

Case study of entrepreneurship in etisalat business essay



**ASSIGN
BUSTER**

Etisalat is the UAE's largest telecommunication company. It has around 74 million customers worldwide. It has more than 120 roaming partners in all over the world. It provides range of telephony services and internet services. From the individuals, common customers to several big corporate houses depend upon the infrastructure (telecommunication) support provided by Etisalat. Etisalat operates in whole Middle East and Africa and its headquarters is in UAE. It also has operations in Asia and is planning to expand at several places in coming times through mergers and acquisitions. It is provider of voice communication over mobile or fixed line, and data communication, to individuals, enterprises and international telecommunication companies, mobile operators, ISPs, content provider. It is leader in Middle East and Africa region.

Etisalat is an organization that believes in continuous innovation in products and its services. It provides high technology facilities to its customers. It is very keen towards the quality of services that is being delivered to them. Etisalat has won several awards for customer satisfaction and that's the reason why it is the leading company of the region. The company management is very good at operating business and expanding in new regions to increase the customer base and also to get the technological support from their partners. It has majority ownership in a leading provider of satellite telephony, Thuraya.

Etisalat has good Research & Development department. It keeps upgrading the technology presence of the company. Etisalat has deployed 3.75 G network in Egypt at the time when several companies are still implementing the 3G network infrastructure. This is the clear evidence of the dedication of

<https://assignbuster.com/case-study-of-entrepreneurship-in-etisalat-business-essay/>

the company towards the quality and the technology advancement. The organization also shows corporate social responsibility and intends to provide sustainable value chain with minimum impact on the environment.

Entrepreneurial Activity and Innovation

It has become the need of the hour that every company needs to improve on the services that it provides. It is more important for a sector like telecommunications where the competition is so strong that one can't survive on a weaker offering or service delivery. Under the conditions, Etisalat discovered a very important problem that many of its users were facing. Owing to the shortage of time, much of the conversations on the mobile were generally meant to be very small. In spite of talking for less than one-third of a minute, the customers had to pay the same as one would pay had he talked for the entire minute. Now, with huge number of calls, there was a complete wastage of money in this respect. So, Etisalat made an improvement in its services. It introduced the system of pay-by-the-second. Now, the customer would not have to unnecessarily pay when they do not deserve to. This attracted a number of customers towards using the services of the company. As far as classification of this innovation is concerned, it would fall under the category of developing new and improved services and ways to deliver them. It got even better for the company, as this form of service was made available in even the smallest denomination card value. So, customer satisfaction which is one of the major issues in any company's success became proficiency with this act.

Level of Intrapreneurship

As this innovation was made within the organization itself, it certainly was intrapreneurship. It did not lead to the start-up of a business, but the idea was generated from within the system. As far as the effects of this service on the company is concerned, there was great appreciation for the same in the market. Hence, the level of intrapreneurship was really high. If one notices this from innovation, it discovers the fact that an organization would not just find success by mere competing. It would only become justified, if internal innovations are suitable enough to take the business towards competing in the newer market as well. So, this form of intrapreneurship not only provided product modification but also provided a chance for market development. As far as the results of the same are concerned, the company did see a substantial level of market development after introducing this feature. So, it was a successful attempt.

Motivational Factors and Rewards

Motivation can be classified in two forms. The first one is intrinsic motivation and the second is extrinsic motivation. Looking at the form of innovation that the company has undergone, it would certainly fall under the intrinsic motivational form. The marketing department of Etisalat was responsible for finding out the need for pay-by-the-second functionality. After that, it was the internal system which believed that introducing this feature would be of use for the company. As far as the factors that led to this intrinsic motivation are concerned, they can be mentioned as follows:

A belief to extend the market share.

A confidence in the internal system of the organization.

A level of courage to face the losses of failure (if any).

Consistent change in demand of the customers.

Talking about the rewards that were associated with this innovation, the company celebrated the launch of this facility in the market. It felicitated the hands responsible for making it a possibility. Also, Etisalat practices a marked performance appraisal system. The company by virtue of its activities has proved that it is essential to link performance with rewards. The reason for the same is that whenever the company sees that its employees are out-performing, it makes all the arrangements such that all those involved are rewarded. This raises the probabilities for intrinsic motivation within the company's staff. This is the reason that much of the employees of the company look to retain themselves for longer periods at the same time, they keep innovating and taking the company forward from its then position. So, we see from this case of Etisalat that it is actually essential for a company to link performance to rewards.

Leadership and External Factors

Etisalat is one organization which believes in the fact without effective leadership; there is no way the company can find success. A leader's works in this context are as follows:

Interpersonal and Informational Roles:

It carries the responsibility to provide information throughout the organization working as a figurehead, leader and liaison. The company feels

that when the information is actually disseminated by the leaders, it is only then that the employees get motivated enough to carry out the company's work. Similar has been the case with Etisalat as well. The leaders had taken the responsibility to explain the importance of pay-by-the-second to the employees. The marketing department got its motivation from there and hence the functionality was well advertised. This form of communication also makes the leader well recognized in the employee body. With this, there is a unity to carry out all further tasks of the company.

Decisional Roles:

From the decisional perspective, the leaders of the company are regarded as entrepreneurs (which in this case refer to intrapreneurs), disturbance handlers, resource allocators and negotiators. One can clearly see from the motive of the company behind introducing the feature that it would have to handle disturbances with respect to non-acceptance of the idea in the market. Also, we have seen the entrepreneurship (intrapreneurship) which led to the introduction of this feature. So, one can see that the decisional roles of a leader are justified by introducing this feature.

External Factors:

Now, an internal likeliness of motivation can only take place if there is an external need of a certain product or service in the market. Here, the external factor was that of the head-to-head competition that the company has with its nearest rival DU. Also, the latent demands of the customers coupled with this form of competition made it look all the more important for Etisalat to take over the pay-by-the-second policy.

Personality Characteristics of Entrepreneurs

Entrepreneurs are the people who take calculated risk and have confidence in their activities. They look towards creating new standards at their work. They give complete dedication towards their management and try to achieve their target as soon as possible while maintaining the communication with his fellow employees. Although the success rate of entrepreneurship is not very good but this is not because of their mis management, it happens because of some external factors or the loosening after seeing the initial success. In Etisalat the people behind the innovation of the services are the person who is very good at convincing employees and management. They look in the market for the need of time and they innovate their services to fulfill them in best possible way. Etisalat also used to organize regular conferences to share the experience of the entrepreneurs (intrapreneur) with the employees which result in the inspirational effect on them. It provides an opportunity for every employee to contribute towards the innovation at services and products. Company entertains the ideas originated from employees and after analyzing their feasibility implementation may be done. Entrepreneurs at Etisalat are self managed people and they know the extent to which company may allow them to perform. This means they have good understanding of their internal locus of control and try to operate according to the feasibility. They are esteemed people and always keep looking towards progressing to new technology that is evident from the company's continuous improvement in performance. They try to over perform others and Etisalat is leaving their competitors far behind in the level of services they provide. Other companies followed the scheme of pay per second calling system after seeing its popularity. Etisalat also have strategy of <https://assignbuster.com/case-study-of-entrepreneurship-in-etisalat-business-essay/>

expanding in several new regions and their entrepreneurs are surveying these regions where they can exploit the customer base even by merger and acquisition with other firms. It clearly shows that entrepreneurs have affiliation of power.

Entrepreneurship at Etisalat is a very common paradigm; the company is so much interested in the innovative activities that it always prefers to look at the market in ways to achieve best possible performance. The organization has history of innovations. In telecommunication sector of UAE, Etisalat is a company that leads the way in terms of technology. Other companies in the region always used to follow it. The company is leader of market because of this reason only. It is expanding its operation in newer markets to become international leader. This is pretty clear that company needs a lot of intrapreneurship activities so that it can achieve their vision and mission of providing best possible services. Intrapreneurs at Etisalat are very active people and always keep watching the market for the possible innovation. They are the people who properly communicate with leaders and perform their best. The ideas of innovations and renovation at company keep coming from them and they have urgent desire for the success. The company support entrepreneurship from the top level of its leadership and management always help in their functioning. The leadership qualities of entrepreneurs are visible at Etisalat and they play a major role in the business development of the company. The expansion plans and the product development runs under their supervision and the marketing department work with them so that they can do exact promotion of the new services. The

interaction between the departments is good in Etisalat and it is helpful for the Intrapreneurs.

Political and Power-Related Circumstances

The leadership at Etisalat is very supportive of the entrepreneurial activities. The company is very keen towards progressing fast and adopting newer services with the passage of time. They give much importance to the innovation aspect in organization. That is why the entrepreneurship at organization very successful in achieving their goal efficiently. The company's management is very good at communicating with their employees and have shown good quality work environment. Employee satisfaction level is good. Also UAE government has several contracts with the company so Etisalat doesn't get much hindrance from there in implementation of their innovative services or in launching new products. And due to need of improvement in its service the organizational leadership adopted a very transparent system and helped entrepreneurs in doing their work by facilitating with financial help and manual resources required. Entrepreneurs were able to analyze the exact performance of company and all the reports that may help in making improvements in services were shared properly with them. This led to comfort ability of the entrepreneurship with the organizational environment.

Success of the Innovation

The pay per second plan by Etisalat is a huge success. The company is reaping benefits of its quality improvement and the customer satisfaction. The company is distributing huge dividends and also following several new projects of improving and supporting the innovation and entrepreneurship. <https://assignbuster.com/case-study-of-entrepreneurship-in-etisalat-business-essay/>

The investments made by Etisalat in international market are also giving big profits. The company is seeing larger customer base at UAE and at its other operating locations. The people are going for Etisalat for utilizing the good quality services. The pay per second plan made the company popular in common people too. The competitors also followed the same path to attract the customers but first comer's advantage is with Etisalat. Company is also launching the 3. 75 G network and has implemented it at several places. They are providing high speed data plans and efficient enterprise solutions too like ISP, VPN etc.

This success has created path for much more innovations. The company has its vision of providing the best services with regular technology improvement so that the customers to get the feel of latest innovations in the industry. The entrepreneurs involved in the innovation are given proper rewards which are a very good measure to inspire others in being a part in the innovations.

Ethical Implication of the Intrapreneurial Activity

Every innovation cannot be implemented for the sake of getting profit in business. The entrepreneurial ideas are welcomed but they need to be analyzed for the ethical and corporate social responsibility aspect. As we can see that Etisalat is growing rapidly but they are simultaneously maintaining their image in the market and society. They launch new services while considering the fact that it should fulfill the requirements of customers. They don't just exploit the demand in the market for their benefit; they also see what type of demand is that. The demand may be for the improvement of service or for the new products. The company should be dedicated for providing the best services while maintaining their profitability. But it also <https://assignbuster.com/case-study-of-entrepreneurship-in-etisalat-business-essay/>

implies that firms have duty toward the society too that they make available the products and services according to customer needs.

If a company sees the demand in market and then innovate the technology or services that is easy to produce but does not completely fulfill the customer's expectation then this type of innovation cannot be seen as ethically correct. There should be ethical consideration with the every entrepreneurial activity otherwise it may be profitable in shorter duration but later on it will impact the company's business and its image in market. Any development at the organization can said good only when it improves the employees and customers satisfaction. The entrepreneurship is not just to facilitate the monetary benefits, it should consider the every aspect of the activity and locus of impact it creates on implementation.

Innovation Approach in own Business Unit

At any business unit the innovation or entrepreneurial activities should be treated as projects. These projects should be first analyzed for their feasibility. Also the need of innovation and its urgency should be specified. The company management should then evaluate each project on different parameters like cost involved, preference, relation with the existing business, technology involved, resources required, times needed, risks associated etc. These parameters decide the preference order for the innovation projects that which of the projects to be started first and how much proportion of resources to be allocated to which project.

If any business unit treats innovation in this way then it's possible that it will get much better result than any other organization. But normally what

happens that company management doesn't show that much interest in the innovation projects because no one wants to take risks. The entrepreneurship is about taking risk but in calculated manner. So now it depends upon the capability of entrepreneurs in making the leaders of the business unit to understand the benefits associated with the project. Also the risk associated should be mapped with the alternatives and all the alternatives should be practically tested before making any proposals to leader.

In businesses it should be done like organizing regular conferences so that people can present their new ideas in front of leaders and management of the company. This open house discussion is helpful in making them understand the need of the company and the direction in which the company may exploit in better way with good profitability. Entrepreneurs of the company here get opportunity to inspire more Intrapreneurs at the company.

The financial planning of the company is also responsible for the approach company adopts towards the innovation projects. When company understands the need of entrepreneurship, it allocates a part of fund towards the research and development in its every financial year. These funds are utilized by entrepreneurs in developing and promoting new services or products. The expansion plans of the firm are also very important for the business development but it is very common for the leaders of the firm to neglect these ideas. It happens because the uncertainty of the market response towards this idea.