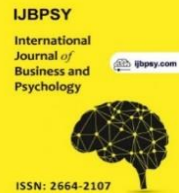


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Prerequisites of Intrapreneurial Activities: A conceptual Model

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Abstract

Intrapreneurship has been recognized an effective way of gaining and maintain competitive advantage in the dynamic business environment. However, less is known about the antecedents of intrapreneurship in organization. Therefore, this study aims to address this research gap and develops a conceptual model of intrapreneurship by integrating organizational and environmental factors. The purpose of this paper is being initial contributor towards a complete research exemplary of intrapreneurship in the research field. The intuitions relating to the factors influencing the intrapreneurial activities of employees will be the outcomes of this research.

Keywords: Intrapreneurship; Organizational factors; Environmental factors.

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INTRODUCTION

It is well- known the prominence and prospective of intrapreneurship for the development of innovation .The reason behind this is that intrapreneurship is crucial for innovation; which is the key mechanism for expansion and positive outcome in the institutions (J. P. J. de Jong, Parker, Wennekers, & Wu, 2011; Farrukh, Chong, Mansori, & Ravan Ramzani, 2017; Seborá &

Theerapatvong, 2009). Using innovation in institutions could possibly make the organization to grow and achieve higher profits.

Intrapreneurship means the use of innovations and risk-taking to realize profits within the institutions' setting. Further, established businesses, when confronted with fierce global competition, tend to regard intrapreneurship as a way of staying competitive. This has brought about the prominence and maintained attention in learning intrapreneurship within existing institution.

According to J. De Jong & Wennekers,(2008) intrapreneurship explains the entrepreneurship within an institution and also stresses the cooperative characteristics of entrepreneurship. Alpkhan et al., (2010) stated that intrapreneurship indicates the endeavor by the organization to boost its performance. Applications of Intrapreneurial and the intrapreneurial managers should validate that the organizations able to compete effectively in the new competitive environment and to feat prospects in maintaining in the emerging economic.

Study of literature revealed certain prerequisites of intrapreneurship, and these requisites can be categorized into individual, organizational and environmental factors. This study aims to develop a conceptual model of intrapreneurial prerequisites at organizational and environmental level. For so doing a detailed literature review was conducted and certain organizational and environmental factors were recognized.

This conceptual paper unfolds as follows, in the next section we elaborate the methodology adopted for conducting this literature review, which is followed by an elaboration of intrapreneurship concept. Next section discusses the literature to develop the study proposition development on organizational and environmental level factors.

METHODOLOGY

This literature review was performed to construct a conceptual framework of intrapreneurship. The aim was to identify journals that were relevant to intrapreneurship. Some of the databases that were used include Emerald, EBSCO, Scopus, Web of Science and ScienceDirect. Because intrapreneurship is a branch of entrepreneurship, four entrepreneurship databases from EBSCO were selected. They include EconLit, Business Source Premier, PsycINFO and Entrepreneurial Studies Source. As the focus of this research was Intrapreneurship, therefore, search was strictly limited to Intrapreneurship rather than corporate entrepreneurship or entrepreneurial orientation. Several key terms such as Intrapreneurship, Organizational factor, environmental factor, antecedents of intrapreneurship, factors impacting intrapreneurship and prerequisites of intrapreneurship were used to find the literature.

THE CONCEPT OF INTRAPRENEURSHIP

The attention of researchers in the area of entrepreneurship has changed over a period of time. There is an aggregate concern in investigating the antecedent of entrepreneurship in the existing organizations. The terms that are utilized to categorize entrepreneurial practices in the organization include; corporate entrepreneurship, corporate venturing and intrapreneurship (Farrukh, Ying, & Mansori, 2016). The view of entrepreneurship from a business prospect is constant with that of Schumpeter (as cited in Sembhi, 2002). Schumpeter postulated that the businesses that channel extra resources to innovations will finally control the entrepreneurship. In 1934, he gave compelling justifications on why an organization should rise its entrepreneurial undertaking. According to him, an entrepreneur generates new gainful opportunities. As outcome,

he specified that many entrepreneurs innovating are worth for the entire economy. Implementing these concepts to the organization level, will help to create more avenues. Furthermore, he also suggested that economic activity based from entrepreneurial helps in increase of revenue and does not route to profit diminution.

Over the previous few decades, the term intrapreneur or intrapreneurship has developed into business English. According to the American Heritage Dictionary (2011), the term intrapreneur means an individual within a business organization who takes risk to convert an innovative idea into a finished product or services. Therefore, an intrapreneur is a person who identifies new thoughts, use creativity to come up with solutions and make use of opportunities. An intrapreneur should adopt an entrepreneurial style as opposed to administrative style. Intrapreneurship is a process whereby an individual within a firm looks for new business opportunities.

Besides, it includes the identification of new creative ways to solving the problems within the organization for example how to improve existing products or services. It also involves the aiming for new opportunities or innovations for executing the firm's roles. Hence innovation can be viewed as alteration of plans, structures, systems and ways of the organizations in managing competitions (Antoncic & Hisrich, 2001).

According to Antoncic, 2007 the terms used interchangeably with intrapreneurship includes; intrapreneuring, corporate entrepreneurship, internal corporate entrepreneurship, corporate venturing, internal corporate entrepreneurship, strategic renewal, internal entrepreneurship and venturing. Without entrepreneurial competence, the business cannot survive in this dynamic business environment (Drucker, 1985). Thus, to cope up this changing environment, organizations are embracing Intrapreneurship (Farukh, Lee, & Shahzad, 2019).

THE PREREQUISITES OF INTRAPRENEURSHIP

This study builds a conceptual model of intrapreneurial activities at organizational and environmental level. The following section discusses the certain organizational and environmental level factors that might foster intrapreneurship

ORGANIZATION FACTORS

The preceding research by Antoncic, (2007); Antoncic and Hisrich, (2004); Hornsby et al. (2002), demonstrated that factors within a firm can either encourage or hinder the completion of intrapreneurial practices in an organization. The various research related to this topic in their models stressed the importance of these factors in a firm. Nevertheless, it has not been conventionally determined which factor is the most significant. The most widely recognized factor however fall into different elements which includes, management support, work discretion, rewards, availability of time and organizational boundaries. These factors are described below.

Management support

The managers or leaders should readily help, support and encourage the intrapreneurial endeavors within organization (Alpkan et al., 2010; Gapp & Fisher, 2007). The encouragements may apply by using many methods such as advocating for innovative ways, availing the necessary resources and skills, and integrating intrapreneurial practices in the firm's system and process. Antoncic & Hisrich, (2001) suggested that believing in and imparting workers with skills and knowledge in the organization have positive effects in intrapreneurial behavior.

Work discretion

This refers to the capacity entrusted to the workers in making informed decisions concerning how best they can handle their various jobs efficiently. It involves managers and supervisor's dedication and commitment in decision-making standards. Intrapreneurs tend to flourish on the liberty which stimulate their inborn desire to make inventions. For organizations to start and promote intrapreneurial efforts, they need to encourage and give liberty to their employees to grow their ideas (Karimi, Malekmohamadi, Daryani, & Rezvanfar, 2011; Mokaya, 2012).

Time availability

This involves ensuring that there is a enough time for employees and teams to engage in innovative and creative practices. Employees job responsibilities should be structured in a way that provide enough time to them to achieve both the firm's long-term and short-term goals (Kuratko, Ireland, & Hornsby, 2001). This imply that employees should be given more free time to engage in innovations and they should not be burdened with everyday workload.

Organizational boundaries

This refers to the presence of organizational structure and fluid boundaries that is supportive for entrepreneurship (Monnavarian & Ashena, 2009). According to Goosen (2002) such structure provides the administrative ways whereby thoughts are embraced, picked and pursued. It is assumed that organization factors are being the most important element of intrapreneurial effort because of the control and support by the internal environment whom decides intrapreneurial activities inside an organization , (Esther, 2013). Based on the above discussion we postulate that ;

P1: Organizational Factors (Management support, availability of time, organizational boundaries, and work discretion) will affect intrapreneurial activities

EXTERNAL ENVIRONMENTAL CONDITIONS

External environment conditions are the factors that subsist outside the limit of the organization and have possibility to effect the operations of the organizations (Daft, 2007). These factors can be categorized as political, economic, social and technological. In similar note, plethora of past studies posited (McFadzean, O'Loughlin, & Shaw, 2005) that external environment is most likely to have an impact on intrapreneurial activities of the organization. Behram and Ozdemirci (2014), recognized dynamism, demand for new products , organizational growth and technological opportunities are among the four positive external environmental conditions that are expected to effect intrapreneurial initiatives in an organization (Esther, 2013).

Dynamism

Dynamism refers to all the unpredictable changes that are caused by change in political, economic, social and technological factors. The increased level of dynamism can foster intrapreneurial activities in the organization, because to cope up the dynamic environment organizations needs to entrepreneurial in their day to day business processes (Farrukh, Lee, & Shahzad, 2019).In contrary to this, McFadzean et al. (2005), argued that turbulent environment can make decision makers uncertain and ambiguous, which might lead to lack of planning for

intrapreneurial activities.

However, we believe that if the organizations are working in a stable environment, there are very less chances that employees will get involved in proactive and risk-taking activities.

Technological Opportunities

Technological changes tend to impact organizations towards an intrapreneurial pose and escalate intrapreneurial exercises. Shaw et al. (2005), orated that innovation in an organization will be effected by new technology. The technological changes have the abilities to significantly impact the parameters and rule in which organizations work, thus to respond to these changes, organizations should adopt to intrapreneurial activities (Tripathy, 2006). Mathu, (2016) stated that “In this age of technological turbulence and hyper-competition, organizations regardless of size need to be creative and innovative through adoption and implementation of information technology”.

Shaw et al. (2005), addressed that unused innovation effects advancement in an organization. Acknowledgment together with misuse of the good centrality of innovative alter is essential as this could too alter the policies and restrictions inside which organizations work (Esther, 2013; Mathu, 2016)

Organizational growth

Mathu (2016) narrated that “Organizational growth can influence intrapreneurial activities in an organization. Such growth potentially offers intrapreneurial opportunities which can pull organizations into increased intrapreneurial activities such as new ventures, new product/service innovations or new markets:”

The development and growth of the organization can also impact the entrepreneurial activities. The growth will require the organizations to come up with innovative ideas so that the demand can be fulfilled, similarly, a decline in the growth of the organization can also foster intrapreneurship.

From the literature review, there is consensus that essential antecedents of intrapreneurial initiatives within an organization are external environmental conditions. Leaders of organizations have either minimum control or none towards the environment. Therefore, they must be flexible and adaptable in coping up the external environmental factors.

Literature on intrapreneurship accord that environmental and organizational factor play a significant role in nurturing intrapreneurship in developed countries. However, there is scarce research on the patterns of such association between these factors and intrapreneurial activities in developing countries (Mathu, 2016) such as Pakistan. This study seeks to develop the conceptual mode that can be tested in Pakistani context for empirical verification. Leaning on the above discussion we postulate that

P2: Environmental factors (Dynamism, Technological Opportunities, Organizational growth) will have an impact on intrapreneurial activities

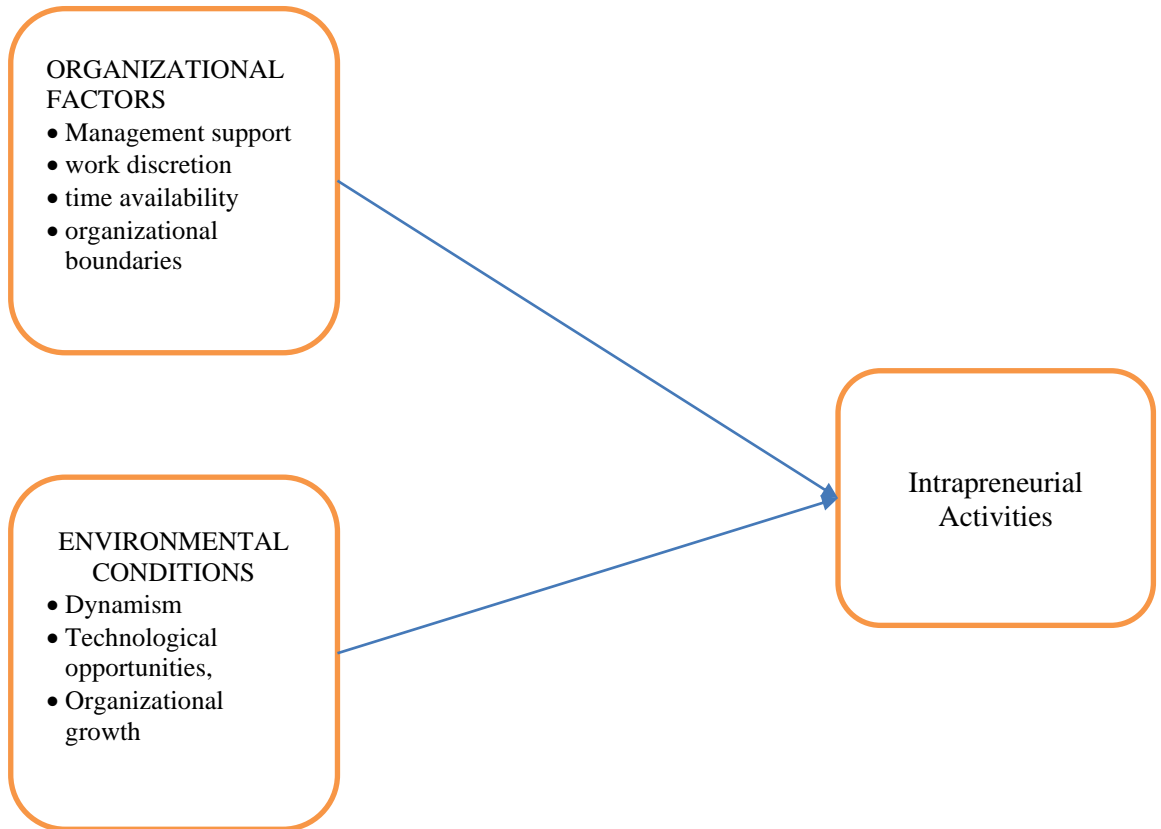


Figure 1: Conceptual Model of Intrapreneurial Activities

CONCLUSION

Intrapreneurship as an emerging field of research has become an attractive area of research. Understanding of the prerequisites of intrapreneurship is important for the organizations aiming to foster intrapreneurial activities. This research built a conceptual model of organizational and environmental level factors and offers an orientation for researchers to identify relevant research issues. As per literature review, this paper provides the fundamental research on intrapreneurship. The paper provides insights into five organizational and four environmental level factors and integrates them within a model. Therefore, this paper is being the initial contributor towards a complete research model of intrapreneurship in the research field. The intuitions relating to the factors influencing the intrapreneurial activities and importance of executing will be the results of this research.

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