

Intrapreneurs and intrapreneurial research in organisations



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Abstract

Intrapreneurship is an inevitable aspect for the success and sustenance of an organisation that keeps in pace with the changing trends in the market and relies on innovative concepts for growth. Innovative ideas are usually suggested by the research and development experts of an organisation. However, research by the employees of the organisation who are well aware of the organisational objective is a cost and time effective method to venture into a new business, or to improve an existing product. An employee who acts as an entrepreneur and researches the development of innovative ideas is called an intrapreneurial researcher. The role of intrapreneurial researchers is highly sought after in organisations that diversifies and improves its various business ventures.

Introduction

Intrapreneurship is beneficial for the performance and revitalization of large organizations and small and medium enterprises. Intrapreneurial research is significant to develop innovative ideas to diversify existing business with the production of new services, products and technologies. Intrapreneurial research also supports the revitalization process such as reorganization, strategy reformulation and organizational change.

Intrapreneurial research is undertaken by an intrapreneur who has inherent qualities like competitiveness, initiative, aggressiveness and the courage to take risk to achieve organizational objectives. The orientation, activities and emphasis of intrapreneurship is similar to the traits required for entrepreneurship as recommended in Schumpeterian innovation. In a general view, the improvement of existing products and services and the use <https://assignbuster.com/intrapreneurs-and-intrapreneurial-research-in-organisations/>

of administrative techniques, markets and technologies to conduct organizational operations such as marketing, production, distribution and sale and establishing a change in organising, strategy and managing competitors are innovations made by the intrapreneurial researcher.

Intrapreneurship is an important attribute that predicts the absolute growth of an organization and overcomes traditional bureaucratic barriers to adhere to high standards for open communications, assessment of business environment and the renewal of business policies to act proactively in the ever competitive marketplace. An intrapreneurial researcher plays a significant role in transition economies to adapt to the changing standards of developed economies to sustain the profitability and growth of existing organizations (Antoncic, B. & Hisrich, R. D. 2001 p. 495-527).

Who are intrapreneurs?

Intrapreneurs or in-house entrepreneurs are dreamers and doers who have the capability to accelerate the speed and improve the cost effectiveness of transferring technology to the market place. Traditional research methods ignore the services of the intrapreneur. This method does not yield a good result during product innovation because an outside researcher requires more time to understand the organisational objectives and therefore this kind of research is time consuming and expensive. The size of the budget and the extent of self sufficiency are important factors during innovation.

A cost effective innovation emerges out of an organization when a person is passionate about bringing out an innovative concept and functions with enthusiasm to develop it using the available organisational system. This

gives a new insight for the R & D managers to recognize and understand the significance of intrapreneurs (Pinchot, G. 1987).

Risk and Returns in intrapreneurial research

Intrapreneurial research is carried out by intrapreneurs or employee entrepreneurs or intra-corporate entrepreneurs working within an organisation who risk something of value to achieve a greater objective. The risk may be in the form of the time required to accomplish a preliminary research or a business plan while simultaneously holding the responsibilities as a corporate manager. The risk may also include financial sacrifices in the way of cut down on increments until the successful accomplishment of the new business or a reduction of certain percent of salary until the bonus for accomplishment is declared. The intrapreneur has to negotiate the quantum of risk for each project with the management, since risk is a factor that tests and improves the drive and conviction of the intrapreneur. Further, the organization is bound by an implied contract to abstain from interrupting the actions of the intrapreneur unless in the case of poor performance.

In the course of the product development, the researcher intrapreneur must make use of the opportunity to create a value similar to capital. On successful completion of a research project, the intrapreneur has the right to avail rewards and incentives from the organization based on the completed research which is predetermined by a trusted committee. The amount of reward is calculated either as a fraction of the value of the project or on the basis of accounting systems of the organisation. Other than the cash bonus, the intrapreneur has total control over a specific amount of research and development funds which the intrapreneur can invest on behalf of the

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organization for future research projects. These funds are called intra-capital (Pinchot III, G. & Pinchot, E. S. 1978).

Who can become intrapreneurs?

Intrapreneurial research is delegated to employees with a good performance record and business acumen during the initial stage of innovation. These traits enable a seasoned manager to face challenges with respect to the new venture efficiently (Pinchot, G. & Pellman, R. 1999 p. 33).

When an intrapreneur is given the responsibility in a large organization to work with the internal service intraprise, they tend to show more enthusiasm to achieve their mission because they are responsible to manage the internal profit centres. In the due course, intrapreneurs pay attention to notice the highest revenue generating function and use customer feedbacks to understand their requirements in a better, faster and cheaper manner (Pinchot, G. & Pellman, R. 1999P. 36). The creativity in the intrapreneurs enable them to foresee how potential customers would envisage a new product (Pinchot, G. & Pellman, R. 1999P. 37). The outcome of delegating responsibility in this manner is a complete intrapreneurial organization that results in new vistas in productivity and innovation.

Support from the organisation

The organisation is also accountable while delegating intrapreneurial research. The organisation has to support the intrapreneurial researcher in terms of periodical coaching in addition to the initial workshop, and allocate essential resources. The extent of progress in the research has to be

reviewed after six months and any obstacles identified in the research has to be rectified (Pinchot, G. & Pellman, R. 1999P. 36).

Intrapreneurship in research and development requires the intrapreneur to possess different levels of skill from the one possessed as a corporate manager. The strategies of traditional managers to follow existing hierarchical structures with less risk factor and more short term goals inhibits the flexibility, creativity and risk needed to accomplish innovative ventures. Therefore, while setting up intrapreneurship, encouragement from the organization to experiment new concepts together with an environment for voluntary intrapreneurship and the promotion of teamwork is essential. The intrapreneur must work within the organizational structure diplomatically with open discussions and support from team members and must be persistent to overcome unavoidable barriers (Hisrich et al. 2005 p. 54). The intrapreneur also avails freedom and privilege in terms of exemptions from controls that exist in a large organization (McKenna, E. F. 2000 p. 241).

Traits and tasks of intrapreneurs

One of the most important qualities in an intrapreneurial researcher is the awareness about competitors. The awareness that customers have alternatives in the marketplace enables the intrapreneur to research and design innovative products by considering the reality.

Intrapreneurial research entails the researcher to place positive concern over the product, generate leads for the products, ascertain the leads, respond to

the needs of customers, explain the product, handle objections, close sale and offer after sale support (Pinchot, G. & Pellman, R. 1999 p. 38)

Intrapreneurship in research begins with a business plan. The early stage of a business plan is a mere fantasy which the intrapreneurial researcher has to transform into a reality. In the course of the transition various questions arise about the plausibility and consistency of the innovation. This step is followed by the research to find solutions to complex assumptions. On completion of the process, intrapreneurs observe the fact, and the errors in the innovation plan are then corrected to meet the actual objective of the research (Pinchot, G. & Pellman, R. 1999 p. 39).

Intrapreneurship and the organisation

On completion of the research project, intrapreneur has to take the project to the business development stage by testing and validating the new concept. This is called proof of concept. In case the intrapreneur has conducted market testing for a product, the same can be provided as a proof to support the claim that there is market potential for the innovative venture (Alterowitz, R & Zonderman, J. 2006 p. 92).

Conclusion

It may be concluded that intrapreneurs are highly motivated, committed and proactive individuals who can sense opportunities in the market and employ entrepreneurial principals in the creation of innovative marketing decisions (Weaven, S. 2004). Intrapreneurial researchers persistently reassess the dimensions that forecast, describe and design circumstances in which

intrapreneurship flourish (Hornsby et al. 1993). These traits of an intrapreneurial researcher are also observed in an entrepreneur.

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