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Entrepreneurship versus Intrapreneurship

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ABSTRACT

This paper highlights the review of theoretical studies on the concepts of entrepreneurship and intrapreneurship; underline the similarities and differences between them. Entrepreneurship continues to thrive in almost all corners of the world. Entrepreneurs are reshaping the business environment, creating a world in which their companies play an important role in the vitality of the global economy. But there is not always necessary to establish a company in order to implement new ideas. A great potential lies in applying business principles within existing organizations.

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Introduction

The concept of Entrepreneurship and intrapreneurship has appreciable change in nature and content over the years. It is no longer considered an assortment of all sorts of arbiter facts and figures to choose from. The increasing competition hinders our work. It does not suffice anymore to stand before our competitors simply driven by our will of competing; we have to bring something new to the market. Entrepreneurs and intrapreneur play a prominent role as they help the company to engage in new business and enter new markets. The concept of entrepreneurship is seen as the process of uncovering and developing an opportunity to create value through innovation and seizing that opportunity without regard to either human resources or the location of the entrepreneur – in a new or existing Enterprise. The other hand both are contributing to individual, socio economic and national development.

Who is an Entrepreneur?

The entrepreneur is an important input of economic development. He is a catalyst of development. A good entrepreneur ship is one who is capable of inspiring confidence in people and has the ability to motivate them to work with him in fulfilling the economic goals set by him.

The word of entrepreneurs denotes in many ways (i.e.)

- Entrepreneurs who are visionaries
- Entrepreneurs who are optimistic
- Entrepreneurs who are empowering people
- Entrepreneurs who care for the society
- Entrepreneurs who have the human values
- Entrepreneurs who are dynamic
- Entrepreneurs who follow good strategies

Leadership as Laddership:

Management is efficiency in climbing the ladder of success, leadership determines whether the ladder is leaning against the right wall. Leon walrus, the theory of social wealth (1954) pointed out that entrepreneur is the coordinator of basic factors of production. He treated “*entrepreneur*” as the four factor of production who combines other factors such as land labour and capital.

Who is an intrapreneur?

Intrapreneur and entrepreneurs is essentially the same thing. Having either title requires that an individual be remarkably innovative, patient and resourceful. Both types of “preneurs” must be willing to be inventive and take risks.

According to American heritage dictionary, “A person within a large corporation who takes direct responsibility for turning an idea into a profitable finished product through assertive risk-taking and innovation”. Intrapreneurship is now known as the practice of a corporate management style that integrates risk-taking and innovation approaches, as well as the reward and motivational techniques that are more traditionally thought of as being the province of entrepreneurship.

According to Entrepreneurial dictionary, Intrapreneurship refers to employee initiatives in organizations to undertake something new, without being asked to do so. “Hence, the intrapreneur focuses on innovation and creativity, and transforms an idea into a profitable venture, while operating within the organizational environment.

After seeing the Advantages and the disadvantages of each concept we think that it is useful to see also the similarities and differences between these two concepts. Morris & Kuratko (2002) are of the opinion that the literature is sometimes confusing in underlining what exactly makes an entrepreneur different from an intrapreneur and what they have in common. This is why they point out a serious similarities and differences: Entrepreneurship and intrapreneurship: similarities

- Both involve opportunity recognition and definition.
- Both require a unique business concept that takes the form of a product, process, or service.
- Both are driven by an individual champion who works with a team to bring the concept to fruition.
- Both require that the entrepreneur be able to balance vision with managerial skill, passion with
- Proactiveness with patience.
- Both involve concepts that are most vulnerable in the formative stage, and that require adaptation over time.

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Table: 1 Shows the major advantages and disadvantages of Entrepreneurship

Entrepreneurship	
Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ Act as independency ➤ The income increases ➤ You have the chance to be business icon ➤ You have part of excitement and adventure ➤ Social image and values 	<ul style="list-style-type: none"> ➤ Money pressure – giving up on the security of a regular paycheck ➤ Less benefits as the business is new ➤ Long working hours ➤ Mistakes are magnified
own salary	All decisions must be made alone

Table: 2 Shows the major advantages and disadvantages of Intrapreneurship

Intrapreneurship	
Advantages	Disadvantages
<ul style="list-style-type: none"> ➤ To stay in well known environment ➤ Practicing your skills with lower risk ➤ Using companies resources, good name, ➤ To gain a practical knowledge ➤ Access to customers, infrastructure 	<ul style="list-style-type: none"> ➤ Reward may not be up to expectation ➤ Innovation may not be appreciated ➤ You can be innovative but to a certain limit ➤ you are not your own boss
Flexible risk taking.	Highly dependent.

Both entail a window of opportunity within which the concept can be successfully

- Capitalized upon.
- Both are predicated on value creation and accountability to a customer.
- Both entail risk and require risk management strategies.
- Both require the entrepreneur to develop creative strategies for leveraging resources.
- Both involve significant ambiguity.

Differences between entrepreneurship and intrapreneurship:

- In start-up entrepreneurship, the entrepreneur takes the risk in intrapreneurship and the Company takes the risk other than career-related risk.
- In start-up the individual entrepreneur owns the concept and business in intrapreneurship; the company typically owns the concept and intellectual rights with the individual entrepreneur having little or no equity in the venture at all.
- In a start-up potential rewards for the individual entrepreneur are theoretically unlimited where in intrapreneurship an organizational structure is in place to limit rewards/compensation to the entrepreneur/employee.
- In a start-up venture, one strategic gaffe could mean instant failure; in intrapreneurship the organization has more flexibility for management errors.
- In a start-up the entrepreneur is subject or more susceptible to outside influences; in intrapreneurship the organization is more insulated from outside forces or influence

Conclusion

In this paper explores both entrepreneurship and intrapreneurship and the relations between them. An important outcome of the review is the identification of the similarities and differences between entrepreneurship and intrapreneurship and

also the advantages and disadvantages of both concepts. At present we are facing both employment and economic crisis, entrepreneurship and intrapreneurship is an excellent tool for breaking out of the trend trough innovation, by bringing something new innovation on the market. Finally both entrepreneurship and intrapreneurship are instruments of innovation that help in creating new competencies and accessing new business environment.

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