

Entrepreneurial Spirit in Organizations

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The Entrepreneurship topic has experienced a significant development during the last four decades. This orientation started with the creation of new enterprises and as of the nineties it has extended and included existing organizations. Research on this topic is abundant and it has answered questions on the entrepreneurial process. One of the findings is the transcendental motivation for the businessmen when starting a business, namely the wish of independence. This variable is related to others such as commitment and effort (Belausteguigoitia y Portillo, 2003). When you become an entrepreneur you wish to improve revenues, provide for the family, etcetera, but the basic idea is to build a future related to your own initiative without having to continue to be united to the organization that generates the job. Now, those organizations that allow the development of the entrepreneurial spirit of their collaborators and offer more autonomy will have greater possibilities of withholding that talent and applying it to appropriately transform the company.

The name Intrapreneurial has been given to those workers who are able to exercise their entrepreneurial spirit inside their organizations. Without having to go out of their companies they experience a feeling of autonomy that is right for those who decide to become entrepreneurs when they leave their organization.

Under the light of entrepreneurs in this article I explore some of the complications experienced and we shall discuss the four dilemmas companies have before they decide to go "entrepreneurial"

- a) What should change? and what should remain in an organization?
- b) The implementation of incremental changes versus radical changes
- c) Administrators versus Intrapreneurs
- d) The need to achieve versus the fear of failure

What should Change and What should Remain in an Organization?

The members of organizations must agree that in order to achieve success in the long term they must evolve and this inevitably means to change. It is said that man is an animal of habits who does not easily accept changes. On the other hand, it is normally clear that there are issues that should remain, and this is the case of some values, principles and behaviors that in many enterprises have accompanied them since they were created.

This dilemma lies in that it is not clear what should remain and what should change in an organization. It will be very useful to make several exercises, to have clear in our minds what is the path an organization should follow, set the objectives and define the procedures. After a careful analysis and not few discussions amongst the collaborators, the criteria unifies amongst other, those relating to what should remain and what should change.

Implementation of Incremental or Radical Changes

Organizations that are not able to evolve are paralyzed and disappear; like the dinosaurs: Good entrepreneurship implies constant transformation of products and processes. This transformation is achieved through two different kinds of products and processes: a) incremental and b) radical (Leifer et al.) changes. Incremental changes refer to gradual evolution, at times imperceptible but constant that slightly modify a product, and this is the case of the "improved", that makes minor changes in production, substitution of inputs, etcetera..

Radical changes are those that imply a relevant shift in the processes, products or the way they are traded or other changes that can be deemed relevant and even spectacular. They imply major risks; they are more unpredictable, but if they are successful they transform not only the organizations that make them, but also their markets. Enterprises need both, although radical changes are those that challenge more, generate maladjustments and create tensions, however, if they are the right ones, they foster spectacular benefits.

Administrators Versus Intrapreneurs

Traditional management is not oriented to the entrepreneurial spirit. The managerial process implies the setting of objectives, planning, organizing, implementing and control; persons who are able to perform these activities in an orderly and efficient manner are considered to be good administrators; and they are not outstanding due to their capacity to innovate, or take risks. Actually, they are usually adverse to it and feel more comfortable when faced with few risks. Entrepreneurs have a different nature and they normally challenge the status quo and the stable pace of companies. Some researchers of this subject, state that the entrepreneurial orientation in an organization is made up of three components: a) proactivity, namely the attitude of getting ahead of future problems and it is contrary to reactivity, that waits until something happens to act, b) innovation, which is the capacity to create more efficient products and processes and c) risk acceptance, which is the will to assume consequences when faced with uncertainty (Lumpkin y Dess, 1996). An entrepreneurial organization will be more dynamic, will create new ways of doing things and will face risks with a good attitude. Instead, a non entrepreneurial organization, will avoid deviations that are normal in entrepreneurial companies. The uncertainty innovation implies where the cost of inventing a new product is not clear, and where the consequences of doing

so are unpredictable, will not be well received by traditional administrators, who are normally risk adverse and far too committed with budgets.

One of the fundamental ideas of Intrapreneur is that the probability of survival of companies that assume an entrepreneurial orientation is higher.

The Need to Achieve Versus the Fear of Failure

Some research shows that normally entrepreneurs have a high need to achieve (Bird, 1989). This makes them endlessly look for challenges that necessarily imply risk. It is assumed that the level of risk they face is moderate, although it may seem very high to others. Entrepreneurs do not see it in this way perhaps because they have trust, knowledge and the appropriate attitude for their initiatives.

Now, while in organizations have individuals that have a high need to achieve, there are others whose fear of failure paralyze them when faced with the possibility of being entrepreneurial. I have realized that the culture of some Mexican organizations is filled with fear of failure. This fosters their not taking risks and the simple idea of doing things not in the traditional way is considered daring. Now, if an initiative does not reach the expected results, even if implemented with responsibility and knowledge, the organization could punish those that undertook it. In organizations where there is really an entrepreneurial spirit, failures are considered to be experiences from which they learn and this does not necessarily imply a punishment. Under the premise that there are bad decisions that lead to good results and good decisions that lead to bad results, those that assess entrepreneurial work see not only the results, they also take into account the process. When punishing failure, an organization's collaborators know that there are consequences to failure. This on the one hand could be positive, but on the other, it is an efficient way to inhibit initiatives and also the entrepreneurial spirit of those that work in that organization.

Conclusions

There are dilemmas organizations face when they make the decision to change, to be entrepreneurial, and to innovate. Briefly we present conclusions for each one of the dilemmas presented in this article:

1. 1.A sound balance should be sought between what should remain and what should change. This is facilitated when a careful organizational analysis is made and a clear vision of the company is created.
2. 1.Entrepreneurial strategies should consider the need to transform and achieve a sound balance between the incremental and the radical changes. They should be especially careful with the selection and implementation of the latter.
3. 1.Organizations have to assume an entrepreneurial orientation, without neglecting the good work of containing administrators; they should

assume more willingness to innovate and take risks, without waiving their control functions.

4. To punish failure may inhibit the entrepreneurial spirit in companies. It is necessary to develop a system of consequences, but not necessarily an inappropriate result should be punished. The need to achieve is a drive for doing things properly, and therefore it is necessary to channel this need properly in organizations to make it fruitful..

References

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