

Analysis of the Roles of Intrapreneurs in Achieving Organization's Development in Abia State, Nigeria

Onyebu, M. C. & Oluwafemi, A. M.

Department of Entrepreneurial Studies

College of Management Sciences

Michael Okpara University of Agriculture, Umudike

Abia State, Nigeria.

chinweonyebu@gmail.com, areoyemichael@gmail.com

Abstract

The aim of the paper is to look into Analysis of the roles of Intrapreneurs in organization's development in Abia state, Nigeria. This study adopted the primary source of Data with the use of face to face interview, and a well structured questionnaire. Also, simple random sampling technique was used to select sixty (60) respondents. Data were analyzed using the statistical package for social sciences (SPSS), which generated the frequency distributions, means, standard deviations, analyses of variance, etc of the responses. The hypotheses of this research which were tested at 0.05 level of significance using analysis of variance and pearson's moment correlation to show the significant effect of the roles of Intrapreneurs on organization development, and positive relationship between socioeconomic characteristics and Intrapreneurs' effectiveness respectively. The major findings of this study include the following: revealed that opportunity recognition, creativity engagement, value creation and accountability, team development, and effective application of resources are the mostly played roles by the Intrapreneurs in the study area. Rigorous process, Reward/Salary, Working environment, Management experience, Leadership style, and Recognition were the significant factors affecting the effectiveness of the intrapreneurs in achieving organization development. The study concluded that the roles of Intrapreneurs have a positive effect in organization development as it revealed that majority of the respondents fell within the range of High expectation and Moderate expectation with 32.0% and 33.5% respectively. The study recommended that for the effectiveness of the Intrapreneurs, the organization should continue to recognize, motivate, reward properly, protect the interest of the intrapreneurs, and also adopt a favourable leadership style within the organization.

Keywords: *Intrapreneurship, Intrapreneurs, SMEs, Organization's development (OD)*

Introduction

Developing intrapreneurship in organization is crucial as it requires an organization to grow and diversify its business, to satisfy and retain its best staff's motivation, and to exploit its underused resources in new ways. As reported by National Economic Advisory 2012, Nigeria's strategic plan to transform its economy focuses on strengthening and intensifying human capital development. Among the strategic thrusts proposed is to intensify human capital and to equip human resources with necessary competencies and encourage entrepreneurial initiatives to make certain that the private sector is the vanguard of the economic development. The emphasis on fostering entrepreneurial spirit among workforce in private sector is seen crucial to improve the competitiveness of the organization and subsequently enhance the competitiveness of the country. The aim of intrapreneurship is to develop a new venture within organizations in order to exploit a new opportunity to promote economic value and organizational performance improvement. Studies show that intrapreneurship can be considered as a vital corporate strategy

(Romero-Martínez, Fernández- Rodríguez, and Vázquez-Inchausti, 2010) and a factor key that helps organizations to sustain competitiveness and improve performance (Aktan and Bulut, 2008; Douglas and Fitzsimmons, 2009; Molina and Callahan, 2009). However, related literature lacks conclusive evidence on the role of intrapreneurship in organizations. Intrapreneurship is a revolutionary system of speeding up innovations within large companies by making better use of their entrepreneurial talent.

1.2 Statement of the Problem

Due to the increasing pressure exerted on organizations to compete towards organizational sustainability, the need for this research arises, to critically examine the roles of Intrapreneurs in Organization Development in the study area.

1.3 Objectives of the Study

The main objective of this study is to empirically analyze the roles of Intrapreneurs in Organization Development in Abia state, Nigeria. The Study shall also look into the following specific objectives;

1. To determine the socio-economic characteristics of the respondents in the study area.
2. To determine the roles of Intrapreneurs in the development of Organizations in the study area.
3. To determine the effects of the roles of Intrapreneurs in Organization Development.
4. To determine the factors affecting the effectiveness of the Intrapreneurs in achieving organization development.

1.5 Research Hypotheses

The following null hypothesis will be tested, for the comprehensiveness of the study.

1. **H₀:** There is no significant and positive effect of the roles of Intrapreneurs on Organization development.
2. **H₀:** There is no significant relationship between socio-economic characteristics and the Intrapreneurs effectiveness.

2.1.1 Concept of Intrapreneurship

Intrapreneurship is defined as the process through which Entrepreneurial activities are initiated within an organization so as to meet the predetermined objective of the organization. It is also a process through innovative products or processes are developed by creating an entrepreneurial culture within an existing organization. Intrapreneurship is perceived to be important, not only because it assists organizations to obtain a better competitive position but also contributes to the economy of a country at large. Who does these activities? It is the Intrapreneur- an individual who initiated entrepreneurship orientation within an existing organization as to enhance the effectiveness, continuation and sustainability of the organization's success. The literature on intrapreneurship has labeled two groups of intrapreneurship antecedents: one group refers to the organization and the other to the external environment of a company. The most important result of intrapreneurship is "*performance*". One of the most important concerns of managers is how to create new ideas in established organizations. Intrapreneurship can have many meanings you can't even successfully run spell check on the word. However, intrapreneurship can lead to amazing results in product and procedural development within a company or corporation. Intrapreneurship is meant to encourage employees in developing their own ideas, innovations, and techniques into solid plans of action that benefit the companies they work for Corporations, partnerships, associations, and non-profit organizations are all able to benefit from intrapreneurship. Though it may be easier to launch a product or service when backed by a corporation, intrapreneurship

is still a lot of work. In addition, there are no guarantees that you will be successful. Being tied to the corporate entity you work for can also create a fear of failing due to job security. Therefore, this paper had revealed a few tips to guide one down the path of successful intrapreneurship in one's cooperate organization.

2.1.2 Concept of Organizational Development

Organizational development (OD) is a two base word expressing a concept. Whereas an Organization is a set or group of arrangements according to which work is divided up in order to achieve some single objective or group of objectives. Development refers to the structural, cultural, and economical improvement. Thus, OD interventions focus on the total culture and cultural processes of organizations. The focus is also on groups, since the relevant behavior of individuals in organizations and groups is generally a product of the influences of groups rather than of personalities. It involves growth and structural advancement. Organization development is a well planned systematic process of innovation that uses behavioral science, knowledge and techniques to improve an organization's health and effectiveness through its ability to adapt to the environment, improve internal relationship, and increased learning and problem solving capabilities (Sashikin, 1987) in (Obayi, A.U and Israel I.E, 2015). Organizational development focuses on the human and social aspect of every organization and works to change individual attitudes and relationships among employees. The objective of OD is to improve the organization's capacity to handle its internal and external functioning and relationships. This includes improved interpersonal and group processes, more effective communication; enhance ability to cope with organizational problems of all kinds. It also involves more effective decision processes, more appropriate leadership styles, improved skill in dealing with destructive conflict, as well as developing improved levels of trust and cooperation among organizational members.

2.1.3 Intrapreneurship vs Entrepreneurship

The differences between entrepreneurship and intrapreneurship is perhaps more dramatic than the similarities. Intrapreneurship is often restorative whereas individual entrepreneurship is developmental. Restorative action is taken to counter stagnation within a large organization that perhaps long ago became overly structured and hierarchical. Individual entrepreneurship, on the other hand, creates something out of nothing. It develops a product or process where none existed before. In the case of venture, even the entity itself is new. A second difference between individual entrepreneurship and intrapreneurship is the firm's antagonism. In case of individual entrepreneurial, the enemy is the market. The task for the entrepreneur is to overcome obstacles within the market in order to persevere and become a competitive force. But in the case of intrapreneurship, the corporate culture may be the primary foe. Depending upon the relationship, the company itself can stifle the very entrepreneurial processes it seeks to encourage. Thus, in addition to overcoming market obstacles, the intrapreneurs may also have to overcome organizational hurdles, blocks and mindsets. A third differences is that intrapreneur has the access to company's funds, manufacturing facilities, marketing network and other support facilities provided the venture opportunity warrants it. The entrepreneur, on the other hand, has to use his personal wealth or scramble to obtain funding and support from various outside sources. A fourth difference is that intrapreneur does not have the ownership of the new venture created nor is the completely independent whereas an individual enterpreneur is completely independent and has complete ownership of the new venture established by him.

According to Gifford Pinchot, Intrapreneurship means:-

- A set of business practices that liberates people with entrepreneurial personalities to innovate rapidly inside larger organizations for the benefit of that organization and its customers.
- The actions of an individual and/or a team that is acting in an entrepreneurial manner to serve the best interests of larger organization and its supply chain, with or without official support.

Conclusively, Entrepreneurship is a driving force for modern economies and societal development through both economic growth and the generation of employment and the promotion of innovation (Bosma *et al* 2010, 2009). Whereas Intrapreneurship refers to the process whereby an organization creates new business units or instigates renewal within that organization. However, Dess and Lumpkin (2005) opined that to stimulate these entrepreneurial activities within an organization, it is necessary to build an adequate level of entrepreneurial orientation. Therefore, Entrepreneurship orientation such as creativity, risk-taking/management, innovativeness, pro-activeness, and competitive aggressiveness, are essential elements in projecting an entrepreneur towards entrepreneurial success within and or outside an organization.

Theoretical Framework

Fostering entrepreneurial strategies in enhancing organization development within a particular organization cannot be done alone without referring to the entrepreneurship theories such as;

2.2.1 Human Capital Theory

Human capital theory is embedded in two major factors such as education and experience (Becker, 1975) in (Obayi, A.U *et al*, 2015). The knowledge gained from education and experience represents a resource that is heterogeneously distributed across individuals and in effect central to understanding differences in opportunity identification and exploitation (Gartner *et al*, 2005; Anderson & Miller, 2003).

2.2.2 Psychological Theory

According to Landstrom, (1998), the level of analysis in psychological theory is the individual. Psychological theory emphasizes on personal traits that define both entrepreneurship and corporate entrepreneurship/intrapreneurship. Personality traits need for achievement and locus of control are reviewed and empirical evidence presented for three other new characteristics that have been found to be associated with intrapreneurship inclination, which include; innovativeness, co-activeness, tolerance for ambiguity, and not the least risk taking and management. The personality traits are the individual qualities that make them perceived in most situations. The qualities and potentials of the entrepreneurs are that, they tend to be more opportunity driven, demonstrate high level of creativity and innovation, and show high level of management skills and business knows how (Obayi, A.U. *et al*, 2015).

2.2.3 Anthropological Theory

The concept anthropology is concerned with culture. This theory is paramount in exhibiting the personality traits of individuals within an organization framework. The anthropological theory says that for an individual to successfully initiate an innovation, the social and cultural contexts should be examined or considered. Here, emphasis is centered on intrapreneurship/corporate entrepreneurship model which say that individual characteristics are exhibited within an organization based on the organization's culture. This implies that cultural practices lead to intrapreneurs attitudes. Thus, Baskerville, (2003) opined that cultural

environments can provide attitude differences as well as entrepreneurial behaviour's differences.

2.2.4 Opportunity-Based Theory

Drucker, (1985) stated that entrepreneurs do not cause change but exploit the opportunities that change creates. What this philosophy means is that entrepreneurs have an eye more for opportunities created by change than the problems. Stevenson (1990) in Obayi, A.U *et al*, (2015) extended drucker's opportunity-based construct to include resourcefulness. This is based on research to determine the differences between entrepreneurial management and administrative management. He concluded that the hub of entrepreneurial management is the "pursuit of opportunity without regard to resources currently controlled".

2.2.5 Resources-Based Theory

The theoretical basis for the relationship or interaction between corporate entrepreneurship and firm performance is based on resource-based perspective, since the resource-based perspective indicates the importance of firms' specific resources and capabilities for acquiring sustainable competitive advantage over their competitors (Danışman and Erkocaoğlan, 2007). The resources-based theory argues that access to resources by founders is an important predictor of opportunity based entrepreneurship and in new venture growth as opined by Alvarez and Busenitz, (2001). This is also applicable in the practice of intrapreneurship within an existing organization as the theory stresses the importance of financial, social and human resources. Thus, access to resources enhances intrapreneurs' ability to detect and act upon discovered opportunities.

2.3 Empirical Framework

The studies on Intrapreneurship in developed economies especially after 1990's have revealed that entrepreneurial activities within the firms provide successful firm performances (Lumpkin & Dess, 2001; Simsek *et al.*, 2009; Phillip *et al.*, 2009; Rajshekhar, *et al.*, 2012). The most common determined and checked hypotheses dimensions of Intrapreneurship are risk taking, innovation, pro-activeness and competitive aggressiveness (Sharma and Chrisman, 1999; Dess *et al.*, 2003). Several studies investigating the relationship between corporate entrepreneurship and firm performance concluded that corporate entrepreneurship has led to the development of the company performance (Kaya, 2006). Most of the studies on Intrapreneurship examined the direct impact of orientation and activities of Intrapreneurship and Corporate Entrepreneurship on both growth and profitability (Antoncic and Hisrich, 2004). Kaya (2006) concluded that there is moderate and positive relationship between Intrapreneurship (corporate entrepreneurship) and firms' performance, and human resources was taken as an intermediary between those two concepts.

Methodology

This study adopted the primary source of Data with the use of face to face interview, and a well structured questionnaire. Also, simple random sample technique was used to select sixty (60) respondents. Data were analyzed using the statistical package for social sciences (SPSS), which generated the frequency distributions, means, standard deviations, analyses of variance, etc of the responses. The hypotheses of this research which were tested at 0.05 level of significance using analysis of variance and pearson's moment correlation to show the significant effect of the roles of Intrapreneurs on organization development, and positive relationship between socioeconomic characteristics and Intrapreneurs' effectiveness respectively.

Results and Discussion

The results of this study were discussed on the basis of the objectives as follow:

1. Socioeconomic Characteristics of the Respondents

The findings revealed that more of male respondents were selected in the program than the female respondents, majority of the respondents were of the middle age, energetic, and innovative and could be available for any manual work, most of the respondents were married and the reason for selecting more of married respondent was due to the fact that married people are reasonable, responsible and more initiative than the singles, more of the Intrapreneurs are educated, and the more educated they are, the more innovative they are, most of the respondents selected had moderate income level.

2. Roles of Intrapreneurs in Organization Development.

Roles	Frequency	Percentage
Opportunity recognition	52	86.7
Vision oriented	39	65.0
Creativity engagement	50	83.3
Value creation and accountability	53	88.3
Significant ambiguity	40	66.7
Risk taking and management	41	68.7
Formation of strategies	48	80.0
Sense of responsibility	36	60.0
Team spirit development	51	85.0
Change initiation	47	73.3
Logical and multi-dimensional thinking	48	80.0
Initiation of new technology	37	61.7
Effective application of resources	50	83.3
Change of organization structure	46	76.7

Field survey, 2018.

The table above revealed that opportunity recognition, creativity engagement, value creation and accountability, team development, and effective application of resources are the mostly played roles by the Intrapreneurs in the study area with above 50 percent. The reason for this could be due to the fact that they are seen as initiative employees employed to work towards the achievement of the organization's goal. It also revealed that vision oriented role, significant ambiguity, risk taking and management, formation of strategies, sense of responsibility, change initiation, and others, are weaker roles perform by same Intrapreneurs with below 50 percent. The reason for this could be due to the fact that they are subject to deadened job. That is, having limited employment contract with the organization that employed them. This is in line with the findings of Farhad, *et al* (2011) that the role of organizational factors in creating entrepreneurial behaviors and organizational performance improvement are significant.

3. Effect of the Roles of Intrapreneurs in Organization Development

Roles	Effect					
	VHE	HE	ME	LE	VLE	TOTAL
Opportunity recognition	10 (16.7)	22 (36.7)	20 (33.3)	8 (13.3)	2 (2.3)	60 (100.0)
Vision oriented	7 (11.7)	18 (30.0)	21 (35.0)	11 (18.3)	3 (5.0)	60 (100.0)
Creativity engagement	11 (18.3)	20 (33.3)	22 (36.7)	7 (11.7)	- (-)	60 (100.0)
Innovation	10 (16.7)	21 (35.0)	18 (30.0)	8 (13.3)	3 (5.0)	60 (100.0)
Ambiguity	12 (20.0)	18 (30.0)	19 (31.7)	11 (18.3)	- (-)	60 (100.0)
Risk taking & mtg.	8 (13.3)	16 (26.7)	18 (30.0)	12 (20.0)	6 (10.0)	60 (100.0)
Formation of strategy	11 (18.3)	15 (25.0)	23 (38.3)	7 (11.7)	4 (6.7)	60 (100.0)
Team spirit development	16 (26.7)	22 (36.7)	18 (30.0)	4 (6.7)	- (-)	60 (100.0)
Change initiation	14 (23.3)	21 (35.0)	20 (33.3)	5 (8.3)	- (-)	60 (100.0)
Effective application of resources	7 (11.7)	19 (31.7)	21 (35.0)	10 (16.7)	3 (5.0)	60 (100.0)
Change of organization structure	3 (5.0)	18 (30.0)	23 (38.3)	14 (23.3)	2 (2.3)	60 (100.0)
GRANDTOTAL	138	269	281	125	25	840
%	(16.4)	(32.0)	(33.5)	(14.9)	(3.2)	(100.0)

Field survey, 2018.

NOTE:

Parenthesis figures are percentages

VHE: Very high expectation

HE: High expectation

ME: Moderate expectation

LE: Low expectation

VLE: Very low expectation

Table above revealed that majority of the respondents fall within the range of High expectation and Moderate expectation with 32.0 percent and 33.5 percent respectively. The implication of this is that the intrapreneurs play majorly, their roles toward organization's development. The reason for this could be due to the fact that intrapreneurs possess the same qualities with entrepreneurs despite working within an existing business. Also, it is justified with this analysis that the roles of the intrapreneurs within the study area have a positive effect on the organizations development. This study confirms the finding of Barney and Clark, (2007) that intangible assets such as organizational structure, organizational culture, management support, reward systems, resource availability enable organizations to improve their efficiency and effectiveness.

4. Factors affecting the effectiveness of the Intrapreneurs in achieving organization development

The study however, revealed after the adoption of implicit regression model that Rigorous process, Reward/Salary, Working environment, Management experience, Leadership style, and Recognition were the significant factors affecting the effectiveness of the intrapreneurs in achieving organization development. While the adoption of ANOVA and correlation, the finding revealed that there is a significant effect of the roles of Intrapreneurs on organization development and there is a positive relationship between socioeconomic characteristics and Intrapreneurs' effectiveness respectively.

5.3 Conclusion

The study concluded that the roles of Intrapreneurs have a positive effect in organization development as it is revealed that majority of the respondents were revealed to fall within the range of High expectation and Moderate expectation with 32.0% and 33.5% respectively. This confirms the study of Zahra, (2007) that the relationship between various dimensions and environmental factors, reinforced by policies implementing entrepreneurial behavior in organizations, can be a guide for company success in the modern business environment.

5.4 Recommendation

Based on the results of this finding, the study recommended that;

1. Women should also by means engage in entrepreneurial activities, so as to ensure equality in sharing of economic resources. Also, this will bridge the gap between male and female gender discrimination in entrepreneurial decision making.
2. Intrapreneurs in every working organization should not only delimit their roles to the specifically mentioned above, and also be effective in each role. This is because each of these roles has its significant effect in the survival of the organization.
3. The Intrapreneurs should also improve in making each of their roles a priority in order to achieve more of the organization's predetermined goal.
4. And finally, for the effectiveness of the Intrapreneurs, the organization should continue to recognize, motivate, reward properly, protect the interest of the intrapreneurs, and also adopt a favourable leadership style within the organization.

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