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# Practitioner Perspectives Of Information Technology Industry Intrapreneurship: An Exploratory Study

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## ABSTRACT

*Scholars have shown that maintaining an intrapreneurial culture contributes to superior firm performance (Parboteeah, 2000) and attracting better qualified job applicants (Olmsted, 2005). Yet, there remains a need for more research “regarding the successes or failures of large companies that systematically instill corporate entrepreneurship” (Thornberry, 2003 p. 332). While an increasing number of scholars have examined the benefits and challenges of creating and maintaining an intrapreneurial culture, there remains a need to examine intrapreneurship from an intrapreneur’s perspective. This article is an exploratory study which qualitatively, through the use of informational interviews, explores how experienced intrapreneurs within the Information Technology (IT) field view intrapreneurial opportunities and how management practices explicitly and/or implicitly effect intrapreneurial perceptions.*

**Keywords:** Information Technology, intrapreneurship, intrapreneurs, intrapreneurial culture, entrepreneurship, entrepreneurs, entrepreneurial culture

## INTRODUCTION

Because senior management plays an important role in influencing the actions of intrapreneurs (Kuratko & Montagno, 1989), interviewing intrapreneurs may provide managers with specific examples of successful leadership techniques that stimulate intrapreneurial behaviors. To gain insight into the perspectives of intrapreneurs within an IT corporate culture, the principal investigator interviewed two subject matter experts and practicing intrapreneurs.

The research subjects agreed to participate in a study exploring the challenges and opportunities associated with intrapreneurial endeavors. For the purposes of this exploratory study, intrapreneurship is defined as innovatively pursuing opportunities and demonstrating the traits of an entrepreneur while working as an employee (Pinchot, 1985). Research Subject A (RS-A) has over a twenty years IT experience as a self-employed consultant and corporate manager. He is currently vice president of a Fortune 500 company, and his responsibilities include serving as a global product manager for several IT products. Research Subject B (RS-B) has approximately ten years entrepreneurial experience and is employed as an IT consultant for a growing technology firm, which provides a wide range of web-site design and technology services for small business owners. Subject matter experts within the IT industry were chosen because numerous companies in this field, such Dell Computer, have been shown to maintain an entrepreneurial orientation (Dess & Lumpkin, 2005).

## LITERATURE REVIEW

While corporate entrepreneurs are often considered visionaries who do not follow the status quo (Kuratko & Goldsby, 2004), they are generally defined in academic literature as employees who exhibit entrepreneurial qualities within an organization (Kuratko, Montagno, & Hornsby, 1990). To enhance profitability, executives have

increasingly looked to corporate entrepreneurship as a way of generating new revenue streams (Andonisi, 2003). While the oxymoronic nature of corporate entrepreneurship causes challenges for managers (Trimble & Lang, 2002), the success of corporate entrepreneurial ventures (Thornberry, 2003) and market pressure have stimulated executive interest in corporate entrepreneurship as a means of growth and innovation. In establishing an intrapreneurial environment, the first characteristic that needs to be operant is “that the organization operates on the frontiers of technology and new ideas are encouraged and supported, not discouraged, as frequently occurs in firms where rapid return on investment and high sales volume requirements exist” (Hisrich, 1990, p. 217). Top management should support an intrapreneur if that employee is to be successful (Hisrich, 1990).

Corporate entrepreneurship has many ancillary benefits, one of the most important being its ability to attract talented job candidates (Olmsted, 2005). Yet, while the advantages of creating an entrepreneurial culture are numerous, there are risks, including employee conflict; perceived inequity and jealousy (Southon & West, 2005); insufficient reward systems; and problems associated with balancing new initiatives with existing responsibilities (Kuratko & Montagno, 1989).

## **RESEARCH METHODOLOGY**

While qualitative techniques are effective at identifying contemporary issues in a real-world setting (Creswell, 1998), limited generalizations can be made to a larger population (Human, 2003) due to the limited sample size, lack of random selection, and lack of quantitative data that can undergo statistical analysis (U.S. Department of Health and Human Services, 2005). However, informational interviews, like other qualitative approaches, provide a rich source of information (Gummesson, 2003) which will benefit future researchers. There is a lack of field research in this area (Thornberry, 2003); thus, these interviews with subject matter experts will provide data for future scholarly endeavors in the area of intrapreneurship.

## **RESEARCH FINDINGS**

Each research subject graciously agreed to answer five questions. The questions and their answers are expressed in Table 1 below.

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**Table 1 – Informational Interviews - Questions and Answers (Interviews Conducted November 22-30, 2006)**

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### ***Question # 1. What do you feel are the biggest challenges facing corporate entrepreneurs in an IT work environment?***

**RS-A** Response: A global enterprise IT environment tends to bring with it many corporate political challenges. Often many young wide-eyed motivated employees become jaded by the realities of large IT organizations. Specifically- the dreams of making a difference through architecting innovative solutions is sometimes thwarted by hidden agendas and cost-cutting requirements. The good news is there is hope for the entrepreneur at-heart, and these die-hard entrepreneurs can cut through the hurdles and truly make a noticeable difference if they are willing to go against the grain for what they believe will make a positive impact to the business.

**RS-B** Response: Without a doubt it has to be finding support within an organization for these initiatives, both from a corporate and colleague perspective.

### ***Question # 2: Have any of the IT companies that you have worked for encouraged intrapreneurial behaviors, either tacitly or explicitly?***

**RS-A** Response: I have been fortunate to work at a company that fostered intrapreneurial behavior. Actually, I need to rephrase- I have been fortunate to work for a leader who fostered this form of behavior. Having a boss that shapes your goals as if you own part of the company is a very effective technique to obtain results.

**RS-B** Response: My current employer definitely encourages the behavior. When you work in an environment with a lot of very bright, ambitious people and there is mutual respect and trust, letting people explore professionally is a natural fit. A smart employer is going to recognize that spending a little time and effort to foster these activities is something that can produce remarkable gains for the business as well as provide personal satisfaction to the worker and increase happiness and retention.

***Question # 3: How are IT intrapreneurs viewed among peers who may be inclined to take a less entrepreneurial career path?***

**RS-A Response:** Peer groups may view IT intrapreneurs either as foolishly swimming upstream or as employees looking for the potential benefits of the limelight.

**RS-B Response:** In some instances there could be personal conflicts where one person is put off by another's ambition. With this being said, I think this is a factor that plays in any organization. If workers respect each other and do not feel that they are competing against each other, I think that this factor has much less impact on those relationships.

***Question # 4: What are the benefits of working as an intrapreneur compared to launching a traditional IT start-up?***

**RS-A Response:** Having worked in both scenarios it is clear to me there are definite advantages in both. Advantages include a somewhat guaranteed paycheck as well as the fringe benefits. However, the benefits come with a price- especially in large global environments. Lack of control and full authority for decision making is typically not part of the corporate incentive package.

**RS-B Response:** Financial stability and more freedom to explore. For instance, if you examine the open source movement you will find that a lot of the people contributing to these projects are doing so in their off hours for personal and professional growth and enjoyment. When someone is able to work on projects that he can do at his own pace and under his own 'employment', it is a very liberating feeling. One other factor is that the projects do not need to have a focus of turning a profit, just as the open source work that many people do. I have gained a lot of professional and personal satisfaction on contributing my time and effort to projects that will never result in payment.

***Question # 5: What advice do you have for IT professionals who may be considering leaving their jobs to pursue their own entrepreneurial ventures?***

**RS-A Response:** It would be foolish to believe more freedom, more flexible work schedule, and high amounts of stress are eliminated upon leaving the corporate IT world for an entrepreneurial venture. In fact- it's quite the opposite. Be sure you are truly ready- consider your hardest day in your corporate IT job and plan the stress to be at least doubled on your own. There is obviously a rush driving your own company- but you need to really want it in your gut.

**RS-B Response:** I might take a very untraditional approach on this, but I would say that if that is where your heart is, go ahead. In this world we can evaluate and analyze indefinitely. At the end of the day the most important thing for me is to wake up and ready to be challenged, grow and enjoy my career.

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## **RESEARCH FINDINGS**

According to Kuratko & Montagno (1989) management plays an integral part in nurturing and supporting an intrapreneurial culture. It appears both interviewees have benefited greatly from corporate cultures and executives who have encouraged and embraced their entrepreneurial talents. Thus, in this case, academic theory seems to be in alignment with the perspectives of successful intrapreneurs. The following quote seems especially pertinent to leaders seeking to stimulate intrapreneurial behavior amongst employees:

*I have been fortunate to work for a leader who fostered this form of behavior. Having a boss that shapes your goals as if you own part of the company is a very effective technique to obtain results" (RS-A, personal communication, November 23, 2006).*

The findings somewhat support Southon & West's (2005) contention that a drawback of intrapreneurship is the potential for professional jealousy. Both intrapreneurs acknowledge that jealousy may arise, but neither seems to view it as a mitigating factor of his professional intrapreneurial development. This may be attributable to IT companies being more entrepreneurially inclined. Intrapreneurs from industries less willing to embrace intrapreneurship, such as academia (Grant, 1998), would likely have much different perceptions.

It appears that the respondents view the benefits of an intrapreneurial path as providing steady income with the possibility of leveraging existing organizational resources in the pursuit of opportunity. The drawback of taking this path is that it allows for less freedom and autonomy in entrepreneurial decision making. Dess and Lumpkin (2005) note that entrepreneurial firms, while encouraging autonomy, do in fact have structural processes in place to

determine what opportunities will be pursued. Of course, traditional entrepreneurs are not bound by these types of restraints.

## CONCLUSIONS

Both subject matter experts provide responses that support academic research, which reaffirms the important role managers can play in stimulating intrapreneurial behaviors. Those who work in organizations where corporate entrepreneurship is encouraged and nurtured may find that the urge to launch their own venture will be minimized if they are encouraged by managers to pursue opportunities internally. Aspiring intrapreneurs may want to determine if their organizations are entrepreneurially orientated (Dess & Lumpkin, 2005) prior to pursuing an opportunity.

Managers that view intrapreneurial opportunities from the perspective of corporate entrepreneurs will create real value for stakeholders by fostering a culture where entrepreneurial talent can be nurtured. While continued research needs to be conducted into how managers instill corporate entrepreneurship behaviors (Thornberry, 2003), this study shows that managers can have a profoundly positive impact on intrapreneurial success.

## AUTHOR INFORMATION

**Dr. Matthew G. Kenney**, President of Kenney College, is an entrepreneurship scholar and practitioner. He is the author of two books and numerous peer-reviewed articles on entrepreneurship related topics. Dr. Kenney has designed online undergraduate, masters and doctoral courses for universities in Europe, Asia, and North America.

**Dr. Nile M. Khanfar** is an assistant professor at Nova Southeastern University College of Pharmacy in West Palm Beach campus. He received his Ph.D. in Pharmacy Administration from the University of Louisiana at Monroe. Dr. Khanfar has presented several podium and poster presentations at national and international Business and Pharmacy conferences. His research interest includes topics in the fields of marketing, management and healthcare. His work has been published in several peer-reviewed business and pharmacy journals.

**Dr. Lee E. Kizer** is a Professor of Business at Southern Wesleyan University and an Adjunct Professor of Business at Nova Southeastern University. He earned his MBA from the University of Arkansas and his Doctor of Science in Human Resource Management from Nova Southeastern University. His publications include cross cultural case studies as well as research in employee performance as a result of training. Dr. Kizer's research interests include topics in the area of employee motivation, employee retention, compensation and job analysis and design. He is currently working on a research project involving training instructors in cross cultural settings in the Bahamas and employee retention in the plastics industry in South Carolina. As a former Special Agent for the Federal Bureau of Investigation (FBI), he continues to perform security contract work for the federal government with the Department of Energy, the Department of Defense and the Department of Justice. He is a member of the Society of Human Resource Management (SHRM).

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**NOTES**