Intrepreneurial Practices and Organizational Competitiveness: A Theoretical Approach

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Abstract

Organizations or companies are facing many challenges today. This is due to the highly competitive environment in which they are operating. They have to be innovative enough in order to remain competitive. In this context, intrapreneurship seems to be a real opportunity to renew strategic innovation through an innovative approach. Hence, intrapreneurship allows the company to face competition by having a sense of creativity and innovation internally on one hand and, to cope with multiple constraints linked to the complexity of the environment on the other hand. Therefore, the Human Resources (HR) function is to give an ambitious and strategic challenge by shifting from human resources management to skills management. In this perspective, intrapreneurship would be a strategy for the company to involve staff, increase creativity and innovation and upturn organizational skills. In this paper, a theoretical approach is presented based on a review of the literature that demonstrates the interest of companies or organizations to involve their staff through interepreneurship program. Besides, we design a conceptual model that highlights the criteria to be taken into account by organizations so that intrapreneurial practices can have a positive influence on organizational involvement.

Keywords: Corporate innovation, creativity, human ressources, intrapreneurship, involvement

1. Introduction

In an ever changing and economically evolving environment, according to (Floricel & Michela, 2007), innovation is of great importance for managers in any organization. Thus, it is seen by business managers as a way to respond to the unstable and volatile nature of their environment (increased competition, rapid technological change, customer demanding more attention in a restricted time, complex partnership management, new forms of organizations, etc.) and also as a solution to the frequent questioning of their competitive advantages (Floricel & Michela, 2007).

To thrive in such environment, companies need creativity to stay competitive. The author (Amabile, 1988) defined organizational creativity as the production of new and useful ideas by an individual or group of individuals working together. These ideas can involve products, services, procedures or processes (Woodman, Sawyer & Griffin, 1993) while innovation is achieved through the implementation of these ideas.

In this context, intrapreneurship appears to be a genuine opportunity to renew strategic innovation through an innovative approach. According to (Carrier, 1993), this concept is seen as "the implementation of an innovation by an employee, group of employees or individuals working under the company's supervision. Intrapreneurship seeks to mobilize ideas and skills of all or part of the employees to develop and implement innovations such as offering new products or services, investigation of new markets, etc. (Eesley & Longenecker, 2006), and thereby engage the strategic renewal of the firm (Zahra, 1996). The use of intrapreneurship is also seen by companies as a way to attract and retain "high potential" employees (Vloeberghs, D., Pepermans, & Thielemans, 2005; Sims & Sims, 2007), by giving them a more pronounced strategic role and greater autonomy to develop projects on their own. This is the vision of some authors such as (Eesley & Longenecker, 2006), who see in intrapreneurship "the practice of creating new products and business opportunities in an organization through proactive empowerment".

Intrapreneurship allows a company to cope with competition with a higher level of internal creativity and innovation on one hand and several constraints related to a complex environment on the other hand. Workers
should be able to adapt themselves to constant changes and unpredictable situations. With these requirements of change, it is important to be flexible enough to better manage any difference between the prescribed work and the real activity.

In this context, we can say that as competition intensifies, companies are looking for innovative strategies to help them get ahead of their competitors, in order to remain active on the market. In this sense, autonomy at work became an effective organizational leverage in the managerial landscape that allows managers to instill to employees the mentality and behavior of external contractors because of its effects on the innovation and creativity (Fayolle, 2003).

The challenge for the company is to anchor its practices oriented towards the management of skills, which is an important challenge to face.

These different approaches show the importance of organizational creativity and innovation in an intrapreneurial perspective. As well, the Intrapreneurship allows the company to face the multiple facets of the environment. Innovation and creativity are two organizational concepts to study carefully. The aim of this paper is to demonstrate in theory that intrapreneurial approaches have positive influence over any organization but also the interaction between human resources and intrapreneurial practices. Most often intrapreneurial works (Carrier, 1993; Eesley et Longenecker, 2006; Sundbo, 1997) focus on its general interest i.e. it is a means for organizations to compel workers to adopt intrapreneurial behaviours leading to innovation, new brands and products, technics... Few rather stress the role of human resources policies on intrapreneurial behavior.

Therefore, we intend through this paper to show that it is necessary to involve at a deeper level human resources in companies in order to increase innovation. The worker should be considered as an internal customer receiving adequate care from the company that desire to fully benefit from his potential and abilities. HR practices are a leverage that sustain intrapreneurial dynamic. In order to illustrate our point of view, our conceptual model emphasizes on innovation in the field of human resources, leading to intrapreneurial behaviors of workers through organizational involvement based on the company’s expectations. In this field of research, the model proposed by (Ireland, Kuratko and Morris, 2006) and (Fatma C. Sami, B., 2015) is focusing on positive effects of intrapreneurship at the organizational level, peculiarly on the company’s performance. Our model highlights the positive impact not only at the organizational level but also the individual one.

In the light of the model (Ireland, Kuratko and Morris, 2006) and (Fatma C. Sami, B., 2015), constant us that their interest is fixed on the positive effects organizational particularly in terms of the performance of the company. Our model proposes to put in before the positive impact both at the organizational level as at the individual level.

The structure of this paper is organized as follows. Section 2 reviews the state of the art concerning the concept of intrapreneurship. Section 3 addresses the interests of organizational commitment. Section 4 demonstrates theoretically that intrapreneurship has a positive influence on any organization. Section 5 concludes with some perspective of this work.

2. Intrapreneurship, a Wide Field of Understanding

Today, intrapreneurship represents a potential vector of innovation recognized by companies that have been able to take advantage of it. However, research in intrapreneurship is really at its early stages and there is a lack of well documented literature about its components, entrepreneurial behaviors and practices targeted by companies, the contextual factors that promote behaviors of entrepreneurs and their concrete impact in terms of attitude and involvement (Lisein, Degré, & Pichot, 2009).

This means that defining Intrapreneurship is not an easy task because there are divergent opinions about what the notion encompasses (Lisein, Degré, & Pichot, 2009). From a historical standpoint, despite some controversies, it seems that the concept of Intrapreneurship was first advanced by (Pinchot, 1985). According to him, Intrapreneurship is related to undertaking a project within a society. According to him, as companies must innovate to survive, the best method would be to more encourage employees especially those with a creative mind to become entrepreneurs within the company, entrusting them with freedom and resources, called "intracapital" to realize their projects (Pinchot, 1985).

Later, some authors used the same concept. For example, (Antoncic & Hisrich, 2003) consider Intrapreneurship as the existence of entrepreneurship within an organization.

For (Sundbo, 1997) intrapreneurship refers to the generation of ideas by staff members, who thus play an active and important role in the initial stages of the corporate innovation process. (Seshadri & Tripathy, 2006) share this idea and explain that there must be a strong relationship between innovation and entrepreneurial behaviors.
manifested by employees. They assimilate to intrapreneurs, all people with skills and abilities to generate and implement innovative ideas, creativity in companies and contribute to its strategic development, where others saw the impossible.

All these definitions and concepts of intrapreneurship show that authors are not unanimous about the ideas that should be adopted. However, some points of convergence on the motivations of leaders to develop an intrapreneurship spirit within their organization is highlighted. This approach is generally induced by the desire to maintain or develop the company's activities: for many authors, the main purpose of intrapreneurship thus appears mainly centered on the obligation of strategic innovation, prerequisite necessary to increase the competitiveness of companies (Phan, Wright, Ucbasaran, & Tan, 2009; Covin & Miles, 1999), or even in some cases to the survival of companies in a context of shift (Pinchot, 1985; Nielsen, 2000; Seshadri & Tripathy, 2006).

Intrapreneurship is a crucial subject for organizations, as it represents a challenge for the field of entrepreneurship (Carrier, 1994). According to (Miller, 1983, p.770), it is important to analyze "entrepreneurial activity" of firms. (Miller, 1983, p.771) goes on, stressing that entrepreneurial orientation concerns the company that "commits to product- market innovation, undertakes delicate and risky activities and is the first to propose "proactive" innovations, therefore pulling the rug out from under competitors. Thus, the entrepreneurial approach (Burgelman, 1983; Kuratko, D.F., Ireland, R. D., Covin, J. G., & Hornsby, J.S.,) is backed by several studies which show its impact on a company’s performance (Miller & Friesen, 1982; Zahra & Covin, 1995).

Most authors connect intimately intrapreneurship concepts to creativity and innovation (Carrier, 1991): regeneration, development of new products, inquiry of new markets are all consequences of intrapreneurship. Although (Carrier, 1993) concedes that the concept of intrapreneurship has a polysemic definition, He acknowledges that a trend is gradually emerging to define Intrapreneurship as "the implementation of an innovation by an employee, group of employees or individuals working under the control of the company." He stresses that Intrapreneurship is defined as a new form of management that leads the employees of an organization to innovate and act like entrepreneurs within the company (Carrier, 1997).

On a broader perspective, (Antoncic & Hisrich, 2003) argue that Intrapreneurship is a process that occurs within an existing firm, regardless of its size and that leads not only to new businesses but to other innovative activities and orientations, such as the development of new products, services, technology, business administration, competitive strategies and postures.

In alignment with the above definitions, we retain Antoncic and Hisrich’s approach, as it opens a broad understanding of the concept of Intrapreneurship which should not be solely the privilege of large companies. We consider that the company's size neither limits nor promotes Intrapreneurship. It depends on the willingness of top management to develop the means and conditions necessary to mobilize Intrapreneurship actions.

We therefore notice that (Miller, 1983, p.770; Carrier, 1991; Carrier, 1997; Covin & Miles, 1999) narrow the importance of intrapreneurship by only highlighting the risks taken by the company in order to innovate. According to them, one should take hold of opportunities provided by the external environment of the enterprise, using inner skills suitable to enhance innovation. For us, these authors question less on the role of human resources department/direction in order to increase or create a suitable environment for intrapreneurial policies/actions.

Business leaders who seek to remain competitive on markets or maintain their position are always looking for strategies to stand out from their competitors. In this perspective, an organization must maintain its entrepreneurial dynamic in order to stay alive, grow, improve its performance and renew itself (Randerson, K., Fayolle, A. & Defélix, C., 2013).

From the above raised points, it is important to note that intrapreneurship can only take place in an organization that has qualified human resources and is able to make the company competitive through their innovative ideas.

3. Definitions and Interest of Organizational Commitment

In this section is we emphasize the importance of the involvement of employees as a result of Intrapreneurship practices. Thus, we consider it appropriate to bring some elements of definitions.

There have been several works on organizational commit. (Mowday, Porter, & Steers, 1979; Allen & Meyer, 1997), pointed out that the involvement is often seen as a positive attitude under which an individual is successful while adopting behavior in the interests of the organization. Similarly, we can add that employee involvement can be a telltale sign of the interest displayed by employees towards the causes or the goals of a company. (Allen & Meyer, 1990) developed a three-dimensional model of organizational commitment developed
around affective commitment, normative commitment and continuing involvement axis, which we do not consider in this paper. However, (Vernhet, A. C., Commeiras, N. & Desmarais, C., 2014) argue that affective organizational commitment reflects an individual’s desire to remain a member of an organization due to his/her identification with the organization, investment in work, and emotional attachment to the organization.

According to (Mowday, 1998), involvement can be seen as a general force driving the individual to identify and commit to the organization in which He works. However, (Commeiras, 1998) points out that organizational commitment enables the characterization of the relationship between the employee and the organization while recommending actions and means to affect or expand it.

Considering what the authors mention above, we can emphasize that the company will have to create the necessary conditions of adhesion of the employees to the values of the company which would favor and facilitate the organizational commitment.

We adopt the definition of (Commeiras, 1998): organizational commitment is a reflection of the relationship that the employee has with his organization.

As previously defined, Organizational involvement should not be limited to a positive attitude developed by the worker or his attachment to the company’s goals, but rather through an evolutive and valued relationship, the role of the company is precisely to establish the necessary conditions and means to promote the evolution of this relationship.

That relationship can take place only if the employee sees the company as a place where he can thrive professionally and can express his talents or other skills aligned with the company’s goals. Some actions taken by the company may be source of involvement and commitment of the employees to the company, including the workplace, the company projects, etc.

We therefore believe that if an employee is satisfied at work, he will be more involved: satisfaction can only take place if He is given meaningful tasks that require a certain degree of responsibility, enabling him to face challenges and tackle them. So, Human Resources (HR) policy involving the mobilization of skills, ideas, creativity and innovation would be a better way to promote an entrepreneurial culture.

Taking into account the challenging market competition, companies must be reactive and seek new mobilizing strategies of human resources in order to face the challenges raised in their environment. This promotes their adaptation to change improves their ability to innovate in order to remain on the market.

In our opinion, it is important to stress that Intrapreneurship initiatives alone cannot guarantee the success of a company. As such, several authors show that it is the environment of the company that determines its performance (Miller, 1983).

The ad hoc initiatives of some company’s projects involving creativity of employees cannot be a guarantee of employee involvement in the company. It would take a managerial policy supported by top management for an entrepreneurial culture to be rooted in the minds of employees. Besides, (Morris Jones, 1993, p874) suggest that in all areas of management decisions that can influence Intrapreneurship, human resources management (HRM) might be one of the most vital. In fact, the field of HRM seems to undergo a fundamental transformation from a micro discipline, rather bureaucratic and focused on tools, to a discipline focused on the congruence between different aspects and strategies of activities.

3. Intrapreneurship, a Human Resource Tool to Involve Employees in the Organization (Company)

A HR policy that stimulates the mobilization of skills, creative ideas in order to promote entrepreneurial culture can be beneficial to influence employees’ behavior regarding organizational commitment. Involving the employee means being careful about professional behaviors in order to detect activities that would make employees to adhere to the values and goals of the company. In this perspective, HR orientation matches the principles of human resources management and managerial values practiced in the company. It plays an important part in revealing the creativity of the members of the organization. It is expressed through the recruitment and promotion of flexible employees willing to take risks, strongly engaged in innovative research (Ireland, Kuratko & Morris, 2006) and research-oriented towards efficiency (Pinchot, 1984; Brocknaus, 1980; Cook, 1998).

HR management is particularly important in this context. Following this logic, (Ireland, Kuratko & Morris, 2006) pointed out that HR orientations that the requirements for the development of intrapreneurship are: extensive socialization of business, the high participation of employees in their assessments, and inclusion of capacity innovation and risk taking in the evaluation and recognition criteria.
Intrapreneurship in our view makes it possible to anchor the force that characterizes the relationship of employee with his company because a suitable place to develop talent can only have a positive effect on the involvement at work.

Resources management practices put in place in an organization would be perceived by employees as a signal of support that the latter is ready to offer them, leading to the promotion of attitudes and behaviors that can improve organizational commitment, performance or employee retention (Bartol, 1982; Meyer & Smith, 2000). These practices indicate to employees that the organization considers human resources as a source of competitive advantage, and it seeks to establish a long-term relationship with them (Paré, G., Tremblay, M. & Lalonde, P., 2001). This leads us to highlight that the involvement of employees in the company, requires strong managerial involvement to establish a suitable climate to expect the behavior desired by the company.

(Bartol, 1982; Paré, G., Tremblay, M. & Lalonde, P., 2001) found a strong positive relationship between skills development practices in place in the organization and affective organizational involvement.

Also, an intrapreneurial culture can be a stimulating factor for HR policy in order to promote behaviors favorable to the involvement. The time spent on training for specific projects, or new organizational mode, adjusting to new working techniques are all elements that justify the interest that HR policies must show to encourage employees to greater participation. In this sense, (Richonne-Huet, K. & d'Andria, A., 2010) mention that it is about the introduction of a favorable organizational culture, HR training and development (based on a selection of intrapreneurial staff, evaluation based on intrapreneurial criteria and mentoring), information and exploitation of networks (with suggestion systems), monitoring and openness on the outside and the creation of a stimulating work environment.

In literature, there seems to be a fairly consistent relationship between information and communication practices and organizational commitment (Lawler, 1992).

In fact, among the practices of HRM, communication also plays a very important role in promoting intrapreneurship climate. Its role is to put forward the model of a contributory management, and its mode of operation, also supplying positive beliefs. Intrapreneurship influence HR practices in that it allows to set up information flow channels to promote intrapreneurial culture and create a climate of trust to avoid any misunderstanding. By referring to that point of view, organizational communication is essential to work in complete transparency and to avoid possible conflicts. The good traffic of communication creates a good working environment and facilitates the exchange between employees and makes information accessible to all. Indeed, authors such as (Bouchard, V. & Fayolle, A., 2011) highlight the fact that sharing information promotes autonomous decision-making of individuals as well as their spontaneous cooperation. It is important that employees are appropriately informed of the strategic directions and priorities of the company.

It is necessary to communicate the decisions, values, and strategy of the company to obtain the involvement of all in the implementation of the decision. Ensure transparency in management practices such as communication, compensation, career development, autonomy, and corporate culture... remains one of the major ways to motivate employees in an intrapreneurial atmosphere.

Intrapreneurship is used by human resources (HR) as a motivational enhancement tool, especially for those who master their tasks, or improving the climate for greater involvement of the company's staff.

The key issue today is to think about HRM practices that would encourage the involvement of employees using intrapreneurship practices. In HRM systems, focus is usually on the interdependence of teamwork, decentralization and performance-related pay (Laursen, 2002; Laursen, Foss, 2003). Other works focus on several parameters such as leadership support, decentralized organizational structure) and compensation (Kuratko, D. F., Ireland, R. D., Covin, J. G., & Hornsby, J. S.), following an economic and logic analysis of the complementarities between the different systems. A daring intrapreneurial guidance in the organization has a positive impact on the measures taken to involve staff. This approach means that business leaders must be aware of what it requires in terms of risks. Similarly, other approaches emphasize the role of practices that encourage risk taking (Miller, 1983), or articulate the different HRM practices according to more or less strong entrepreneurial orientation (Morris, Jones, 1993).

Organizational culture also remains important. It highlights the internal values that the company embodies in general and promotes innovation specifically. In addition, we can add that intrapreneurship stimulates HR practices to involve employees who were not and therefore increase organizational commitment.

This work highlights the importance of intrapreneurship practices and its influence on organizational commitment. Thus, the conceptual model shown in Figure 1 represents the positive influence of intrapreneurship...
on the involvement of employees within the company, but also stimulates the HR policies that serve to create conditions favorable to endorse positive behaviors in organizational commitment.

Intrapreneurship - Innovation/creativity - Taking initiative - Accountability

It allows the company to:
- Be competitive
- Be innovative
- Increase organizational competencies

Organizational level
- Favorable workplace environment
- Valorize talents
- Influence positively employees’ behaviors to involve them...

(3) HR policies promote, mobilize intrapreneurial behaviors

(4) Positive effects of organizational involvement

HR Policy

Internal and external benefits

(1) Intrapreneurial practices influence Positively organizational involvement

(2) Intrapreneurial practices stimulate HR policies

Organizational involvement
- Adherence to the company’s values
- Feeling of belonging
- Identification to the company

Individual level

We can observe from this figure that there must be precise and targeted HR policies in a company that wishes to promote organizational involvement using intrapreneurship practices. Here, we underline the fact that HR leaders have an important and major role to sustain intrapreneurial dynamics. In fact, the top management must create suitable working environment and adequate means that will increase the staff’s involvement. The company should be flexible in terms of work schedules, various places of work, therefore increasing the staff’s autonomy, responsibility and self-confidence. Adopting such practices requires creating a close management to avoid drifts and misbehavior or abuses. HR leaders must advertise internally in order to enhance intrapreneurship culture. The benefits are diverse, either from an internal perspective (staff’s involvement, membership, self-esteem, organizational skills enhancement, etc…) or external one. Intrapreneurial practices release an external and positive appreciation and attractiveness of new and potential skills. The company will therefore remain constantly innovative and acquire a high level of organizational ability thus staying competitive.

4. Conclusion

This paper from a theoretical point of view, is concerned with the influence of intrapreneurship practices on organizational commitment.

It is useful at this point to emphasize that intrapreneurship must not be confined to financial and technological benefits only. Most of the works revolve around technological innovation, financial, and strategic benefits. There are less works about the impact that intrapreneurship can have on the involvement of employees within an organization. Our work draws attention on the fact that employees have potentials that the company must be able to identify and develop. To do so, it must create the suitable conditions for the detection of talented workers.

We show through this work that the company can make use of intrapreneurship practices to encourage employees to reveal their talents. All the strategies set in place by the company to be creative, innovative, more than its competitors, can only bring results if it has competent men and women. To do so, conditions such as the framework, environment, HR management, equipment, financial and material means are needed in order to establish “give-give and win-win” intrapreneurial relationships within the company so that both employees and management can find their benefits.
No matter the financial, technological means that the company might have, only committed employees make the difference in terms of expected results.

In addition, we note that HR policies, by using intrapreneurship practices, allow federated employees’ behaviors around the company strategies to reach an appointed specific goal.

Stimulate employees in order to take initiative and innovation can enhance their self-esteem within the company. It is also important to point out that this work has some limits due to our lack of interest regarding HR policy element that can mobilize employees to be involved. Among these elements, there are wages, training, and recruitment. These aspects can be the topic of future research works.

References


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