

The Relationship of Intrapreneurship Practices In The Workplace And The Company's Competitive Advantage

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ABSTRACT

The intrapreneurship practices of employees have become significant on the performance of the company in terms of competitive advantage. Intrapreneurship means doing the entrepreneurship of employees in the companies. The study employed a correlation method of analysis to determine the intrapreneurship practices of TSU BS-Entrepreneurship graduates and how these practices relate to the competitive advantage of companies. This study tapped one hundred twenty (120) graduates who are working in manufacturing companies in the province, comprising 60% of the whole population of graduates from the period 2012-2015 were asked to answer the instrument.

The results of the study indicate most of the intrapreneurship practices are applied at a moderate level. A significant correlation was noted between proactiveness as intrapreneurship practices to cost-competitive advantage. Moreover, innovativeness and opportunity recognition were registered to be significantly correlated with the competitive advantage in terms of differentiation and response respectively.

The study exhibits the crucial role for companies' entrepreneurs and managers to embrace and nurture intrapreneurship that would keep the company abreast of the fast changes in market needs and achieve a competitive advantage of the business.

Keywords: Entrepreneurship, intrapreneurship, innovation, creativity, competitive advantage

Introduction

The Bachelor of Science in Entrepreneurship (BSE) program of the Tarlac State University under the College of Business and Accountancy is considered the pioneer in providing college students an in-depth entrepreneurship training in the region and one of the first universities to offer in the country. The offering of the program has brought entrepreneurship to gain recognition because of its significance to social and economic development. It aims to equip business students with an entrepreneurial spirit to alleviate the economy from the bondage of poverty by providing employment opportunities.

With its inception in 1990, the BS Entrepreneurship in the university has already produced graduates who became successful entrepreneurs. This makes the university socially impactful and popular in the province and the region as well. However, despite the training and education of entrepreneurship students from the university, only twenty-five percent (25%) of BS in Entrepreneurship graduates pursued their entrepreneurial activities. Consequently, the majority of the graduates who are supposed to be starting up their enterprises are employed with companies as intrapreneurs (Pavico, 2018).

The advent of the intrapreneurship concept justifies the significance of the BS Entrepreneurship program sets by the CHED memorandum order number 18 series of 2017; because the training that graduates have obtained from the program still could not be put in a vacuum; even if, they are not practicing entrepreneurship but intrapreneurship.

The term intrapreneurship was first coined in the 1980s to describe those who are possessing the personal entrepreneurial competencies (PECs) however, employed in the organizations (Pinchot, 1999). Thus, intrapreneur possesses personal entrepreneurial competencies very similar to those of the entrepreneur, but in different realms. Intrapreneurs are distinct from traditional employees in the workplace because traditional employees are passive, whereas intrapreneurs are, proactive, creative, innovative (Morais, 2021)

Empirical evidence claims that an entrepreneur's personal entrepreneurial competencies (PECs) have contributed to business performance. (Zhang and Bruning 2011). However, since the focus of the paper is those graduates who are equipped with entrepreneurial competencies, this paper aims to determine the relationship of intrapreneurial practices of entrepreneurship graduates in the workplace to the company's competitive advantage which is rarely studied.

Statement of the Problem

This paper aimed to determine the relationship of intrapreneurship practices of BS Entrepreneurship graduates in the workplace. Specifically, it sought to answer the following questions:

1. What is the demographic profile of BS Entrepreneurship graduates in the workplace described in terms of:
 - 1.1 age;
 - 1.2 sex;
 - 1.3 civil status;
 - 1.4 position;
 - 1.5 number of years in employment?

2. How are the intrapreneurship practices of BS Entrepreneurship graduates in the workplace described in terms of:
 - 2.1 Innovativeness;
 - 2.2 Proactiveness;
 - 2.3 Opportunity recognition/exploitation;
 - 2.4 Risk-taking;
 - 2.5 Networking?

3. How do the intrapreneurship practices relate to the company's competitive advantage along areas of:
 - 3.1 cost;
 - 3.2 differentiation;
 - 3.2 response?

Hypotheses

1. There is no significant relationship between intrapreneurship practices and a company's competitive advantage in terms of cost, differentiation, and response.

Literature Review

Intrapreneurship has been described in various terms such as intrapreneuring, corporate entrepreneurship. The term intrapreneur refers to professionals who take hands-on commitment to introduce and sustaining innovation within the organization. He described intrapreneur as "person who focuses on innovation and creativity and who transforms a dream or an idea into a profitable venture, by operating within the organizational environment" (Carland & Carland, 2007).

Intrapreneurship tends to make companies survive with a competitive environment set by players in the industry with greater heights of creativity and innovation. Employees in the workplace should keep themselves abreast of the times. In short, employees are expected to possess attributes to contribute to the company to gear towards quality responsiveness, differentiation in product offerings, and cost-effectiveness. Corollary, companies require to strategize their organizational structure that encourages a climate of innovation and creativity which are tantamount to entrepreneurial initiatives. Consequently, the challenge for the company is to anchor its practices oriented towards the management of skills, which necessitates employees to exhibit these intrapreneurship practices to gain a competitive advantage over its competitors (Nezeen, 2018).

The outcomes of intrapreneurial practices of this paper were bombarded from the personal entrepreneurial competencies (PECs) of the UPISSI (2018) to wit; Opportunity seeking, Persistence, Commitment to work, Demand for quality and efficiency, Risk-taking, Goal setting, Information seeking, Systematic planning and monitoring, Persuasion and networking, and Self-confidence. Since intrapreneurship practices are the focus of the study, the practices of the intrapreneur boil down on these dimensions: innovativeness/creativity, proactiveness, opportunity recognition and exploitation, risk-taking, and networking. These behavioral dimensions seem to be consistent with practices offered in the definition of intrapreneurship adopted from Neessen, et. al. (2018).

Lomberg et. al (2017) emphasized the significance of innovativeness as one of the intrapreneurial practices which constitutes the inclination of the company to incorporate the soliciting of creative ideas in new products or services. Many studies proved that there are significant correlations between innovativeness and the competitive advantage of the company. From the same standpoint, Acar & Özşahin (2018) assert that the competitiveness of companies to survive from stiff competition emanated from innovative stance.

Another crucial intrapreneurial practice that takes center stage is proactiveness. Lumpkin (2010) affirmed that proactive intrapreneurial practice refers to the company's timely response to market opportunities through the effort of the employees. Hence, this proactive practice stance gives companies the knowledge to forecast scenarios on the business environment to their advantage.

Moreover, Heizer (2010) contemplated that entrepreneurial opportunity exploitation would provide the company's employees to study crucial facts first and utilize their professional competitive advantages existing in the market ahead of other companies.

Samson (2010) revealed correlations between networking with other research organizations and the level of entrepreneurship of a university. Similarly, practices in networking are an important variable for a company's intrapreneurial setup.

In a research framework, Heizer and Render (2010) described the following three broad dimensions of competitive parameters: competitive pricing/cost, differentiation, and response. These dimensions were further described and utilized in other contributions as well (Ferrin, 2010; Doherty, 2010; Rondeau, et. al., 2008; Miller, 2009; Fischer, 2010). Based on these studies, three dimensions of competitive advantage constructs used in this study were cost, differentiation, and response.

Cost leadership is the first competitive advantage companies often attempt to achieve. Cost leadership as an edge happens when the company can offer a similar product as its competitors, but lower price. Cost competitive advantage can occur when a company has ways to produce products and services through the perfection or utilization of resources in a more efficient manner than competitors (Doherty, 2010)

Differentiation is a second competitive advantage that companies primarily utilize to place themselves apart from their competitors. In this setup, businesses differentiate themselves for one or more marketable attributes (unique) that can distinguish them from the rest (Heizer, 2010).

Another way for a company to gain a competitive advantage is to be responsive. This strategy allows the company to further develop and distance itself from the competition by, in some sense quick responsiveness to both external and internal environments (Heizer, 2010)

Methodology

The study was conducted to determine the intrapreneurship practices of graduates of BS Entrepreneurship of Tarlac State University and how these are related to the competitive advantage of the company.

Data were collected from 120 graduates who are working in manufacturing companies in the province comprising 80% of the whole population of alumni from the three years 2012-2015. The intrapreneurs were surveyed using two sets of valid questionnaires. The tool to measure intrapreneurship practices was adopted from Nezeen, P., et.al (2018) and the competitive advantage constructs were from previous studies of Pavico (2016) and Ismail (2008).

Moreover, the researcher used Pearson's r coefficient in its endeavor to correlate the relationships between intrapreneurship practices of graduates to competitive advantages of their workplaces.

Result and Discussion

1. Demographic Profile

Table 1 presents the demographic profile of the respondents in the workplace. The respondents were mostly employees who fall through the category of young to middle-aged group (43.33%). The majority of the sample was comprised of females (74.16%) compared to male respondents (25.83%). The distribution of respondents in terms of civil status includes, single (40.83%), married (51.67%), and widowed (7.5%). Meanwhile, in terms of position, there were 73 or 60.63% who are occupying managerial positions among the respondents as compared to 47 or 39.17% rank and file.

Table 1.
 Demographic Profile of The Respondents

Variable	Frequency (f)	Percentage (%)
Age		
Below 26	38	31.67
28-31	30	25.00
32-above	52	43.33
Sex		
Male	31	25.83
Female	89	74.16
Civil Status		
Single	49	40.83
Married	62	51.67
Widowed	9	7.50
Position		
Rank and file	47	39.17
Managerial	73	60.63
Number of years in employment		
1-4	23	19.17
5-9	54	45.00
10-above	43	35.83

Fifty-four or 45% of the intrapreneurs are working with the company for 5 to 9 years while 23 or 19.17 % had 1 to 4 years, and the rest (43 or 35.83%) had spent a decade and more working in the company.

2. Intrapreneurship Practices of BS Entrepreneurship Graduates in The Workplace

Table 2 presents the intrapreneurship practices of BS Entrepreneurship graduates in the workplace.

The table tells the intrapreneurs' practices in the realm of carrying out their workload in the company which is generally registered as "often" practiced. However, risk-taking practices in the company seemed not crafted for and beyond the job specification of employees which is backed up with "sometimes" (3.24) description

Table 2.
 Intrapreneurship Practices of BS Entrepreneurship Graduates in The Workplace

Practices	Mean	Adjectival Description
Innovativeness	4.07	Often
Proactiveness	3.77	Often
Opportunity recognition/exploitation	3.84	Often
Risk-taking	3.24	Sometimes
Networking	4.05	Often

Innovativeness registered as the highest in mean (4.07). This was true enough for employees in the company and as a graduate of the entrepreneurship program being innovative is one of the personal entrepreneurial competencies of an entrepreneur. The data might give an implication that they would innovate only to the extent approved by the management.

As imbued with the basic tenet of entrepreneurship, networking ranked second highest in the mean (4.05). The networking practices of the intrapreneurs might be a strength that they could optimize the opportunity to perform well in fulfilling their task and responsibilities. This practice promotes internal bonding networks and bridges external entities which are basic competencies in an entrepreneurial endeavor.

Moreover, the ability to exploit and grasp profitable entrepreneurial opportunities, to be able to modify mistakes effectively registered 3.84 mean. Likewise, it explains the determination to take calculated risks and precise judgment for business are indeed all characteristics of a successful entrepreneur (Littunen, 2000).

The Relationship of Intrapreneurship Practices of BS Entrepreneurship Graduates to Company’s Competitive Advantage

3.1 Cost

It is an accepted expression that competitive advantage emerges from the creation of superior competencies that are leveraged to create customer value and profitability. Since intrapreneurs are knowledgeable of these concepts, they are expected to actively seek and carry out intrapreneurial practices working gear towards a strategic decision that would relate to achieving cost-competitive advantage.

Table 3 presents the relationship of the intrapreneurship practices of BS Entrepreneurship graduates to workplace competitive advantage in terms of cost.

Table 3

Relationship of the Intrapreneurship practices BS Entrepreneurship Graduates to Company’s Competitive Advantage in terms of Cost

Variable Being Related to Cost Competitive Advantage	r	Probability	Significance
Innovativeness	-.410	.129	Not significant
Proactiveness	.909**	.000**	Significant**
Opportunity recognition/exploitation	.173	.538	Not significant
Risk-taking	.118	.674	Not significant
Networking	-.090	.750	Not significant

**Correlation is significant at the 0.01 level

The result shows that there was no significant relationship between intrapreneurial practices of graduates and the cost-competitive advantage of the company except proactiveness. For this variable, the null hypothesis was rejected. The rest of the hypotheses were accepted (innovativeness, opportunity recognition/exploitation, risk-taking, and networking). This means that there is not enough evidence to claim that these are related to a company’s competitive advantage on cost.

However, intrapreneurs’ proactiveness variable was significantly correlated based on .01 significant level. This is also a manifestation that since they have been trained with the necessary knowledge and skills required for entrepreneurial activities, that would enable the intrapreneurs either to help their employers or manage their own assigned job proactively which contributes to the competitive advantage of the company in terms of cost.

Therefore, an improved proactiveness of intrapreneurs in the workplace like the ability to proactively respond to market needs and demands directly affects the company’s competitive advantage in terms of cost. Indeed, intrapreneurs’ proactiveness portrays a crucial role in crafting advantage as it constitutes not only to make immediate market demands of the company; more so, through the employees’ future-driven thoughts which could contribute to the company's cost-competitive advantage.

3.2 Differentiation

Differentiation constitutes the propensity of business enterprises to incorporate the spirit of generating creative ideas or processes to introduce new products or services through intrapreneurship. Table 4 shows the Relationship of the Intrapreneurship practices BS Entrepreneurship Graduates to Workplace's Competitive Advantage in terms of Differentiation.

Table 4

Relationship of the Intrapreneurship practices BS Entrepreneurship Graduates to Workplace's Competitive Advantage in terms of Differentiation

Variable Being Related to Differentiation Competitive Advantage	r	Probability	Significance
Innovativeness	.602**	.000**	Significant**
Proactiveness	-.608	.016	Not significant
Opportunity recognition/exploitation	-.041	.886	Not significant
Risk-taking	.164	.559	Not significant
Networking	-.161	.566	Not significant

**Correlation is significant at the 0.01 level

The result shows that there was no significant relationship existing between variables of intrapreneurship practices like proactiveness, opportunity recognition/exploitation, risk-taking, and networking. It is revealed with their correlation coefficient; hence, the null hypotheses were accepted. Consequently, these practices have not statistically provided sufficient evident correlations to the company's competitive advantage in terms of differentiation.

However, the innovativeness practice of the intrapreneurs was significantly correlated to the company's competitive advantage on differentiation as expressed in its correlation coefficient; hence, the null hypothesis was rejected. This explains that the innovative mindsets of intrapreneurs in the company posit high levels of company performance that would differentiate them from its competitors.

This further means that intrapreneurs contribute to the preparedness of the company to bring out unique concepts in terms of offering new products and services to customers.

3.3 Response

The results of the Relationship of the Intrapreneurship practices BS Entrepreneurship Graduates to Workplace's Competitive Advantage in terms of Response are shown in table 4.

The analysis findings revealed that opportunity recognition or exploitation indicated the existence of a significant relationship towards the Company's Competitive Advantage in terms of Response. Hence, the null hypothesis is rejected.

Table 4

Relationship of the Intrapreneurship practices BS Entrepreneurship Graduates to Company's Competitive Advantage in terms of Response

Variable Being Related to Response Competitive Advantage	r	Probability	Significance
Innovativeness	-.043	.604	Not significant
Proactiveness	-.049	.776	Not significant
Opportunity recognition/exploitation	.890**	.000**	Significant**
Risk-taking	.056	.246	Not significant
Networking	-.280	.242	Not significant

**Correlation is significant at the 0.01 level

The data confirm that practice on opportunity recognition has a statistically important positive relationship at 1% level of significance to performance specifically competitive advantage in terms of response. This view supports Butler (2006) who

gave a highlight the crucial role of responding to opportunities concerning successful entrepreneurship. This means that an improved opportunity practice of the intrapreneurs could bring the company's competitive advantage in terms of response.

This further means that the more responsive to opportunities such as introducing new products and services to customers (faster than competitors) and operate a production system that could meet the specific needs of the customer with speed, in large volumes so economies of scale were achieved.

However, the findings provide not enough evidence that other intrapreneurs' practices like innovativeness, proactiveness, risk-taking, and networking were significantly related to the performance of the company's competitive advantage in terms of response; thus, the hypotheses were accepted.

Conclusions

Entrepreneurship has always been renowned for its positive relationship to the economic condition of a certain country. Now and then government effort for the promotion, support, and development of entrepreneurship programs particularly in the academe, to motivate and encourage the youth to be entrepreneurial could not be overemphasized. However, it is observed that most graduates of the BS Entrepreneurship program who are trained to start their own business ended up as intrapreneurs. Thus, this study set out to determine the intrapreneur's practices of BS Entrepreneurship graduates and how these practices related to the company's competitive advantage in terms of cost, differentiation, and response.

The intrapreneurs who are equipped with the competencies of entrepreneurs are not given many perks to practicing intrapreneurial activities to the full extent in their workplace due to management control. Moreover, intrapreneurial policies are not in place to support such.

The study revealed a significant correlation was noted between proactiveness as intrapreneurship practices to cost-competitive advantage. This explains that the performance of the company in terms of cost is seen as a vital factor through which proactiveness, could contribute to competitive advantage in cost performance. Moreover, innovativeness and opportunity recognition were registered to be significantly correlated with a competitive advantage in terms of differentiation and response respectively. This means that an improved innovation and opportunity recognition of intrapreneurs posit an improved level of company's advantage in the dynamic business environment over its competitors differently and more responsive.

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