

BUILDING AND NURTURING INTRAPRENEURS: A MODERN APPROACH TO TALENT MANAGEMENT - A THEORETICAL MODEL

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ABSTRACT

“INNOVATE OR EVAPOTRATE” is the right phrase for the modern business environment. Corporations must innovate to survive; the best method is to encourage creative people to become entrepreneurs within the company structure (“Intrapreneurs”) by allowing them to earn the freedom and resources (“intracapital”) with which to pursue their visions (establish “intraprise”). This would not only help in en-cashing creative ideas and opportunity but would also help in building & nurturing business leaders. Considering the importance of Intrapreneurs this research paper discusses meaning & characteristics of intrapreneurs and reasons for promoting them. It then presents a theoretical model for building & nurturing Intrapreneurs.

Keywords: *Intrapreneur, Intrapreneurial Culture, Competency Building, Relationship Management.*

INTRODUCTION

Investigate any big innovation in an organization and you will find an entrepreneur.

- Don Estridge, an employee at IBM posted at Boca Raton, Florida far away from his bosses at IBM headquarters spearheaded the creation of Personal Computer.
- Steve Jobs and group of 20 young engineers created Macintosh Computer with any adult supervision.
- Bernie Meyerson proved that silicon germanium could be used as semiconductor device when silicon chips dominated the semiconductor industry for decades. This new silicon germanium chip could be made on exactly the same manufacturing line as a typical silicon chip thereby resulting in much lower manufacturing cost than the highly specialized & difficult manufacturing of gallium arsenide, a chemical compound that produces about five times the chip speed of silicon.

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“ Look back at any great business or invention at just any big company and you will find that an intrapreneurs created it,” says Gifford Pinchot, who invented the word and popularized the term in his book *Intrapreneuring*. Though Pinchot invented the term but the concept (of internal entrepreneurial efforts in an organization to alter its status quo, harness energies of talented employees and sponsorship to promising ideas & innovations by them) was being relied upon by forward thinking organization for decades.

INTRAPRENEURING

Intrapreneuring means the entrepreneurial activities that acquire organizational sanctions and commitments of resources for the sole objective of innovative results. Intrapreneuring aims at boosting up the entrepreneurial spirit within the limits of organization hence creating an environment to develop. Intrapreneurship centers on the restructuring and reemergence of the firm's capacity to develop innovative skills and new ideas. Intrapreneurship is not just limited to germination of new ideas but includes even implementation of those ideas.

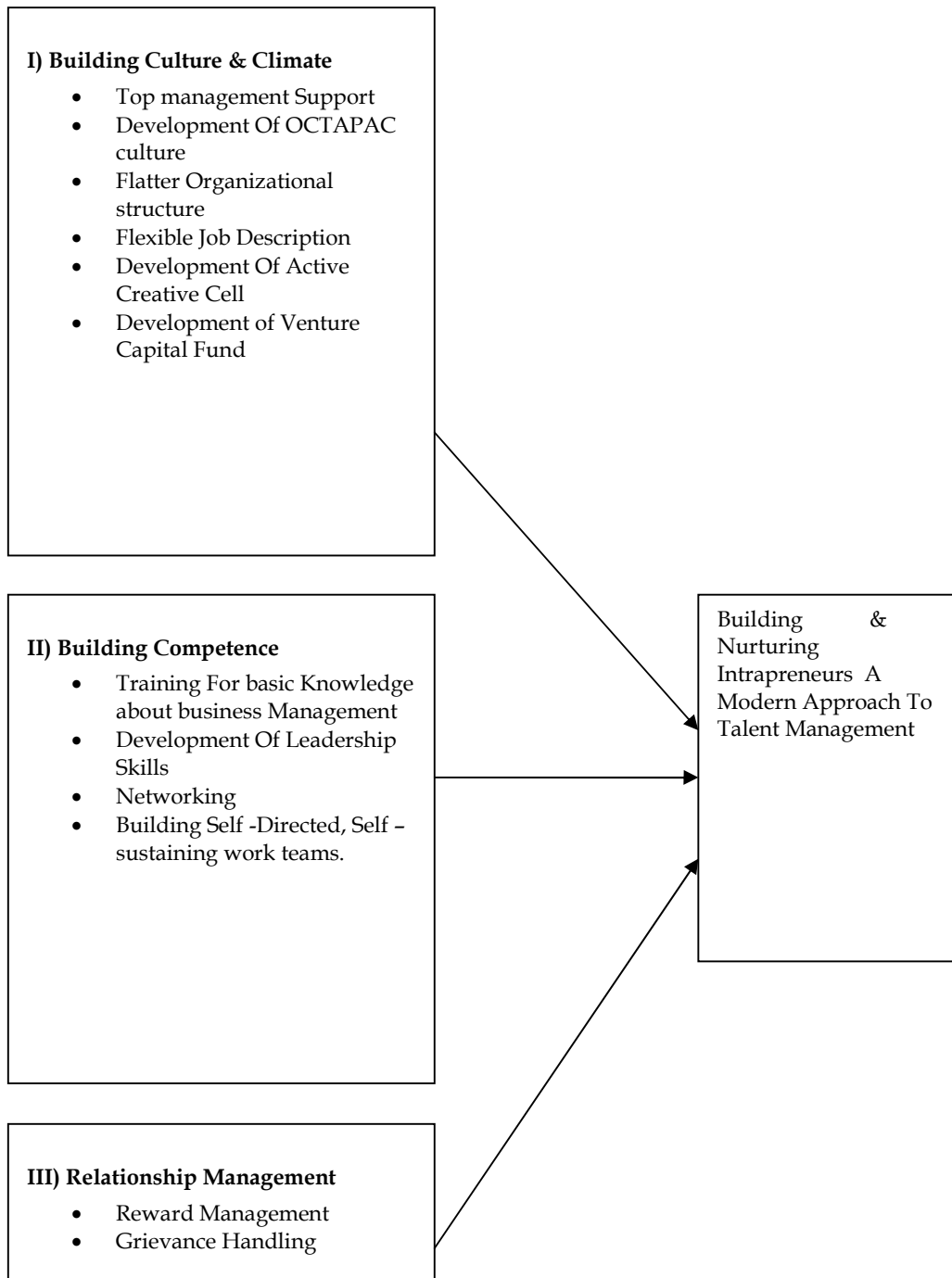
CHARACTERISTICS OF INTRAPRENEURS

- Intrapreneurs bridge the gap between inventors & managers. They take new ideas & turn them into profitable realities.
- They have a vision & the courage to realize it.
- They can imagine what business realities will follow from the way customers respond to their innovations.
- They have the ability to plan necessary steps for actualization of the idea.
- They have high need for achievement & they take moderate calculated risks
- They are dedicated to their work so much so that they shut out other concerns including family life.

REASONS FOR PROMOTING INTRAPRENEURS

- Intrapreneurs thrive & vibrate in all organizations - Big or Small. Several executives with rich experience & expertise in corporations leave their jobs to own small business because the top management in these corporations were not receptive of their innovative ideas. These executives termed as 'entrepreneurs' achieved phenomenal success in their new ventures posing a threat to the corporations they had left. Companies as a result started devising ways and means to stop this outflow of talent, experience and innovation and hence nested the development of intrapreneurs.
- Through their expertise and rich experience in the organization, Intrapreneurs understand the needs & wants of the customers. They generate innovative ideas from these needs & wants. Intrapreneurs do not just limit their energies to the development of these innovative ideas as they have inevitable desire to achieve & success. They are hungry to materialize their ideas into business enterprise. The Venture capitalist with their wide opened eyes welcome them with open arms. And hence the organization not only loses rich experience & expertise but also create competitors for self.

Building & Nurturing Intrapreneurs- A Modern Approach to Talent Management: A Theoretical Model



Building & Nurturing Intrapreneurs- A Modern Approach to Talent Management: A Theoretical Model: Explanation

- **Building Culture & Climate**

Developing and harnessing entrepreneurs can provide competitive advantage to large corporations, which contain some of the best people & resources. But to accomplish this the organizations need to build the right culture & climate. The following Climate has to be developed:

- **Top Managements Support:** For successful intrapreneuring, top managements support is imperative. This support will only come when top management believes in the fact that harnessing intrapreneurs would reap profits and competitive advantages to the organization. Support can come either from top management themselves (if they understand the benefits) or support has to be generated from the top management by the change agent (it could be intrapreneurs himself, His coworkers, HR manager or external consultant).

Once the top managements support is generated, the viability of entrepreneurs and their ideas is possible.

- **Development Of OCTAPAC Culture:** When intrapreneuring has won its support & confidence from top management, the right culture i.e.; OCTAPAC culture has to be developed. The elements of OCTAPAC (Openness, Confrontation, Trust, Autonomy, proactively, Authenticity & Collaboration) have to be valued and promoted by top management for facilitating intrapreneuring.

Openness is there in organization climate when employees feel free to discuss their ideas, activities and feeling with each other. And top management is also transparent about its policies. Confrontation is bringing out problems and issues into open with a view to solving them rather than hiding them for fear of hurting others or getting hurt. Trust is taking people at their face value and believing in what they say. Autonomy is giving freedom to let people work independently with responsibility. Proactively is encouraging employees to take initiatives and risks. Authenticity is the tendency on the part of people to do what they say. Collaboration is to accept interdependencies to be helpful to each other and work as team. Successful implementation of OCTAPAC culture would require OCTAPAC by top management. Once Top management starts practicing OCTAPAC it can seep down the hierarchy.

- **Flatter Organization Structure:** Since Intrapreneuring would require lot of autonomy & empowerment, organizations need to graduate themselves to flatter organizational structure.
- **Flexible Job Description:** Trends in the past have shown that intrapreneurs do not limit their entrepreneurial abilities to just innovations and creative ideas but they also want to venture into market research for pilot testing and actual implementation / launch of their product/ service/ process. Hence the job description of entrepreneurs should be flexible enough to accommodate marketing, financial, operational activities involved in implementing/ launching their product/ service/ process.

- **Development of Active Creative Cell:** A creative cell, which rewards and promotes new ideas, concepts should be developed. The cell should be approachable to all the members of organization (because you never know where your Intrapreneur is hiding). R & D people and other creative people have a great desire to be able to implement their concept/ idea into a successful business venture and they should have an approachable route for implementation of their ideas through an active creative cell.
- **Build Venture Capital Fund:** Every intrapreneur would require a capital fund for developing successful product/ services and for successfully implanting their ideas and marketing them. The top management can initially provide Venture Capital Fund and it can be further increased by the company's share of profit from the Intrapreneurial activities.
- **Build Competencies:** An individual with intrapreneurial traits (see the characteristics of intrapreneurs discussed earlier) needs to build certain other competencies to become successful intrapreneurs. Training For basic Knowledge about business Management, Developing leadership skills, networking.
- **Training for Basic knowledge About Business Management:** Since intrapreneurs (like entrepreneurs) has to independently handle and run the business he proposes, he needs to be business savvy. He should have intricate knowledge on the following areas:
 - Marketing: How to carry out a market research, how to implement new product development, how to do market analysis, how to conduct marketing communication, how to develop pricing strategies, how to develop customer relationship management etc.
 - Finance: Intrapreneur should be able to make and read various financial statements: Balance sheet, P&L account, Trading balance, Cash Flow, Break Even & ratio Analysis.
 - Apart for this he should have fair knowledge about Production/ Operation (Quality, inventory, process etc.), Human Resource Management and Income Tax and other laws affecting the business he proposes.
- **Leadership Skills:** Intrapreneurs have to collaborate with others in realizing their dream project. In doing so they should exhibit effective leadership qualities. Effective leadership skills would include ability to create climate for open communication, empowerment, and skills to lead a team, ability to make realistic vision, institutive ability to sense and react to the changes in the dynamic business environment, humanistic approach towards team members, technically sound, enthusiastic, energetic & positive about future. He should be able to communicate the vision in ways to attract & excite members of the organization & encourage employees to partake in fulfilling the vision. He should do intentional modeling of self for focusing on people's attention, energy and effort on expected behavior. Be flexible & persistence in managing work. And last but no the least develop healthy interpersonal communication.

- **Networking:** Intrapreneur needs to network with following class of people:
 - Every innovation needs a network of higher level. Supporter/ sponsors who create a coalition to keep the project active. Intrapreneur needs to show their potential sponsors that they have the ability to 'can do' and 'will do' creativity.
 - Networking has to be established with customers, suppliers in order to understand their needs & demands to understand their receptivity to the innovation product/ services offered by them.
- **Building Self -Directed, Self - sustaining work teams:** low cost, high productivity, world class quality & cut throat competition is the key objectives the intrapreneur must be able to achieve to make the business venture successful. Intrapreneurs need to develop self-directed work teams to materialize these objectives. The most widely accepted definition of Self Directing Work teams is from Katzenbach and Smit (1993). "A Self Directed work team is small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable. Intrapreneurs can develop Self Directing Self Sustaining Work teams by inviting interested and capable individuals to join hands and form team for making the business idea into a successful business reality. Self Directing Self Sustaining Work team would require that its members share vision & responsibility to achieve vision get freedom to work, trust each other, have autonomy to work, have variety of skills & expertise, team will assign jobs to all its members, team members own up to the results, co-operate & collaborate, encourage individual's self accountability & responsibility, looks forward to creative ideas & innovation and does not bother much on negative results arising thereon, have ability to support, take risk & develop climate of openness.
- **Relationship Management:** organization who wants to build & nurture harness intrapreneurs in the organization need to develop relationship with intrapreneurs.
- **Reward Management:** The rewards of success in an intraprise must be shared between the corporation & intrapreneurs in a well-defined & equitable way. Since there is an element of risk in an intrapreneurial venture a pre-negotiated reward cannot be made. Hence trust between the team members and also with the organization on financial issues is demanded. The organization should design some mathematical formula to share the profits & losses with the intrapreneurs.
- **Grievance Handling:** The energetic, creative intrapreneurs have the potential of setting a business venture on their own and if conducive environment is not provided they leave the organization to set their own enterprises. To avoid these organizations should have an effective, approachable grievance handling system to solve the problems of Intrapreneurs.

The model discussed above would not only build & nurture Intrapreneurs but would also act as an effective means for Talent Management and hence can lead to Organizational Effectiveness.

CONCLUSION

Intrapreneurs reinvigorate corporate departments that have become stagnant & stale. By recognizing opportunities, drawing up a business plan with marketing & financial perspectives & then building a team to implement a project, intrapreneurs fills the corporate office with entrepreneurial spirits.

Now Companies are figuring out how to keep talented employees upright – Corporates are realizing that Intrapreneuring can be an answer for that. A Change agent (A consultant or HR manager) who has complete support and faith from top management can implement the model suggested above for building & nurturing Intrapreneurs, so that organization finally reaps the benefits of Intrapreneuring.

FUTURE RESEARCH & CONTRIBUTION TO HRD

This article is theoretical and hence lacks empirical data. Future research can provide empirical data examining experiences and effects of intrapreneuring on employee's performance and on overall growth & development of the organization. HRD professionals are in a position to influence the overall change & development of the organization. And hence they can conduct workplace interventions with multidisciplinary approach to gain a more broad understanding of need for intrapreneuring in their organization; moreover they can conduct the interventions suggested in this model and present the effects of employee's performance on implementing intrapreneuring.

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