Impact of Corporate Entrepreneurship on Organisational Culture

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Continuous learning is the minimum requirement for success in any field. -- Dennis Waitley
Outline

Research Objective

What is Entrepreneurship?
- Origin of Term
- Definition
- Entrepreneurial behaviour

What is Corporate Entrepreneurship?
- Definition
- Type of Corporate Entrepreneurship
- Dimensions of Entrepreneurial Orientation
- Corporate Entrepreneurship Innovation
Outline

Integrating Corporate Entrepreneurship with Organisational Culture

Conclusion
Research Objective

• This study examines the impact of corporate entrepreneurship on organisational culture as a means of achieving high organisational performance by providing competitive advantage for organisational survival in such a global era.

• It provides suggestions on how to integrate corporate entrepreneurship within organisational culture by proposing the suitable leadership styles to guarantee high organisational performance.
The Term Entrepreneurship

Joseph A. Schumpeter (1883-1950)

Concept of “creative destruction”

Entrepreneurs are the main agents for economic growth through the creation of new methods of production
What is Entrepreneurship?

• Entrepreneurship is the willingness to take risks and develop, organize and manage a business venture in a competitive global marketplace that is constantly evolving. Entrepreneurs are pioneers, innovators, leaders and inventors.

• Link between Entrepreneurship and innovation.
Entrepreneurship - acronym

- **E**:xamine needs, wants, and problems.
- **N**:ote and narrow down the possible opportunities to one specific "best" opportunity.
- **T**:otal commitment with high work ethics
- **R**:eliable and passionate
- **E**:nterprising personality and behaviour
- **P**:roactive and pragmatic
- **R**:elationship Management expert
Entrepreneurship - acronym

• E:nergetic and competitive by nature
• N:ever allow reactivity or limiting belief
• E:mphasise on key performance indicators and critical success factors of the business.
• U:nderstanding of the need for commitment and high work ethics.
• R:ealistic and positive accomplishment and creative destruction Seized by passion and fixity of purpose to make things happen positively for the business.
• H:ighly focused and motivated I:nnovator with inner drive for success.
• P:ossibility mentality
Corporate Entrepreneurship

- Is a set of activities that enables the organisation to enhance its innovative ability through risk taking and seizing opportunities in the market place i.e. it targets both new business establishments and new market allocation.
Dimensions of Entrepreneurial Orientation

- Autonomy
- Innovativeness
- Proactiveness
- Competitive Aggressiveness
- Risk Taking
Corporate Entrepreneurship Innovation

Inputs

Entrepreneurial Transformation Process

- Opportunity Recognition
- Research Opportunity
- Development of Idea
- Commercialisation

Outputs

New Market and New Technology to Assist New Innovation

SOURCE: Author’s figure adapted ideas from Shaw et al. (2005).
Integrating Corporate Entrepreneurship with Organisational Culture

• To support an organisational culture of corporate entrepreneurship with the aim of enhancing organisational performance, organisational leaders should have a focused approach on advocating change and encouraging individual entrepreneurship.
Integrating Corporate Entrepreneurship within Organisational Culture

Approach should include the following:

• fostering new ideas;
• providing opportunities;
• risk taking; and
• general entrepreneurial behaviour via informal structure leading to a creative and innovative culture.
## Elements Required for Integrating Corporate Entrepreneurship with Organisational Culture and Leadership Style

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<tr>
<th>Element</th>
<th>Explanation</th>
<th>Leadership Style</th>
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<tbody>
<tr>
<td>Risk Taking</td>
<td>For an organisation to be called a corporate entrepreneurial organisation it needs to have people who are risk takers by being creative in their thinking to provide new ideas that have a potential of taking their organisations to another higher transformational level.</td>
<td>Transformational Leadership</td>
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<td>Transformational leaders have the ability to lead change within organisations via its mission, strategy, structure and culture by promoting innovation in products and technologies.</td>
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<td>Rewards and Motivation</td>
<td>People innovate because they either have passion about what they do or because they are expecting to be appropriately rewarded by their organisation.</td>
<td>Charismatic leadership tends to motivate followers to go beyond their normal duties and even surprise themselves with their achievements.</td>
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<td>Management Support</td>
<td>Top management support is essential as they can facilitate activities and provide financial and non-financial support to render the required employee behaviour</td>
<td>Fiedler’s contingency theory would be the most suitable one as it balances between the leader’s style if its relationship oriented (concerned with people) or task oriented (concerned with task completion and outcomes).</td>
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<td>Resource Availability</td>
<td>Management support with all the needed resources e.g. manpower, budget, training, time allocation etc… would be a main factor of success for advocating a corporate entrepreneurial culture within the organisation</td>
<td>Transformational leadership is vital here since they lead change in organisations, they will allocate the required resources to make sure new innovative ideas and technologies are adopted.</td>
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<td>Organisational Structure</td>
<td>Organisational structure is the pictorial manifestation of the hierarchal lines of authority within an organisation and the flow of information between different levels of management. Furthermore, it shows the lines of communication, duties and rights in the organisation.</td>
<td>A combination of leadership styles is required to fit the various hierarchy levels within the organisational structure. Each level requires a different leadership style to both encourage a culture of corporate entrepreneurship and fit with the diversified employees’ requirements.</td>
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Conclusion

Organisations are shifting towards corporate entrepreneurship out of necessity due to:

• rapid increase of new competitors in the market;
• due to the lack of trust in the traditional production methods; and
• due to the increase in individual entrepreneurs who are leaving organisation to work by themselves.
Conclusion

There is a link between corporate entrepreneurial culture and organisational performance.

Accordingly organisations should adopt a culture of innovation and creativity by fostering entrepreneurial activities within their organisations utilising the 5 elements and their relevant leadership styles mentioned in this research.
“If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do you have to keep moving forward.”

- Martin Luther King, Jr., pastor, activist, humanitarian and Civil Rights leader.