

Week 2 Lecture

Principles and Organization Culture

Anand (2019) offered seven guiding principles that define the Greenhouse model for developing an intrapreneurship climate within organizations. The guiding principles within the model include (a) relevance, (b) creativity, (c) speed, (d) clarity, (e) accountability, (f) experimentation, and (g) execution.

However, organizations have cultures, and the shared values, beliefs, and foundation assumptions held by organization members frame all significant activities, including establishing and following guiding principles. The culture influences what principles will be followed by organization members, and these principles aid or hinder developing a climate within the organization supportive of an intrapreneurial mindset.

Intrapreneurial activities flourish in environments in which the following occurs:

1. At the operating level of the business, independent entrepreneurial activities are encouraged;
2. Middle-level managers are empowered to encourage and promote entrepreneurial activities; and,
3. Senior management evaluates proposed intrapreneurial activities and links activities with potential benefits to corporate strategy (Eyal-Cohen, 2018, p. 199).

Note the conflation of the terms entrepreneur and intrapreneur in the above.

Intrapreneur refers to those engaged in entrepreneurial activities while working for an established organization rather than as an independent entrepreneur working alone or filling the role as owner of a start-up company.

How do we establish an environment in which the above three conditions exist? We start by understanding culture and climate.

Culture and Climate

Consider the use of the terms culture and climate. Understanding both is essential to using the Greenhouse Model. An organization's culture comprises stable shared beliefs, values, and assumptions. Organization member the culture as they conduct business-as-usual activities. Culture is deeper and stronger than climate, and the beliefs, values, and norms associated with the culture strongly resist change. Observing climate is easier done than observing culture, and climate is more susceptible to change efforts than is culture.

- Here is a link to a video briefly describing organization culture and climate, [Organization Culture and Climate](#)
- [\(Links to an external site.\)](#)
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- This *Forbes* article offers information about the interaction between culture and climate, [Culture and Climate Interaction](#)
- [\(Links to an external site.\)](#)
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- This *Forbes* article describes generic organization cultures and climates, [Generic Cultures and Climates](#)
- [\(Links to an external site.\)](#)
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Finally, visit our online library and conduct a search using the following keywords: “organization climates and individual innovation.” This search argument leads to an article by Wannapa Luekitinan that expands on the concept of organization climate and innovation. Focusing on organization climate change is recommend as the foundation for building the greenhouse needed to grow intrapreneurial activities and gradually change the organization's culture.

Building the Greenhouse

The seven guiding principles associated with the Greenhouse model are an important part of the foundation for an intrapreneurial organization climate. There are two additional components needed to complete the model:

- Obtain management support starting at the top. What benefit is attained by building a Greenhouse that supports innovation? Ensure the benefit is quantifiable. Quantifiable objectives facilitate measurement. Simply stating that enhancing the organization’s competitive advantage is not enough. Quantify the benefit; and,
- Define the changes needed in the organization’s climate that are essential for Greenhouse success. Be specific and plan the approach to implementing the changes, and understand the powerful influence has over change efforts.

Ensuring the operating environment supports the Greenhouse Model is imperative. The three components of a suitable climate for intrapreneurial activities are the foundation for the greenhouse. These components include (a) encouraging intrapreneurial activities at the operating level, (b) empowering middle-managers to encourage intrapreneurial activities, and (c) linking selected intrapreneurial activities to the organization’s strategy (Eyal-Cohen, 2018, p. 199). Focus on developing an initial organization climate supportive of the Greenhouse Model, and work to make climate changes part of the organization culture to effect sustainable change.

References

Anand (2019). *The greenhouse approach. Cultivating intrapreneurship in companies and organizations.* Toronto, Ontario, Canada: Dundurn Press.

Eyal-Cohen (2018). Innovation agents. *Washington & Lee Law Review*, (76) 1, 163-259.