can risk investing in intrapreneurial initiatives with government support with

experienced and trustworthy employees. Initiatives involving risk and patience should be handled with care. To avoid time and cost overrun, instead of discouraging intrapreneurship among new joiners they will be given liberty to do experiments but under close observation and guidance. Thus, intrapreneurship can be promoted for infusing innovation among organizations.

7. References

- i. Antoncic, B. (2001). Intrapreneurship: construct refinement and cross-cultural validation. *Journal of Business Venturing*, 16, 495–527.
- ii. Cooper, J. R. (1998). A multidimensional approach to the adoption of innovation. *Management Decision*, 36(8), 493–502.
- iii. Gopalakrishnan, S., & Damanpour, F. (1994). Patterns of generation and adoption of innovation in organizations: Contingency models of innovation attributes. *Journal of Engineering and Technology Management*, 11(2), 95–116.
- iv. Gopalakrishnan, S., & Damanpour, F. (1997). A review of innovation research in economics, sociology and technology management. *Omega*, 25(1), 15–28.
- v. Gupta, M., & Lenka, U. (2015). A study of innovation process in Indian Pharmaceutical companies.
- vi. Kirby, D. A. (1997). I want to be an Entrepreneur, *Entrepreneurship, Innovation and Change*.
- vii. Klein, K. J., & Knight, A. P. (2005). Innovation implementation overcoming the challenge. *Current Directions in Psychological Science*, 14(5), 243–246.
- viii. Klein, K. J., & Sorra, J. S. (1996). The challenge of innovation implementation. *Academy of Management Review*, 21(4), 1055–1080.
- ix. Klein, K. J., Conn, A. B., & Sorra, J. S. (2001). Implementing computerized technology: An organizational analysis. *Journal of Applied Psychology*, 86(5), 8–11.
- x. Pandya K. V., & Anand, H. (2008). Role of innovation in IT in achieving its business objectives: A case study. *International Journal of Business Innovation and Research*. 2(3), 289–313.
- xi. R. Lessem, *Intrapreneurship: How to be an Enterprising Individual in a Successful Business* (Hampshire: Wildwood House, 1988).
- xii. Rogers, E. M. (1983). *Diffusion of Innovations*. 3rd Edition. New York: The Free Press.
- xiii. Somech, A., & Drach-Zahavy, A. (2011). Translating team creativity to innovation implementation: The role of team composition and climate for innovation. *Journal of Management*, 39(3), 684–708.
- xiv. Taylor, J., & McAdam, R. (2004). Innovation adoption and implementation in organizations: A review and critique. *Journal of General Management*, 30(1), 17–38.