

Sculpting Future Leaders: An Intrapreneurial Approach

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Abstract

Today's organisations, especially medium and large sized, have the most promising capability of entrepreneurial leadership. A manager who is also an intrapreneurial leader is an advantage to any organisation. The ability to not only manage others but also inspire them to bring the best in them is an unmatched quality in any manager.

The aim of this research paper is to investigate the effect of prerequisites to intrapreneurship on entrepreneurial characteristics of employees. The research problem involves four variables. The first is Prerequisites to intrapreneurship which includes factors enabling intrapreneurship in organisations, namely, Encouragement by Management and Organization, Individual Motivation, Transparency, Openness and Communality, Individual Competence, Enabling Working Environment, Encouragement to Innovations, Development. The second is entrepreneurial competencies which are considered essential for personnel who are on an intrapreneurial journey. The third is achievement motivation behind entrepreneurial tendencies; wherein entrepreneurs endeavor to achieve their personal standards. And fourth is internal locus of control orientation; in other words one's perception that his actions govern the results.

This research paper is a part of a larger study to develop an all-inclusive understanding of the factors that affect intrapreneurial characteristics. For the same, intrapreneurs in multinational organisations in Delhi and NCR were interviewed. Data was also collected through standardized questionnaires that measured the entrepreneurial competency profile, motivational profile and locus of control orientation of the respondents. A questionnaire on prerequisites to intrapreneurship was also administered. Findings indicate a moderately significant relationship between the prerequisites to intrapreneurship and entrepreneurial characteristics. Among the three variables, highest correlation was observed with Motivation profile

closely followed by Locus of control and Entrepreneurial competencies. Based on this evidence, the authors propose to encourage a dynamic intrapreneurial approach in the organisations to assist the process of nurturing the entrepreneurial characteristics (vis-à-vis intrapreneurial characteristics) of future leaders.

Keywords: Intrapreneurship, intrapreneur, prerequisites to intrapreneurship, entrepreneurial personality, intrapreneurial personality, Achievement Motivation, Locus of Control, Entrepreneurial competency profile

Introduction

The concept of employability is fast changing in this era of globalized and competitive economies. Life time job contracts are no longer relevant and employees have to meet their targets to ensure job security. Irrespective of the varied understanding of the term employability, many researchers stress that employability refers to the continuous attainment or creation of work by optimum use of competencies (Van der Heijde & Van der Heijden, 2006) inside or outside the organisation. Maintaining employability within the organisation is the prerogative of both the employees as well as the management. In today's economic scenario, to ensure an organisation's sustainable growth and success, fostering entrepreneurial competencies of its employees through an encouraging intrapreneurial work culture is fast gaining recognition. Gifford Pinchot (1985) gave the most comprehensive definition of intrapreneurship. He stated that "entrepreneurship within a corporation" is intrapreneurship. Thus, this research paper focuses on the intrapreneurial initiatives taken by the management to nurture entrepreneurial traits of the employees; consequently, sculpting the future leaders.

To nurture intrapreneurial competencies an understanding of the factors that affect intrapreneurship was considered essential. Henione & Korvela (2003) in the study 'How About Measuring Intrapreneurship' identified seven potential prerequisites to intrapreneurship, which have been used in this study. These potential factors have been listed below:

- **Encouragement by Management and Organisation** – includes and organisation's work culture, environment and approach towards intrapreneurial activities.
- **Individual Motivation** – represents the capability and motivation of an employee towards his work.
- **Transparency, Openness and Commuality** – is the transparency in functioning of an organisation.
- **Individual Competence** – is the ability to develop actively and present new ideas along with varied knowledge and understanding of the organisation's vision.

- **Enabling Working Environment** – is reflective of the opportunities and autonomy offered to the employees by organisation.
- **Encouragement to Innovations** – refers to the organisation’s inclination to take risks and innovate.
- **Development** – refers to the overall development in an organisation – seeking assistance, team spirit and professional development.

Both academia and industry unanimously agree to the relevance and importance of encouraging intrapreneurship to develop entrepreneurial competencies (Pinchot, 1985; Antoncic & Hisrich, 2003). Present study focuses on the following three entrepreneurial characteristics:

1. **Achievement motivation** – McClelland in his achievement motivation theory attempts to “explain and predict behavior and performance based on a person’s need for achievement, power, and affiliation” (Lussier & Achua, 2007, p. 42). He stated that achievement motivation is essential for entrepreneurial success.
2. **Locus of control** –Leone & Burns (2000) defined “Locus of control is a construct that measures the degree to which individuals believe they are responsible for the consequences of their behaviour” (as cited in Vijayashree, 2011, p. 195) wherein internal and external locus of control are the two ends of the construct (Rotter, 1966).
3. **Competency profile** –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 are the thirteen competencies identified by Mansfield, McClelland, Spencer & Santiago (1987) likely to ensure entrepreneurial success.

Methodology

The present study was conducted in six randomly selected multinational organisations in Delhi and NCR. From each organisation, ten managers who had exceeded the expectations of the organization in at least three consecutive performance appraisals were selected using purposive sampling technique. Exceeding expectations grade in performance appraisals ensured that the sample was intrapreneurial & outperforming. While, *three* year condition had taken care of biases, if any.

Potential Prerequisites to Intrapreneurship were measured using a questionnaire by Heinonen & Korvela (2003). Mean scores of similar statements were calculated under seven prerequisites discussed in the introduction. The mean scores were assessed on a scale of 1-5. The critical value of the scale was defined as 3. Mean below 3 specifies a need for development in the respective areas of intrapreneurship whereas values higher than 3 indicate a positive dynamic from an intrapreneurial point of view. For holistic understanding, combined mean of the individual prerequisites was also calculated. Also, 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) was administered to study the entrepreneurial competency profile of the respondents.

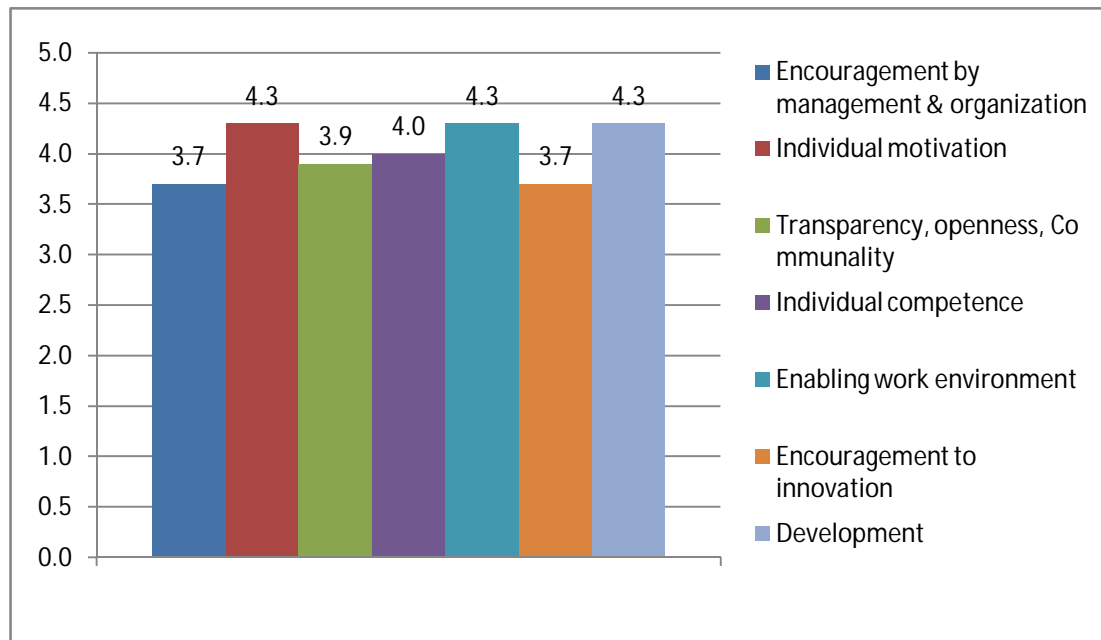
Results and Discussion

This section presents the main findings of the research paper. Findings have been presented in the following sequence: Prerequisites to intrapreneurship, Entrepreneurial personality and Correlation between entrepreneurial competencies and prerequisites to intrapreneurship.

Prerequisites to Intrapreneurship

Present study attempts to understand the factors that promote intrapreneurship. It is evident from Figure-1 that each potential factor which acts as prerequisite to intrapreneurship is above the critical value (3.0). This indicates a positive dynamic approach of the organisations towards all the potential prerequisites to intrapreneurship. Enabling Work Environment, Individual Motivation and Development scored the highest (mean 4.3) among all the parameters. Respondents believed that the management provided an encouraging environment for work and development by providing them sufficient authority and flexibility to perform their task efficiently. They felt that they were capable and were motivated to work in an intrapreneurial way. Encouragement by Management & Organization and Encouragement to Innovation scored the lowest (3.7). Respondents affirmed that it is easier to share and implement ideas where management is encouraging.

Figure 1: Distribution of Sample based on the Prerequisites to Intrapreneurship



Mean = 5- Strongly agree; 4 -Agree somewhat; 3-Neutral; 2-Disagree somewhat; 1-Disagree strongly

Aggregate score: < 3= positive towards intrapreneurship; >3 = need for development in areas of intrapreneurship

Table 1 : Distribution of Sample based on the Aggregate of all Prerequisites to Intrapreneurship

	Aggregate scores
Aggregate of all the prerequisites	4.0

Mean = 5- Strongly agree; 4 -Agree somewhat; 3-Neutral; 2-Disagree somewhat; 1-Disagree strongly

Aggregate score: < 3= positive towards intrapreneurship; >3 = need for development in areas of intrapreneurship

Combined mean of the prerequisites was 4.0. This indicates that the respondents appreciated their organization's efforts towards cultivating an environment that facilitates intrapreneurship. The results of the present study supported the findings of the study, "How about measuring intrapreneurship?" (Heinonen & Korvela, 2003).

Entrepreneurial personality

Analysis of three aspects of entrepreneurial personality –Motivation profile, Locus of Control and Competency profile- indicates the following:

- *Motivation Profile*- Results indicate that majority of the respondents (73.3%) were 'achievement driven' and were likely to be successful entrepreneurs. While, 13.3% respondents indicated power and 13.3% showed affiliation as their source of motivation.
- *Locus of Control* – Findings show that cent percent of the sample had an internal locus of control orientation indicating entrepreneurial orientation; wherein 8.3% were found to be highly entrepreneurial. Thus, the respondents stressed on cause and effect from within.
- *Competency profile* - 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). Seeks and Act on Opportunities, Efficiency Orientation and Information Seeking were among the other important competencies possessed by the respondents. Results also indicate that the respondents scored least on Assertiveness and Persuasion competency.

Correlation of Intrapreneurial Competencies with Prerequisites to Intrapreneurship.

Further, correlation between the entrepreneurial characteristics and Prerequisites to Intrapreneurship was determined to understand the relationship between the two.

Table 2: Correlation between Entrepreneurial characteristics and Aggregate of Prerequisites to Intrapreneurship

Variable	Correlation Coefficient	Level of Significance
Locus of Control	0.28	0.05
Motivational Profile	0.31	0.05
Entrepreneurial Competencies	0.25	0.01

Locus of control and motivation profile was found to be moderately correlated to the prerequisites to intrapreneurship at $r=0.28$ and $r=0.31$ respectively, both at 0.05 level of significance. A positive correlation ($r=0.25$ at $p \leq 0.01$) was observed between entrepreneurial competencies and the aggregate of prerequisites to intrapreneurship. This ascertained that management activities, organizational culture, organizational setting and skills & attitudes of an employee play a significant role in nurturing entrepreneurial (vis-à-vis intrapreneurial) characteristics. In situations where the organization is willing and able to provide the same, employees will not only become competent intrapreneurs but also bring out the best in others around them. Thereby, sculpting future leaders whose intrapreneurial approach is likely to ensure organisation's sustained growth and success.

Summary and Research Implications

- It is evident from the aforementioned findings that Encouragement by Management and Organisation; Individual Motivation; Transparency, Openness and Communalities; Competence; Enabling Working Environment; Encouragement to Innovations; Development are essential prerequisites to intrapreneurship. These prerequisites are positively correlated to all the three entrepreneurial characteristics, namely, achievement motivation, internal locus of control and competency profile. Organisational environment should encourage intrapreneurship and assist in developing the entrepreneurial characteristics of its employees which could trigger innovative behavior and encourage intrapreneurial spirit; thus, intern benefits the organisation.

Findings of the research paper are useful for both the industry as well as academia. Prerequisites to intrapreneurship can form potential factors, which may be used by the organizations in future. They can act as guidelines to measure the employee's or employer's performance, thereby striving for the organization's growth or excellence. Further studies are recommended on the approaches an organisation should adopt to build the entrepreneurial traits of its employees.

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