

Corporate Entrepreneurship: A Study on Entrepreneurial Personality of Employees

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Abstract

Entrepreneurship continues to flourish and boost economies all over the world. But it is not always necessary to start a new venture to implement novel business ideas. Even established organisations can apply their business principles to implement potential entrepreneurial ventures within the organisational setup. Corporate entrepreneurs are remodeling the 'inter' and 'intra' business environment for their organisations to thrive and play a significant role not only in national but also global economic scenario. It is, therefore, necessary to unleash the entrepreneurial spirit latent in the employees.

This research paper attempts to answer the following questions; do corporate entrepreneurs have entrepreneurial personality? What are the characteristics of corporate entrepreneurs? What motivates them? Do intrapreneurs have an internal locus of control orientation? For assessing the same, locus of control orientation inventory, motivational profile inventory and self-rating questionnaire (competency profile inventory) of sixty corporate entrepreneurs was studied. Results indicate that internal locus of control and achievement motivation are important characteristics of intrapreneurs. Cent percent of the sample had internal locus of control orientation, which appeared to be a common characteristic of those who act as change agents. Findings of the study also indicate that, majority of the respondents were achievement driven, and were likely to be successful intrapreneurs; followed by power and affiliation motivation. Respondents also scored high on all the thirteen competencies, wherein, systematic planning scored the highest followed by Commitment to Work Contract. The findings, thus, emphasize on the significance of the role of

achievement motivation, internal locus of control and entrepreneurial competencies for successful intrapreneurial processes.

Keywords: Corporate Entrepreneurship, Corporate entrepreneur, intrapreneur, entrepreneurial personality, intrapreneurial personality, Achievement Motivation, Locus of Control, Entrepreneurial competency profile

Introduction

Last few decades demonstrate growing interest in entrepreneurs and intrapreneurs, more than ever before. Modern economic and industry experts argue that in the era of globalized economies and increasing competition traditional functioning style will not suffice. A solution to this problem has been found in Entrepreneurship and Intrapreneurship.

The concept of entrepreneurship is the practice of recognizing and seizing an opportunity to create value through innovation without being concerned about human and capital resources or the location— in a new business venture or an existing organisation (Churchill, 1992).

Corporate entrepreneurship is the process of exercising entrepreneurial skills and approaches by or within a company. The concept of corporate entrepreneurship dates back to 1970s and is popularly defined as “entrepreneurship within a corporation” by Gifford Pinchot (1985) in his book ‘Intrapreneuring’. Synonyms used for the same are, *intrapreneurship* and *corporate venturing*. To revive static organisations and ensure their survival and success in the market, it is essential to seize the dynamic nature of entrepreneurial management (persistence, taking risks, learning from failures, efficiency orientation, etc.).

Entrepreneurs and intrapreneurs play a pivotal and decisive role, to assist new and existing organisations respectively, in establishing new companies and entering new markets. McClelland (1973) is one of the first few academicians who laid the foundation of competency drive in psychology (Barret & Depinet, 1991). He stated that competence testing is likely to give a more accurate estimate of job performance as compared to intelligence analysis.

1. Achievement motivation –Sense of achievement is associated with meeting personal performance standards. Individuals with high achievement motivation (n-arch) are driven by intrinsic factors of success rather than extrinsic rewards. (Atkinson, 1964). McClelland (1976) stated that that achievement motivation is not an alternate for knowledge. However, when n-arch is combined with knowledge and opportunity, it can significantly improve economic achievement.

Based on an intensive research on entrepreneurial motivation, he ascertained that successful entrepreneurs are people with high achievement motivation. In early 1960s he also established the Learned Needs Theory. In his theory he claimed that entrepreneurs are not only born but also bred. He concluded that *Achievement*, *Affiliation* and *Power* are the three main motivators behind every action.

2. Locus of control – Julian Rotter in 1966 established the concept of ‘locus of control’ (Carrim et al., 2006). Locus of control orientation is referred to one’s perception of control over the results of one’s own actions i.e. whether the outcomes are based on our action or external forces (Zimbardo, 1985). Rotter (1966) stated that Locus of control is a uni-dimensional continuum, where *internal* and *external* locus of control are the two ends of the continuum. When an individual believes that the consequences of his/ her actions depend on personal decisions and endeavours, it is referred as Internal locus of control. While, External locus of control is when an individual feels that consequences of his actions are governed by external forces like fate, powerful others or divine. Internalization is considered as a principal characteristic of entrepreneurs who act as change agents to develop themselves, their immediate organisation’s environment and community at large (Pareek, 1981).

3. Competency profile –The most significant contribution in the field of entrepreneurial competencies is that of Mansfield, McClelland, Spencer & Santiago (1987). They gave a list of thirteen competencies that are considered essential for successful entrepreneurs. The list includes -Initiative, Seeks and Acts on Opportunities, Persistence, Information Seeking, Concern for High Quality of Work, Commitment to Work Contract, Efficiency Orientation, Systematic Planning, Problem Solving, Self-confidence, Assertiveness, Persuasion, Use of Influence Strategies.

Methodology

The study on assessment of entrepreneurial profile was confined to the region of Delhi & NCR. For the purpose of this study sixty corporate entrepreneurs were interviewed in six randomly selected multinational organisations. Ten employees, who met the selection criteria, were selected using purposive sampling technique from each organization. For the same, corporate entrepreneur was operationalized as ‘managers who have exceeded the expectations of the organization in at least three consecutive performance appraisals’. Exceeding expectations grade in performance appraisals ensured that the sample was intrapreneurial & outperforming and the condition of getting such a grade in three consecutive years had taken care of biases, if any.

Structured interview schedule, Motivational Profile (Steers and Braunstein, 1976) and Locus of Control (Rao, 1985) inventory and Self- Rating Questionnaire (SRQ) (Mansfield et al., 1987) to were administered for the purpose of data collection. The tool included a mixture of structured, scaled, open ended and opinion seeking questions. These tools helped in assessment of the entrepreneurial personality of corporate entrepreneurs.

Results

The study attempts to understand the characteristics possessed by intrapreneurs. For assessing the same, locus of control orientation, competencies profile & motivational profile was studied.

- **Locus of Control**

It is noteworthy, that cent percent of the sample had an internal locus of control orientation, indicating entrepreneurial orientation. This ascertained that the respondents looked for cause and effect from within. It was observed that 91.7% of the respondents were in the category of 1.0 - 3.0 indicating internality. While 8.3% were highly entrepreneurial as they scored within 3.1 - 6.0 on the locus of control scale.

Table 1– Distribution of Sample Based on Locus of Control

Locus of Control	Scale	Percentage
External	0	0
Internal	1.0-3.0	55(91.7)
Highly internal	3.1-6.0	5(8.3)

Ratio: >1.0, <6.0- external locus of control and lack entrepreneurial qualities;
1.0-5.0- internal locus of control- have entrepreneurial qualities
(Figures in parenthesis denote percentages)

Table 2 – Distribution of Sample Based on Mean and Std. Deviation of Locus of Control

	Internal	External	Ratio
Mean	57.0	29.8	2.1
Std. Deviation	23.4	15.0	1.8

Table 2 indicates the Mean and Standard deviation of locus of control profile of the respondents. The sample had a mean score of 2.1, nearing 3.0, which indicates an internal locus of control and is considered entrepreneurial.

- **Competency Profile**

A self-rating questionnaire was administered to assess the competencies possessed by the sample. Scores were calculated under the following thirteen competencies. These competencies are considered essential for successful entrepreneurs.

Table 3- Distribution of Sample based on Competency Profile

Self-Rating Questionnaire	Mean	S.D.
Initiative	18.0	3.5
Seeks and Act on Opportunities	18.4	3.8
Persistence	17.1	4.0
Information Seeking	18.3	3.4
Concern for High Quality Work	17.1	3.1
Commitment to Work Contract	18.7	3.9

Efficiency Orientation	18.3	3.6
Systematic Planning	19.3	3.9
Problem Solving	17.3	3.9
Self-Confidence	16.9	3.1
Assertiveness	15.8	3.1
Persuasion	15.2	2.7
Use of Influence Strategies	16.6	3.5

S.D. - Standard Deviation

Respondents scored high on all the thirteen competencies. Wherein, systematic planning scored the highest (mean=19.3) followed by Commitment to Work Contract (mean=18.7). Respondents affirmed that systematically planning their tasks is very important for them. One of the respondents stated that “new ideas are required to be planned before their value can be demonstrated to others.” Innovative organizations give respondents the freedom to use some of their time to systematically and effectively plan and implement new ideas.

Seeks and Act on Opportunities, Efficiency Orientation and Information Seeking were among the other important competencies possessed by the respondents. Respondents confirmed that they always seized lucrative opportunities to reap best results. Moreover, the respondents felt that their orientation towards efficiency persuaded them to plan systematically. Results also indicate that the respondents scored least on Assertiveness and Persuasion competency.

- **Motivational Profile**

Motivational profile of the respondents revealed the dominant source of motivation under the three categories – Achievement, Power and Affiliation.

Table 4: Distribution of Data based on Motivational Profile

Motivational Profile	Response	Mean	S.D.
Achievement	44 (73.3)	20.9	2.6
Power	8 (13.3)	19.0	3.2
Affiliation	8 (13.3)	19.0	3.0

(Figures in parenthesis denote percentages)

S.D. - Standard Deviation

The study illustrated that majority of the respondents (73.3%) were ‘achievement driven’; followed by 13.3% respondents in each of the remaining two categories - power and affiliation. Findings of the study indicate that, since most of the respondents were achievement-oriented they were likely to be successful entrepreneurs. Mean and standard deviation of Achievement Motivation is 20.9±2.6.

Discussion and Implications

This research paper makes the following major contributions in the field of corporate entrepreneurship. Firstly, it validates that intrapreneurs or corporate entrepreneurs are entrepreneurs within an organisational setup. Corporate entrepreneurs also have an entrepreneurial personality – Motivation profile, Locus of control orientation and competency profile. Secondly, it validates that corporate entrepreneurs are achievement driven like entrepreneurs. They score low on power and affiliation sources of motivation. Thirdly, respondents also have an internal locus of control reflecting their entrepreneurial orientation. They were also inquisitive about their entrepreneurial personality score and with a positive attitude wanted to improve their weak areas. Employees with such entrepreneurial ordination are definitely an asset for any organization. Finally, they scored high on all entrepreneurial competencies. Findings indicate that some competencies are more relevant as compared to others. Thus, the organisations should pay greater emphasis on competencies which are used more frequently by the employees. Also, senior management in the industry can use the findings of the research paper to restructure their policies and practices to nurture the entrepreneurial personality of its employees. Further studies are recommended to cultivate and develop entrepreneurial personality of employees.

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