

This is a repository copy of *Role of a CEO in adopting intrapreneurship as an organizational strategy in SMEs*.

White Rose Research Online URL for this paper:  
<http://eprints.whiterose.ac.uk/107638/>

Version: Published Version

---

### **Proceedings Paper:**

Baruah, Bidyut Jyoti [orcid.org/0000-0002-4733-6156](http://orcid.org/0000-0002-4733-6156) and Ward, Anthony Edward [orcid.org/0000-0002-6100-8845](http://orcid.org/0000-0002-6100-8845) (2014) Role of a CEO in adopting intrapreneurship as an organizational strategy in SMEs. In: 18th Nordic Conference on Small Business Research, NCSB 2014. 18th Nordic Conference on Small Business Research, 14-16 May 2014 , NOR .

---

### **Reuse**

Items deposited in White Rose Research Online are protected by copyright, with all rights reserved unless indicated otherwise. They may be downloaded and/or printed for private study, or other acts as permitted by national copyright laws. The publisher or other rights holders may allow further reproduction and re-use of the full text version. This is indicated by the licence information on the White Rose Research Online record for the item.

### **Takedown**

If you consider content in White Rose Research Online to be in breach of UK law, please notify us by emailing [eprints@whiterose.ac.uk](mailto:eprints@whiterose.ac.uk) including the URL of the record and the reason for the withdrawal request.

# ROLE OF A CEO IN ADOPTING INTRAPRENEURSHIP AS AN ORGANIZATIONAL STRATEGY IN SMEs

*Bidyut Baruah, University of York, United Kingdom, bjb511@york.ac.uk*  
*Anthony Ward, University of York, United Kingdom, tony.ward@york.ac.uk*

## **Abstract**

Intrapreneurship is an effective organizational strategy to enhance the innovation progression in any organization regardless of their size. It is an established field of organizational management research with an impressive history of around 25 years. For any Small Medium Enterprise (SME), an innovation culture that can be attained through intrapreneurial initiatives can add significant competitive advantages to their organizational framework. The roles played by Chief Executive Officers (CEOs) in any organization are vast in terms of involvement with creativity and innovation but there are no substantial researches that clearly identify any of their distinctive management profiles especially in the process of intrapreneurship management. This paper addresses this gap and explores different intrapreneurial management profiles of CEOs in SMEs and how the adoption of these profiles can influence the innovation dynamics of the overall organization. Based on literature review and our earlier detailed study on CEOs from intrapreneurial firms, we identified three key management profiles. We observed that CEOs in some organizations act as the facilitator of intrapreneurship providing different intrapreneurs the support, guidance, resources and an environment to innovate. In cases where entrepreneurs start their own organization, they usually act as the CEO and in such circumstances they dominate as the lead innovator strategizing all the major innovation decisions themselves. In other cases, CEOs tend to have a combination of these two distinct profiles, shuffling in and out of their roles as a facilitator and an innovator based on situational demands. In this paper we have illustrated three cases of successful intrapreneurship management with their distinct CEO profiles and they have been constructed from data primarily derived from semi-structured interviews with the CEOs and different employees from these SMEs, website information, annual reports and site visits. Understanding these distinctive management roles will benefit both CEOs and different organizations in practising intrapreneurial initiatives in an effective manner.

**Keywords:** Intrapreneurship, intrapreneurs, CEO, innovation, organizational complexities, firm performance, SMEs

## **Introduction**

Intrapreneurship in simple terms can be defined as the innovative initiatives undertaken inside an organization to perform new business activities (Bosma et al, 2010) and intrapreneurs are the smart innovators who work on the design and creation of new ideas, products, ventures and business models. For Pinchot (1985) intrapreneurs are '*dreamers who do*' but their contribution is not just limited to creating or developing new products or services but it also extends towards turning these new ideas or prototypes into profitable realities. Lankinen et al (2012) observe that intrapreneurs can thrive in hostile environments as they have the potential to find new combinations of resources that helps in attaining a competitive advantage.

The initial research on intrapreneurship was mostly focused on large firms as seen in the prominent works of Schollhammer (1982), Norburn et al (1985), Pinchot (1985) and Rule and Irwin (1988). In fact Pinchot (1985) defined intrapreneurship as a revolutionary system for speeding up innovation within large firms by making better use of their entrepreneurial talent. New light was shed on the intrapreneurial dynamics of small and medium sized enterprises (SMEs) by Carrie (1994) who highlighted the differences in terms of characteristics between SMEs and large firms. The author argued that although intrapreneurship is equally important in both large firms as well as SMEs, due to their divergent properties their consideration should be from separate viewpoints. Antoncic and Hisrich (2001, 2003) then gave significant evidence to demonstrate that intrapreneurship has

substantial impact on organizational and economic development regardless of the size of an enterprise. For any organization, they believe that intrapreneurship should be viewed essentially as an activity-based or activity-oriented concept that takes the organizational products and services, technologies, structures or operations into new directions.

### **Managing organizational complexities in SMEs**

SMEs are considered to be the power houses or shining stars of European businesses as they play prominent roles in the progression of economic growth and employment prospects, developing and commercializing innovations in various industrial sectors. However, the current economic environment which is getting progressively more competitive, demanding and challenging have created certain organizational complexities for these SMEs. The traits of modern society such as extensive globalization, revolutionary changes in technologies and standard of living have escalated the pace of innovation thereby catalyzing these complexities. For SMEs, there are the challenges of keeping up with a balance of innovation dynamics and efficient resource management as per market competition and then there is the need for creating an interesting and creative working environment to reduce turnovers. If the nature of these complexities is analyzed, they appear to be influenced by certain organizational factors such as organizational structure, resources and culture and in some cases certain environmental factors like customer demands and market competition. Huse et al (2005) believe some of these environmental factors to be hostile as they have the potential to shrink a firms' profit margin adding more pressure for extreme innovations desired by the market. Although SMEs have the advantages of flexibility and rapid response, Narula (2004) points out that the traditional disadvantages due to size limitations still exist. According to Charan (2001) in today's business environment, no growth means lagging behind in a world that grows every day and if companies don't grow, competitors will eventually overtake them. For SMEs managing these complexities can be challenging and iterative but it can be subsequently dealt with via prioritized vision and support from top-management leaders. Organizations are a reflection of their top managers (Hambrick and Mason, 1984) and Chief Executive Officers (CEOs) being on the top hierarchy of any organization have pivotal roles in guiding the company forward with their vision and strategies. They can address these organizational complexities in SMEs with the right strategies and approaches one of which is intrapreneurship.

### **Intrapreneurship as an effective organizational strategy**

Rosenbusch et al (2011) propose that developing and embracing an innovation orientation can help SMEs lead towards more ambitious goals, allocate resources in areas that can create more value and inspire a challenging firm culture. Intrapreneurship is one of the effective strategies for promoting efficient innovation orientation and thereby addressing the organizational complexities (Baruah and Ward, 2013). It provides an approach that can be systematically adopted to define specific strategies and action plans in order to incorporate significant employee contributions (Mohanty, 2006).

When the concept of intrapreneurship first arose, some authors did not realize or acknowledge its potential. For instance, Duncan et al (1988) called intrapreneurs the '*latest figment of journalist's imagination*'. They strongly believed that the conventional corporation will not be able to supply and cope with the needs and requirements of intrapreneurs. They emphasized that although organizations might have the resources, the climate and culture to nurture intrapreneurs did not exist. However, today intrapreneurship is considered to be a characteristic of successful organizations (Peters and Waterman (1982), Kanter (1984) and Antoncic (2007)). For SMEs, an innovation culture that can be attained through intrapreneurial initiatives can add significant competitive advantage to their organizational framework especially in the current economic environment where the demand for multiple technological competences and increased competition otherwise might make innovation quite challenging to keep up with. Substantial benefits in terms of profitability and innovativeness, strategic renewal and performance and international success can be attained from intrapreneurship. Authors such as Silva et al (2006), Jong and Wennekers (2008) and Camelo-ordaz et al (2011) have observed a strong relationship between intrapreneurship and technological innovations and therefore CEOs from different organizations today seem to be adopting intrapreneurial initiatives as one of their key strategies.

### **Purpose of this research study**

Intrapreneurship according to Pinchot (1985) begins with a vision and intrapreneurs can proceed to the discovery of successful ventures on the strength of this vision. Kelly (2008) describes CEOs as being responsible for generating and living the company's vision and for creating and implementing strategy. It is quite evident that in SMEs, CEOs have prominent influence in the development of intrapreneurs and intrapreneurship with their vision and leadership tactics but there are no substantial researches that clearly identify any of their distinctive management profiles. The association of a CEO with the intrapreneurial activities within an organization, although being an area of curiosity for some researchers, has largely been an unexplored research area. It is therefore difficult to assess the impact CEOs have in the process of initiating and developing intrapreneurship and intrapreneurs in SMEs. This paper specifically addresses this research gap and explores different management profiles of CEOs in SMEs and how the adoption of these profiles can influence the innovation dynamics of the overall organization. Our aim primarily here is to introduce these management profiles however; the characteristics associated with these profiles are work-in-progress and thereby will not be covered extensively in this paper. Identifying these distinctive profiles will help organizations understand and address different strategies for successful innovation practice and can serve as guidelines for different CEOs in implementing their management roles and in promoting, facilitating and leading innovations.

### **Research methodology**

As part of a PhD study, we have adopted a two stage research approach. As an initial investigation, we interviewed ten CEOs from different industrial backgrounds in the UK to uncover their key characteristics that help the development and management of intrapreneurship. We conducted semi-structured interviews with these CEOs and our findings indicated some distinct and consistent management approaches that CEOs tend to adopt while managing intrapreneurship and intrapreneurs. Using this as our framework, we have utilized a case study methodology in our second stage to classify and illustrate these intrapreneurial management profiles of CEOs from SMEs. In this paper we will illustrate three cases of successful intrapreneurship management with their distinct CEO profiles and they have been constructed from data primarily derived from semi-structured interviews with the CEOs and different employees from these SMEs, website information, annual reports and site visits. However, being work-in-progress only a brief summarized version of the cases will be presented here.

### **Role of a CEO in developing an intrapreneurial climate**

The roles played by CEOs in any organization are vast in terms of involvement with creativity and innovation. Kelly (2008) feels that CEOs are both architects and visionaries. New products, service innovation achievements of different organizations vary largely due to issues such as different leadership style, organizational culture and innovation processes. As discussed earlier, intrapreneurship adds a competitive advantage for SMEs to manage organizational complexities. Learning aspects of intrapreneurship are influenced by the structure of the organization according to Lankinen et al (2012) and intrapreneurs learn by significantly engaging with it and seeking information. The most critical responsibility leaders have within an organization as highlighted by Menkes (2011) is to create a context for employees where they can realize their potential.

In our study the CEOs highlighted that in order to integrate intrapreneurial benefits within an organizational culture it is crucial to develop intrapreneurs and different practices can be adopted for accelerating intrapreneurial development. Some displayed that by bringing in new talents from outside the organization and combining them with the existing intrapreneurial skills add new developmental prospects to the innovation culture of the organization. They believe that innovators need new environment, positions or opportunities to consistently challenge, explore and practice their intrapreneurial skills. One of the participants says, *"You get somebody with a different view coming in...that's very helpful. That's a good quick way we found of driving innovation"*. Some CEOs feel that organizations should periodically churn intrapreneurial talents to promote stronger innovation flow and to emphasize this point one of the CEOs adds, *"We do need some churning once in a while and somebody highly innovative do need to move around or they will get bored or frustrated"*. Most of these interviewed CEOs highlighted that not everyone in an organization has the same capabilities to

deal with innovation but one of the efficient ways to manage intrapreneurial skills is by harnessing their natural strengths. The CEOs believe that by setting flexible conditions to harness natural capabilities of intrapreneurs can build a natural flow of innovation progression. Intrapreneurial skills will flourish and develop only when the right conditions are maintained or provided. If intrapreneurs are forced into projects or ventures outside their interest range, it reduces the flow of innovation. Innovators then find their jobs difficult and do not flourish and use their creativity. Having specific tasks aligned to the interest, skills and caliber of the intrapreneurs gives them the opportunity to develop and enjoy their roles. As one participant says, *“I am not going to try and make them do something that’s not natural to them”*. Lessem (1986) points out that in order to survive in today’s climate, organizations need to become more flexible and more enterprising as do the people who run them. So, it is within a flexible organizational environment where intrapreneurs can thrive, flourish and develop according to the CEOs.

One of the barriers for effective innovation progression is the existence of formal hierarchy of positions in different organizations and because of it intrapreneurs sometimes do not get the opportunity to interact or work with someone from a different department or position but binding and connecting people with different skills, talents and perspectives within an organization is utmost important as it can boost the innovation culture with a strong intrapreneurial drive. Some of the CEOs we interviewed therefore try to achieve this by connecting people from different organizational hierarchies to strengthen the innovation culture and give an efficient platform for different innovators to meet and learn from each other. One of the CEOs says, *“We spend a lot of time going around the organization...But what I try and do is create webs of people regardless of where they sit in the hierarchy...finding a task for people to work on...making sure they are all in kind of touch with each other and then when opportunities come up, I will suggest they get involved”*.

In our earlier study (Baruah and Ward, 2013), we highlighted the relevance of an intrapreneurial climate and we found four key factors that help in creating this climate, see figure 1:

1. Organizational flexibility,
2. Motivation and encouragement ethics,
3. Resource management and distribution, and
4. Employee development opportunities.

[Insert Figure 1 about here]

Figure 1 Factors influencing intrapreneurial climate

We also discussed different CEO characteristics associated with this climate and proposed an initial CEO characteristics model (Baruah and Ward, 2014), see figure 2. This paper will now introduce some key intrapreneurial management profiles of CEOs.

[Insert Figure 2 about here]

Figure 2 CEO characteristics model

### **Intrapreneurial Management Profiles of CEOs**

Every business needs the right people in the right jobs and successful ideas within an organization occur due to the tireless persistence and practical imagination of the intrapreneur (Pinchot and Pellman, 1999). Charan (2001) believes that CEOs must have the capability to link business needs with different intrapreneur’s natural talent. Parker (2011) questions if organizations can strategically groom prospective and future intrapreneurs. What we observed in our study (Baruah and Ward, 2013) was some consistent profiles CEOs tend to adapt usually to exercise or explore different opportunities within an intrapreneurial climate for developing intrapreneurs or intrapreneurial ideas. Based on the organizational framework and innovation requirement, the management profiles of CEOs tend to vary. There are cases when the CEOs have to lead the innovations playing a dominant role as a leading intrapreneur and in other cases they guide the innovation process acting more as facilitators for different intrapreneurs. In some cases, they tend to shuffle in and out of these roles. Although it is

important for everyone to have ideas but not all ideas generated within an organization are new or practical and for CEOs one of their roles as efficient facilitator or innovator is to identify and nourish those genuine and practical ideas that have the capability to make a difference in the firm's innovation outcomes. Carrie (1994) supports this by indicating that in SMEs the owner-managers themselves can be the main inhibitors or best catalyst for intrapreneurship progression. Based on our investigation, we hereby propose three management profiles of CEOs associated with intrapreneurial activities in SMEs, see figure 3:

Profile 1- The Facilitator

Profile 2- The innovator

Profile 3- The facilitator and innovator- a combination profile

[Insert Figure 3 about here]

Figure 3 Intrapreneurial management profiles of CEOs

### **The Facilitator**

The first intrapreneurial management profile is that of a facilitator and CEOs with this profile are largely focused on creating an innovative environment to give intrapreneurs the right opportunities and platform to be creative. Although the CEO might participate with innovation their role predominantly is that of supervising innovators. Facilitating intrapreneurs in any organization can be a challenging task for CEOs. One challenge pointed out by Pinchot (1985) is that there are no set formulas for determining in advance who can or cannot be an intrapreneur. One of the benefits in SMEs according to Carrie (1994) is that intrapreneurs have easier access to the top management and if the CEOs are acting as facilitators then this can be used as an efficient opportunity to identify their specific needs and aspirations and thereby motivating and guiding them. Tappin and Cave (2010) highlight that the best CEOs have the ability to simplify and prioritize different strategies thereby giving their teams and business an efficient clarity and this is something the facilitator specializes in. They have the capabilities to efficiently lead teams, build projects, divide tasks and facilitate innovation.

It must be noted that without the right people in the right jobs, a company cannot grow and thrive. For instance, Charan (2001) highlights that if the person making crucial organizational decisions is not suited to the job, the quality of the decisions will be poor thereby leading the whole company to suffer. CEOs as influential facilitators will therefore use their time and efforts to place different intrapreneurs where their strengths can have the most impact within the innovation framework of the company. As intrapreneurship facilitators, these CEOs will emphasize on building an organizational culture to allow and appreciate failures for encouraging intrapreneurs which is an important factor for building an intrapreneurial climate. They will make a conscious effort to reduce negative consequences of failure in intrapreneurial activities. CEOs with this management profile tend to be very approachable and encouraging. They have good communication skills which makes intrapreneurs trust them and confide in them with their ideas or projects. They have a certain degree of credibility which makes them efficient with networking and associating with other colleagues, employees or organizations. One of the cases that fit this profile is that of Professor Nicola Spence, the Chief Executive of Science City York.

Science City York is a leading provider of business and innovation services with a successful history of over 14 years specializing in developing SMEs and new infrastructure to support the region's growth sectors, facilitating early stage businesses, helping them reach their goals and leading events to support business and innovation. '*Creating value through innovation*' is their vision and true to this statement, Science City York has been transforming the innovation framework of several businesses. With an exceptionally talented intrapreneurial team, this organization has utilized an innovative mentoring scheme to help several successful SMEs like Shakespeare Hydraulics Ltd, Kiroco, Comfizz, Uniqua, Little Barn bakery, Gordon Rhodes or Chillipeeps to name a few.

Prof Spence believes that a CEO within an organization has to be someone that people would want to follow and go on a journey with and therefore it is important for them to have an authentic personality in terms of who they really are otherwise people won't believe and follow their credibility. As an innovation facilitator her priorities are dedicated towards creating, supporting and driving a culture which will make people contribute to the common goals and mission of the organization. She says *"innovation has always been a part of our priorities in terms of how we are doing things differently"*. She feels that employees won't be encouraged to be innovative unless they see it as a priority and therefore as CEO she believes in encouraging innovation and rewarding and promoting its credentials and impact. She emphasizes this by saying *"You have to be focused on higher vision of what you are doing and then organize yourself so that you got people who are focused on delivering those things"*. She finds creative intrapreneurs to be chaotic with their innovation approaches and deliveries and she believes that getting them to change these approaches will only result in the loss of their creativity and originality. So as mentor she accepts their chaotic approach by managing their creative skills within a team. She adds *"You got to give the innovators the tools, technologies, gizmos or apparatus and whatever it is they need and you have to trust them.... ..and they got to deliver and once you are confident that they will deliver, you have to keep on giving them the state of the art equipments...then they will deliver tremendous value"*. She highlights that her job as a leader here is also to challenge these innovators to deliver and a lot of it involves *"brokering the expectations of an innovator with the needs of a business"*.

Science City York is working across different sectors such as energy, health, environment, gaming and education and one of the challenges they face as a small company is that they may not have all the skills and insights to solve different problems. Everything they do is very visible and open and therefore as the CEO Prof Spence tries to lead by example through her commitments and priorities. She says *"We are very problem driven and opportunity driven"*. Her approach is to bring together small groups of people with different skills to try and tackle a problem or innovation and instead of allocating specific roles, she encourages people to identify themselves as being interested in that team/project or any specific roles. She utilizes a unique mentoring approach by which she brings in a lot of external talents and specialist expertise to enhance their innovation process and thereby be transformative. As a facilitator, she adopts this open innovation scheme where she believes that innovative ideas can come from anywhere citing examples where crucial innovations in Science City York have actually sprung from ideas developed by their administration team. She also mentored an open innovation forum in their website where they post different challenges and anybody can participate to put forward their innovative solutions. Prof Spence also helps in setting up different innovation training workshops to up-skill City of York Council, SMEs, universities and Third Sector organisations. Apart from running different yearly events to promote innovation and networking such as APPtitude, Venturefest Yorkshire and Innovation Showcase, Prof Spence is also managing several projects to encourage innovative companies: SMEs or micro-businesses to gain investments for development and growth.

She has wide experience in academia for over 20 years with an MSc and a PhD. This academic career she reveals had given her tremendous creative opportunities to design experiments or projects. Before Science City York, Prof Spence worked primarily as the chief scientist at the Food and Environment Research Agency (FERA) in Sand Hutton. Here as a leading researcher, she got several opportunities to manage scientific projects, programs and other scientists putting together multi disciplinary teams for delivering scientific solutions. Nicola credits her academic background with giving her some basic skills and experiences to understand many issues relevant to business. She feels that these experiences have given her good intuition to identify people who have the credibility to generate ideas and turn them into practical solutions and what technique or approach motivates these intrapreneurs. She adds *"You take with you all sort of skills and experiences while along the way.....now I can stand back and understand things from a technical, political and economic perspective and I wouldn't be able to do that if I hadn't actually had that experience"*. Today as an ambitious innovation facilitator, Prof Spence says *"There is a massive opportunity for York to be a city that leads Europe in certain technologies and certain business clusters"* and this is where she wants Science City York to lead.

## **The Innovator**

The second intrapreneurial management profile is that of a CEO who acts as a key innovator within the organization. An entrepreneur is defined as someone who “*is an undertaker who notices and seizes opportunities; converts those opportunities into commercial ideas; adds value via processes, effort, capital, or capabilities; and confronts the risks of the competitive market to apply those ideas*” (Kuratko, 2009). Gündoğdu (2012) feels that today a traditional entrepreneur acts as an innovation hunter ideally from beginning, till the end of any business life cycle. There are several organizations where an entrepreneur starts their own company and then takes the overall charge as the CEO with thorough knowledge of their business metrics. As Pinchot (1985) says, people seem to become intrapreneurs when circumstances drive them to an act of will and decide to make a new business concept into a reality within their company. So, CEOs with this management profile act predominantly as the intrapreneur innovating for their company. Charan (2001) strongly believes that because a CEO has the insights of how the organization really works and how to link people’s actions and decisions to the right priorities and strategies, their active participation with innovation will add significant advantage to progress the level of intrapreneurship.

Mohanty (2006) found intrapreneurship to be successful only when intrapreneurs are motivated to take action and value an innovation policy projecting the organization's culture and operating principles. Tappin and Cave (2010) believes that CEOs are far-sighted leaders who have the ability to paint a sophisticated and compelling picture of the future for their employees, customers and shareholders. If they are innovating themselves then their understanding of the organizational dynamics will help in deriving significant intrapreneurial benefits and therefore progressing efficiently and keeping an up-to-date pace of innovation management in a fierce time of globalization and market competitiveness. So, CEOs who adopt this innovator profile tends to be highly active in leading innovations, spotting break through opportunities and they usually share many characteristics as that of an intrapreneur. One of the cases that represent this profile is Mr Christopher Ian Wilson who is the Chief Executive of Bransby Wilson Parking solutions.

Bransby Wilson Parking solutions has for over 23 years specialized in car park management. What is unique about their approach is that they deliver a personal service to every customer and Mr Wilson who is leading the innovation framework of this business says, “*We take a creative and entirely bespoke approach to every customer requirement - because every car park is different*”. Their approach involves helping customers plan, build, run and improve their car parks by considering layout, pricing structure or parking behaviour patterns. Bransby Wilson Parking solutions also provide technological solutions such as the installation of high quality Pay & Display machines, ANPR (Automatic Number Plate Recognition) technology, Pay on foot machines, Keyboard entry registration systems, pay by phone systems or Vehicle Registration Systems (VRS). They also provide control and enforcement services via their associate company- Minster Baywatch. With their practice having a national coverage in the UK, Bransby Wilson Parking solutions is one of the leading businesses in its niche market with a range of loyal customers that involves organizations such as the NHS, the Rank group, W Boyes and Co Ltd to name a few. As the lead innovator he observes that his approach is very flexible and says “*whatever the client wants, whatever the market wants, we could supply.....so, it is about changing our product around*”. The great thing about their business as Mr Wilson admits is that it is a new concept and after 23 years, there are still no set criteria to run it. As a small company he says growing, restructuring and prioritizing innovation can be a big challenge especially as they have no R&D team. For over 9 years he remarkably worked alone as the sole employee in his company doing everything in terms of marketing, sales, finance and innovation. As a CEO what really excites Mr Wilson is new ways of doing things and having proactive consideration of what the market might require in 2 or 3 years time. Now in leading innovations within this SME he reveals that he has to wear different hats several times a day signifying the management of different organizational roles. Mr Wilson uses his expertise and experience to individually review car parking operations and policies for his clients and in implementing appropriate car park management, space optimisation and revenue generation systems. His role as the CEO also involves auditing, designing and installing new signs, marketing and management of monthly permit systems. He also leads the process of designing and installing of Vehicle Registration Systems, Pay & Display machines and



providing patrolled enforcement and control services.

This company was established in 1991 by Mr Wilson when he saw an opportunity after finishing his university studies in Physical education and sport studies from York St John University. He says starting a company was never a plan but this business concept occurred when he observed car parking spaces being left vacant in different locations in York whereas there were other people desperately looking for parking spaces. He was quick to identify this niche market 23 years ago and embark on a sole trading business. Mr Wilson reveals that because the concept was so new and unique in the early 90s, he had a hard time convincing people about it. He adds, *“The concept was very different, not something easy for people to get their head around...If you say you are an accountant or a builder, people will know what you are but if you say you let parking spaces or you are a space manager, it was very difficult to explain to people”*. The initial phase he says wasn't easy as a novice entrepreneur as he faced a lot of challenges mostly due to his lack of business knowledge and expertise. He believes that as the business progresses, the CEO will eventually have the strength, knowledge and experiences which will count a lot in progressing the innovation track of the company. He believes that innovation spread around individuals and the business as a whole. He says *“Innovation has to be worked.....why we succeeded I believe is actually getting the right idea and it worked...It was the right research and straight away you got a great product, a great service that is different and people take notice of”*.

### **The Facilitator and Innovator- a combination profile**

The final management profile is a CEO who has a combination of a facilitator as well as innovator characteristics. CEOs with these profiles find a good balance in their roles with facilitation of innovation and leading innovation. Gündođdu (2012) feels that to survive the challenges of the new economic framework a new prototype is required, somebody who can act as a leader to form a suitable environment and also strongly encourage innovations and empower intrapreneurs and their ideas. This new prototype the author says is *“interested in research and development and characterized as an innovation hunter who aggressively seeks for opportunities; transforms those opportunities into concrete marketable ideas; creates value-added; makes maximum efforts, assesses and undertakes the relevant risks to apply those ideas; and gathers the crops at harvest time”*. CEOs with this profile will have the capabilities and talent to adapt in this dynamically changing environment responding efficiently to the market and customer demands along with the needs of the business, shuffling in and out by adopting the appropriate roles. The case that can illustrate this profile is Mr Methven Forbes who is the Chief Executive of Robin Lane Medical Centre.

Methven Forbes as the CEO has been associated with Robin Lane Medical Centre, a health firm for over 10 years. This organization has transformed from a small practice to an innovative health firm delivering services fit for modern 21<sup>st</sup> century lifestyles and Mr Forbes has played a pivotal role in shaping and facilitating this entire developmental process. As a medical centre, their vision isn't restricted to a traditional health and wellbeing approach but it also incorporates delivering proactive education programmes led by clinicians to prevent and delay the development of health conditions. With this proactive organizational vision, Mr Forbes has embarked on an extensive innovation development route. Over the years he has managed to bring in several innovative services that breaks the traditional norms of an appointment based health service and this includes a smart phone app, an Urgent Care walk-In service, the Pudsey Wellbeing Centre, a community newspaper and a café house called 'CafeLux'. Mr Forbes tries to bind this health centre with different community projects and charitable trust events in order to promote a platform for wider innovation. With over 55 employees and more than 40 volunteers, this health centre situated in Pudsey, a small town of Leeds has made a remarkable name in the field of health innovation which is why it has recently been awarded the GP enterprise award 2013 for outstanding practice and for improving quality and production in health innovation. As future initiatives Mr Forbes now wants to push their role to the maximum and be truly transformative in terms of their approach towards innovation sustainability and viability.

Mr Forbes highlights that building a management profile is a gradual process of learning from different experiences and creating a mental portfolio with information of what works and what doesn't. He firmly believes that CEOs who have experiences with different positions and roles are

much more accommodating and challenging in terms of transformation and thinking differently. Reflecting on his background, Mr Forbes emphasizes how his upbringing in an impoverished city of Dundee, amidst a family of labourers, tradesmen, carpenters and bakers had a major influence on his work ethics now. Mr Forbes admits that he has never been quite bright at school with no consistent record of good grades. However, when he was 17 he got an opportunity to work for a fading memorabilia shop that was on the verge of collapse with the owner having run out of options for creativity and new innovative ideas. Mr Forbes used this opportunity to bring in several new innovative changes in terms of stock control, merchandising and design and it transformed the entire business around in just over a year impressively paving way for further business expansion. Mr Forbes then moved to Cornwall where he worked for a bus company mostly in the administration aspects adding creative elements to the operational designs and here he was supervised and trained by a national award winning Director which again had a massive impact on his personality. He then worked for the NHS as a practice manager in a small rural health centre in Cornwall and this is where he credits to have got managerial opportunities to build up his executive profile characteristics. Working with different teams, national leaders, politicians or stakeholder organizations Mr Forbes gradually developed those practical skills required in an Executive role such as pitching for finances, planning and designing projects or managing staff.

As the Chief Executive, Mr Forbes has not only facilitated the process of innovation development in different projects but also participated actively as a key innovator within this health firm thereby justifying him as the combined management profiled CEO. According to him, CEOs who are doing the innovation have very strong personalities and as they are shakers and movers, they tend not to play by the rules. Being an innovative leader and facilitator can be a challenge and Mr Forbes feels that a CEO shouldn't be the only one doing all the creative thinking themselves but they must also ensure that there is enough capacity within an organization to innovate and implement different ideas. People within an organization can come up with different ideas but the role of an innovative CEO according to Mr Forbes is to facilitate genuine and practical ideas that will make a difference in the firm. He adds, *"I won't encourage everyone to be innovative ... I would encourage everyone to be participative and that's the critical thing"*. He suggests that an organization should not be utterly wired only with creativity and innovation as nothing will get done and there is a risk that the organization and talent within will get fatigued and therefore collapse. Mr Forbes says, *"It is really important that people are encouraged to innovate and come up with new ways of doing things and it is equally important to give them the opportunity to implement them without any fear of punishment if it doesn't work.....Failure is a good thing if it is within the right framework...that's how people learn"*. As a facilitator, Mr Forbes applies a unique strategy of creating an eco-system that offers enough guidance, framework and security to develop ideas. Emphasizing this he adds, *"You can't prescribe innovation but you can prescribe an eco-system that allows innovation"*. Within this eco-system he found that one can harness the natural strengths of everyone. He points out how by bringing stakeholders, health members, volunteers and community members together in the same innovation platform, binding and creating a strong network of talent has empowered their organization to explore new ideas and deliver extensive innovation services thereby enhancing overall performance and growth. The development of several successful projects has resulted from this flexible approach of the CEO such as the well being centre, an urgent care walk-in service and a well being volunteer programme.

### **Limitations and further works**

The aim of this paper is to introduce three distinct CEO profiles associated with intrapreneurship management however, the characteristics associated with these profiles are work-in-progress and thereby has not been covered in detail. The three case studies presented here are part of the extensive PhD research. Although the cases in this paper have been constructed based on interviews with the CEOs and some employees and materials from organizational websites, annual reports and site visits, due to word limitation, a complete justified illustration of these organizations cannot be presented. This is part of future research plan for which interviews are planned with more employees from these organizations.

## Conclusion

Intrapreneurship in today's economic environment can be used as an effective organizational strategy to enhance the innovation progression in any organization regardless of their size. It is an established field of organizational management research with an impressive history of around 25 years. The current economic environment which is getting progressively more competitive, demanding and challenging have created certain organizational complexities for different SMEs and they demand the implementation of innovative strategies like intrapreneurship. Pinchot's (1985) prediction about the future being intrapreneurial is quite evident now. The benefits that firms can derive from intrapreneurship are tremendous and especially in a competitive and challenging economic environment, the adoption and practice of intrapreneurial initiatives should be highly encouraged by CEOs today to attain a competitive advantage. This paper explores one of the key research gaps, the intrapreneurial management profiles of CEOs from SMEs and their impact in the organizational innovation dynamics. The management profile of a CEO tends to be either that of a lead innovator or the facilitator of intrapreneurship and in some cases, a combination of both. This paper presents case studies of three successful SMEs from the UK and highlights their varying CEO profiles.

## References

- Antoncic, B. (2007). Intrapreneurship: a comparative structural; equation modelling study. *Industrial Management & Data Systems*, 107(3), 309-325.
- Antoncic, B., and Hisrich, R.D. (2001). Intrapreneurship: construct refinement and cross-cultural validation. *Journal of Business Venturing*, 16 (5), 495-527
- Antoncic, B., and Hisrich, R.D. (2003). Clarifying the intrapreneurship concept. *Journal of Small Business and Enterprise Development*, 10(1), 7-24.
- Baruah, B. and Ward, A. (2013). Can CEOs be influential facilitators? *Voice of Research*. 2 (3), 47-54.
- Baruah, B. and Ward, A. (2014). Influential characteristics of the CEO that facilitate an intrapreneurial climate. Proceedings of the 2nd International Conference on Innovation and Entrepreneurship, ICIE 2014, Bangkok, Thailand, February 6-7, 2014, Academic Conferences and Publishing International Limited, 2014. pp 264-272.
- Bosma, N., Stam, E., and Wennekers, S. (2010), Intrapreneurship- an international study, *Scientific Analysis of Entrepreneurship and SMEs, Zoetermeer*, 12, 1-29.
- Camelo-Ordaz, C., Fernández-Alles, M., F., Ruiz-Navarro, J., and Sousa-Ginel, E. (2011). The intrapreneur and innovation in creative firms. *International Small Business Journal*. 1-23
- Carrie, C. (1994). Intrapreneurship in Large Firms and SMEs: A Comparative Study. *International Small Business Journal*. 12(3), 54-61.
- Charan, R. (2001). *What the CEO wants you to know*. 1<sup>st</sup> edn. New York: Crown Business.
- Duncan, W.J., Ginter, P.M., Rucks, A.C. and Jacobs, T.D. (1988). Intrapreneurship and the reinvention of the corporation. *Business Horizons*, 16-21.
- Gündoğdu, M. Ç. (2012). Re-Thinking Entrepreneurship, Intrapreneurship, and Innovation: A Multi-Concept Perspective. *Procedia - Social and Behavioral Sciences*, 41(2012), 296–303.
- Hambrick, D.C., and Mason, P.A. (1984). Upper echelons: the organization as a reflection of its top managers. *Academy of Management Review*, 9(2), 193-206.
- Huse, M, Neubam, D.O and Gabrielsson, J. (2005), Corporate Innovation and Competitive Environment, *International Entrepreneurship and Management Journal*, 1, 313-333.

- Jong, J.D. and Wennekers, S. (2008). Intrapreneurship; conceptualizing entrepreneurial employee behavior. *Scientific Analysis of Entrepreneurship and SMEs (SCALES)*, Zoetermeer: EIM.
- Kanter, R.M. (1984). *The Change Masters*. New York, NY: Touchstone, Simon & Schuster.
- Kelly, K. (2008). *CEO: The low-down on the top job*. 1<sup>st</sup> edn. Great Britain: Pearson Education Limited.
- Kuratko, D.F. (2009). *Introduction to Entrepreneurship*, 8<sup>th</sup> ed, South-Western Cengage Learning, Canada.
- Lankinen, L., Taimela, E., Toskovic, T., and Wallin, G. (2012), *Intrapreneurship-act different*. [Online]. Available at: [http://users.tkk.fi/toskovt1/intrapreneurship/intrapreneurship\\_finland.pdf](http://users.tkk.fi/toskovt1/intrapreneurship/intrapreneurship_finland.pdf) [Accessed on 04/11/2013]
- Lessem, R. (1986). *Intrapreneurship: How to be an enterprising Individual in a successful business*. 1<sup>st</sup> edn. Great Britain: Wildwood House Limited.
- Menkes, J. (2011). *Three traits every CEO needs* [Online]. Available at: [http://blogs.hbr.org/cs/2011/05/three\\_traits\\_every\\_ceo\\_needs.html](http://blogs.hbr.org/cs/2011/05/three_traits_every_ceo_needs.html) [Accessed 12 March 2014].
- Mohanty, R.P. (2006). Intrapreneurial Levers in Cultivating Value-innovative Mental Space in Indian Corporations. *VIKALPA*, 31(01), 99-105.
- Narula, R. (2004). R&D collaboration by SMEs: new opportunities and limitations in the face of globalisation. *ELSEVIER Technovation*. 153-161.
- Norburn, D., Manning, K. and Birley, S. (1985). Beyond intrapreneurship: The metamorphosis of large corporations. (Working paper). *Cranfield School of Management*. Bedford.
- Parker, S. (2011). Intrapreneurship or entrepreneurship?. *Journal of Business Venturing*, 26 (1). 19-34.
- Peters, T.J. & Waterman, R.H. Jr (1982), 1<sup>st</sup> edn. *In Search of Excellence: Lessons from America's best-run companies*, USA: Harper and Row Publishers. Inc.
- Pinchot III, G. (1985). *Intrapreneuring: You Don't Have to Leave the Corporation to Become an Entrepreneur*, New York: Harper and Row.
- Pinchot, G. and Pellman, R. (1999). *Intrapreneuring in Action*. 1st edn. San Francisco: Berrett-Koehler Publishers, Inc.
- Rosenbusch, N., Brinckmann, J. and Bausch, A. (2011). Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs. *Journal of Business Venturing*. 26, 441-457.
- Rule, E.G and Irwin, D.W. (1988). Fostering Intrapreneurship: the new competitive edge. *The journal of business strategy*, 9(3), 44-7.
- Schollhammer, H. (1982). Internal Corporate Entrepreneurship. In C. Kent, D. Sexton and K. Vesper (eds.), *Encyclopaedia of Entrepreneurship*, Prentice Hall, Englewood Clipp, NJ.

Silva, F.G.D., Hartman, A., and Reis, D.R.D.(2006). The relationship between the intrapreneurial culture and the degree of technological innovation in the productive organizations: a test for the tools, *Third International Conference on Production Research –Americas' Region*.

Tappin, S. and Cave, A. (2010).*The new secrets of CEO*.1<sup>st</sup> ed. London: Nicholas Brealey Publishing.



Figure 1 Factors influencing intrapreneurial climate

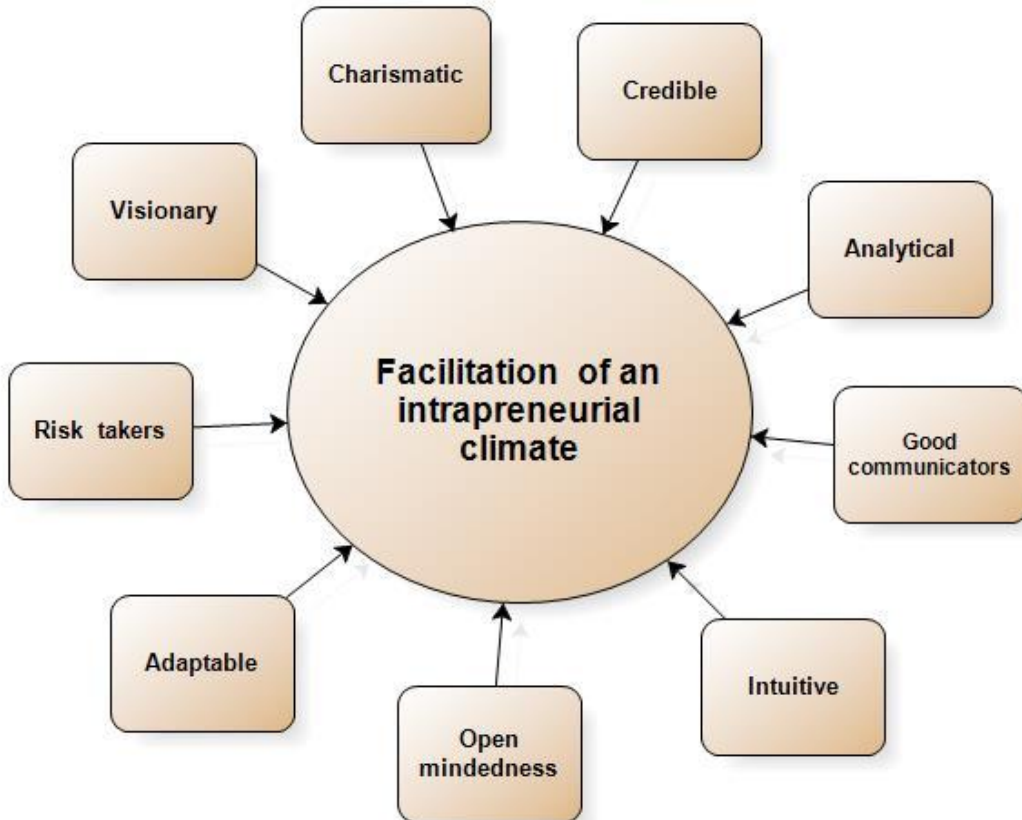


Figure 2 CEO characteristics model

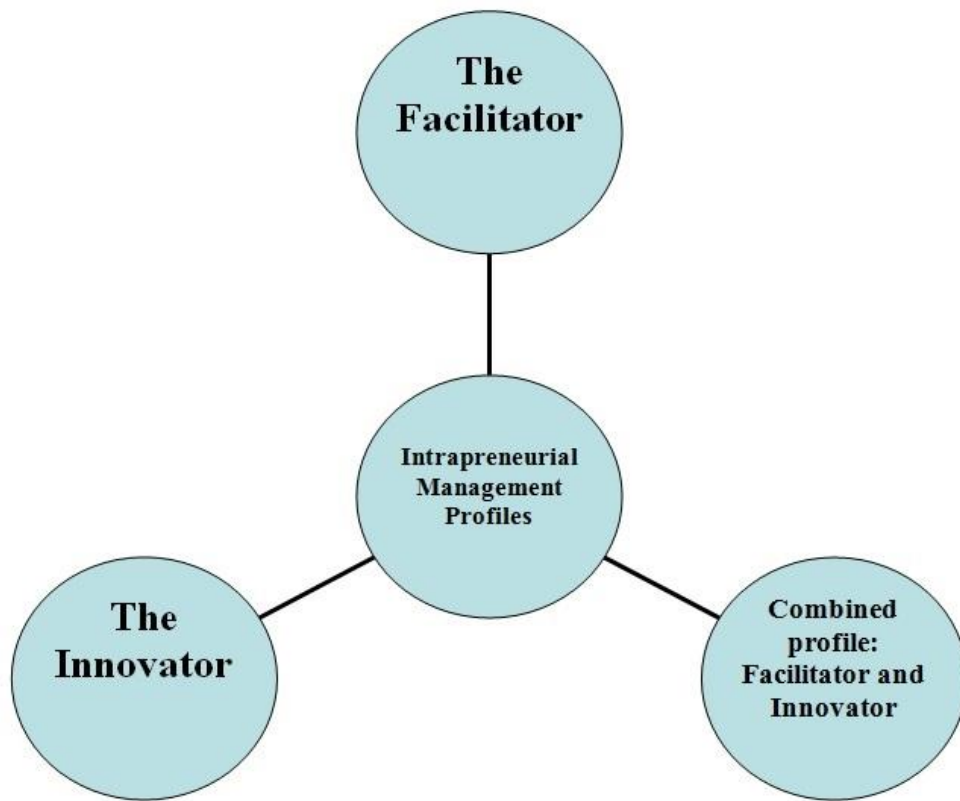


Figure 3 Intrapreneurial management profiles of CEOs