No rest for the intrapreneur: The case of Switzer rest home

Dr Candice Harris
Faculty of Business, AUT University, Auckland, New Zealand
candice.harris@aut.ac.nz

Dr Martie-Louise Verreyne
University of Queensland Business School, Queensland, Australia
m.verreyne@business.uq.edu.au
No rest for the intrapreneur: The case of Switzer rest home

ABSTRACT
Intrapreneurs are those employees who identify and pursue opportunities in an organisation. As such these employees may influence the strategic direction of the organisation, a process called intrapreneurial strategy-making. In this paper we investigate the nature of intrapreneurial strategy-making, illustrating it with a case in point. In our case the intrapreneur is the manager of a rest home, who needed to find new approaches to work to combat productivity challenges posed by operating in the gerontology sector. We conclude that intrapreneurial strategy-making can be a powerful way to identify and introduce innovation strategies, if driven by a determined manager working incrementally to secure resources and implement change with staff to demonstrate the benefits to them of adopting new work processes.

Keywords: Intrapreneurship, Innovation, Intrapreneurial Strategy-Making, Small and Medium Sized Enterprises

INTRODUCTION
Coined by Pinchot (1985), intrapreneurship is often defined as entrepreneurship within an existing organisation (Antoncic & Hisrich, 2003), that is the process that individuals inside an organisation use to identify and pursue opportunities (Stevenson & Jarillo, 1990). Intrapreneurship is related to a number of concepts, such as corporate entrepreneurship (Zahra, 1991), innovation (Drucker, 1985), generative strategy-making (Hart, 1991), innovative strategy-making (Lumpkin & Dess, 1995) and intrapreneurial strategy-making (Verreynne & Meyer, 2007). This paper focuses on the latter concept, and investigates its nature and application in practice.

Intrapreneurial strategy-making was identified by Lumpkin and Dess (1995), but has been the subject of more recent investigation (e.g. Verreynne & Meyer, 2007). Intrapreneurial strategy-making is a generative process (Hart, 1992) through which risky, innovative ideas are created in a dynamic manner and implemented emergently by employees (Bourgeois & Brodwin, 1984). Intrapreneurial strategy-making have been under-investigated in the literature and the studies quoted above are all quantitative in nature – investigating the presence and performance implications rather than the nature of intrapreneurial strategy-making. Intrapreneurial strategy-making is important to organisations that want to ensure growth
and strong performance through innovation. Innovation is often viewed as the outcome of such a strategy-making process.

The purpose of this paper is therefore to investigate the nature and application of intrapreneurial strategy-making in SMEs. In order to do this, a literature review focusing on innovation, intrapreneurship and intrapreneurial strategy-making is undertaken. A case study on the implementation of a no-lifting policy at the Claud Switzer Memorial Home (Switzer), a rest home based in the far north of New Zealand is presented as a successful story of process intrapreneurship. The implementation of this policy is considered to be innovative and therefore intrapreneurial because of its newness to the market (Johannessen, Olsen & Lumpkin, 2001), rest homes in New Zealand. The paper concludes with a discussion in which the implications for researchers and SME owners/managers are considered.

THEORETICAL BACKGROUND

Innovation

Innovation is a central construct of entrepreneurship (Miller & Friesen, 1978) and is more than invention; it also includes the successful commercialisation of the invention. Innovation in organisations varies from willingness to experiment to a passionate commitment to master the latest in new products or technological advances (Lumpkin & Dess, 1996). Innovation strategy is often seen as a willingness to support creativity and experimentation which may lead to the introduction of new products/services, or the development of new processes (Dess & Lumpkin, 2001). These authors further explain that momentum is a pervasive force in firms, and that a firm with a propensity for innovation will become more innovative over time unless there are key obstacles acting to stop it. These obstacles may come from scanning or control systems that reveal it to be wasteful or expensive, analysis of decisions, environmental conditions and structural factors (Miller & Friesen, 1982). One process that has been touted as ideal to support innovation is intrapreneurial strategy-making.
**Intrapreneurship**

Intrapreneurship, as suggested earlier, is the entrepreneurial behaviour of employees in existing organisations. Intrapreneurship can take place at any level of the organisation. Therefore, what essentially distinguishes intrapreneurship from entrepreneurship is first and foremost the context in which entrepreneurial act takes place (Carrier, 1996). Fostering intrapreneurship may be both a deliberate and an emerging strategy (Mintzberg, 1978) that is either a deliberate active strategy on the part of the owner-manager, or perhaps as a result of the process of reflection triggered by intrapreneurial behaviour within the organisation, in which case it is developed incrementally (Carrier, 1996). Within the study of intrapreneurship, Antonic and Hisrich (2003) elucidate the main contributions have been in raising awareness and understanding of the role of entrepreneurship in existing organisations for the revitalization and performance of those organisations (Antoncic and Hisrich, 2004; Zahra, 1991), improving the understanding of successful intrapreneurs (Pinchot, 1985; Jennings et al, 1994; Green et al, 1999); new corporate ventures in their context (Fast & Pratt, 1981; Krueger & Brazeal, 1994); and improving the understanding of entrepreneurial organisations (Hanan, 1976). Most studies on intrapreneurship have focused on intrapreneurial activity within large organisations; however, there is a very clear need for intrapreneurship in small and medium sized enterprises (SMEs) due to the pressures of scale on resources. One such manifestation of intrapreneurship is when employees contribute innovative ideas to the strategic direction of the organisation by participating in the strategy-making processes of the organisation, as explained next.

**Intrapreneurial strategy-making**

Dess, Lumpkin and Covin (1997: 679) describe strategy-making as ‘a process that involves the range of activities that organisations engage in to formulate and enact their strategic mission and goals’. A number of approaches that organisations use during strategy-making have been identified, including the rational, adaptive, entrepreneurial, participative, symbolic, simplistic, transactive, command and political modes (Dess et al., 1997; Hart, 1991; Mintzberg, 1973). These approaches have mostly been developed with
large organisations in mind, and few researchers have investigated the nature of strategy-making processes in SMEs. Where this has been done, the research tends to focus on performance outcomes of formal verses informal processes (Bracker, Keats & Pearson, 1988; Robinson & Pearce, 1983) rather than focusing on the more specific nature of the process. This paper addresses this gap in the literature by investigating the nature of one such strategy-making process, namely intrapreneurial strategy-making.

Like Mintzberg (1978), Burgelman (1983) suggests that strategy is either induced (deliberate) or autonomous (emergent). Autonomous strategic behavior in his research leads to the redefinition of markets and other entrepreneurial activity – therefore likely to be intrapreneurial strategy-making. Although few conceptual studies attempt to explore this concept, the existence of an intrapreneurial strategy-making mode, or aspects thereof, has been identified through empirical studies (Bourgeois & Brodwin, 1984; Burgelman, 1983; Hart, 1991, 1992; Miller & Friesen, 1977, 1978; Verreynne & Meyer, 2007). This approach seems particularly suitable to SMEs. Hart (1991) explains that large organisations using intrapreneurial strategy-making act like small entrepreneurial ventures, generating innovative strategies for approaching daily operations – thereby implying that intrapreneurial strategy-making is suited to SMEs. Beaver and Jennings (2000) add that formulation and implementation are often intertwined in SMEs and Chen and Hambrick (1995) and Spillan and Ziemnowicz (2003) explain that smaller businesses initiate competitive challenges more actively, and are speedier and more secretive in executing their challenges than larger organisations. All these studies suggest intrapreneurial strategy-making is likely to be used by SMEs.

As stated in the introduction, an intrapreneurial approach to strategy-making ‘implies independent behavior by innovative employees who are encouraged and sponsored by top-management to experiment and take risks with, for example, product/service ideas’ (Verreynne & Meyer, 2007: 107). When SMEs use this approach innovative employees come up with new ideas for products, services or processes which are entrepreneurial in nature, and which, therefore, emerge from within the organisation. Intrapreneurial
strategy-making is a relatively unexplored concept in SMEs, but has been studied in large organisations where it has been termed variously organic (Ansoff, 1987), crescive (Bourgeois & Brodwin, 1984), and generative (Hart, 1992) strategy-making.

Criticisms against the existence of intrapreneurial strategy-making include issues such as that strategy formation in this approach remains a black box. This approach relies on the positive image of entrepreneurial behaviour which is debatable. It is also likely that the leader may get locked up in operational issues and forget about strategic management (Mintzberg & Lampel, 1999). Furthermore, many loose running strategy initiators can lead to a corporate mess (Bourgeois & Brodwin, 1984). It is the first criticism, namely the uncertainty regarding the nature of this process that this paper attempts to address through empirical investigation, as described next.

**RESEARCH METHOD**

This case study was compiled as part of a larger research project with the objective to understand how strategy and drivers of productivity are key to improving organisational performance in a number of organisations, including this medium sized rest home. Improving workplace productivity involves exploring all the ways that a workplace can do things better and smarter, and each workplace will have their own unique way to do this (New Zealand Department of Labour 2007). One such way that has been highlighted is the contribution that intrapreneurial employees can make to the strategic direction of the firm (Verreynne & Meyer, 2007). The research design utilises a descriptive explanatory case study approach to generate an understanding of an organisational setting. Ogbonna and Harris (2002; 39) explain that ‘researchers should concentrate on understanding the ways through which organisational members construct and reconstruct their ‘reality’ (Smircich, 1983), rather than seeking to establish abstract variables to quantify their experiences (Schein, 1996)’.
Data gathering took place at Switzer Home during 2007. Structured interviews lasting between 60 – 90 minutes were conducted with the Human Resource Manager, three other division managers and three staff members as well as the General Manager who was interviewed twice during two separate visits. The data gathered related to the overall organisational strategy and the seven productivity drivers as promoted by the New Zealand Department of Labour (2007). These are building leadership and management, organising work, networking and collaborating, investing in people and skills, encouraging innovation and the use of technology, creating productive workplace cultures, and measuring what matters. It is the aspect that encourages innovation that is important to this paper.

Interviews were transcribed and coded thematically within each interview by highlighting key components and making preliminary margin notes to 'isolate certain themes and expressions that can be reviewed with informants… maintained in their original forms throughout the study’ (Miles & Huberman, 1994: 6). Notes and interviews were used to build theoretical categories as a basis for analysis (Strauss & Corbin, 1990). By repeated reading, coders worked to identify issues that were emphasized, repeated or highlighted in each section of the texts. Whenever possible the most common phrase used by respondents was used to capture the theme and its meaning (Miles & Huberman, 1994).

The following case will examine the actions taken by the General Manager and staff at Switzer for the development and implementation of an innovation strategy through an intrapreneurial strategy-making process for the cessation of manual lifting of residents. Central themes found supporting this strategy and process related to all seven of the DOL’s productivity drivers, making this a particularly important strategic change. The case illustrates the use of intrapreneurial strategy-making as a generative process (Hart, 1992) through which risky, innovative ideas were created in a dynamic manner by the General Manager Jackie Simkins (Jackie) and implemented emergently by managers and staff. We highlight a number of themes which emerged from our analysis of the data as the case is presented.
CASE STUDY

The Claud Switzer Memorial Home provides relief and welfare for older people within the Kaitaia region. Established in 1950, it has grown from 15 beds to 72. It has 70 staff with an average age of 45 years, 95 per cent of which are female and 50 per cent Maori. The remaining staff are from the Pacific or Britain, or are New Zealand European. The vision at Switzer is to provide leadership in the care of older people, and a range of services for their changing and diverse needs. Due to its geographical location in the Far North of New Zealand and difficulty with managing capped levels of funding, Switzer faces a number of challenges. It has proved difficult to attract staff to the gerontology sector from an already tight labour market. In addition, it is difficult to find suppliers to service equipment. Switzer also needs to maintain and develop secure relationships with multiple stakeholder groups in order to effectively manage the home.

Theme 1: Strategic initiatives are often a result of a pressing need experienced by staff and/or management

Staff at Switzer provide a high level of care for residents who are very dependent. The nature of the work is physically and emotionally demanding, and staff work across a large physical area. For several years now Switzer has experienced almost 100 per cent occupancy and has long waiting lists. Jackie says that, with the approach of the baby boomer generation, ‘The people we care for are getting older and frailer, much more dependent. Our staff workload is going up all the time.’ The work at Switzer was physically intensive as staff were manually lifting residents between different areas several times a day. This incurred higher risks for residents, including skin tears, strains, and the indignity of being hauled around.

Theme 2: Intrapreneurial strategy-making can take place at any organisational level, whether it is managerial or operational

The risks were also very real for staff. From 1999 to 2004, manual lifting lead to 283 lost work days due to injuries and strains experienced by staff, particularly to their backs. The situation became increasingly
untenable in light of the ACC 16kg limit as a best practice standard for patient handling. Staff turnover peaked at 32 per cent. The situation had to change as the Jackie wanted to reduce staff and resident injuries, and improve staff retention. The challenge for managers at Switzer was to find ways of organising their physical environment and workforce structure to respond to the growth in demand for their services; in other words, working smarter not harder.

Theme 3: For intrapreneurial strategy-making to have positive outcomes, top management support is essential

In response to the Accident Compensation Corporation’s best practice weight limit for lifting, General Manager Jackie Simkins developed a key strategy: a no-lift policy, which meant an end to manual lifting of residents by staff. The Board of Trustees supported her proposed change, which aimed to improve productivity and reduce injuries in the workplace.

Theme 4: Intrapreneurial strategy-making inevitably leads to product/service/process/systems innovation

New equipment such as high-low beds, hoists and slippery-sams were installed to facilitate new approaches to moving and handling residents. Not all equipment needed to be replaced, as some very simple ideas for modifying existing equipment and facilities provided significant gains.

Theme 5: Innovation results in change which may lead to resistance. It is important to illustrate the benefits of innovation to overcome such resistance

Initially a few staff were resistant to the no-lift policy as use of equipment was perceived as a slower way of moving and handling residents. To overcome this resistance, managers used patience and dialogue to explain why this new approach to handling was required. All staff received training on the new lifting procedures and how to use the equipment. Caregiver Loretta Haare says, ‘We more or less, especially the old hands, had to re-educate ourselves to stop, think and assess your situation’. Through encouragement and enforcement, the transition to the no-lift policy was achieved within a few months.
Theme 6: Successful intrapreneurs are able to secure resources and support to ensure the successful introduction of new products/services/processes

Once staff realised the benefits of the new policy, particularly the reduction in fatigue and workplace injuries, they began to self-policing the policy to ensure manual handling was avoided. For Switzer the no-lift policy has lead to very real productivity gains. For the five years from 1999 there were 28 workplace injuries resulting in 283 lost work days, 175 of which were sick leave days. There were also 108 back-to-work rehab days in this period. The direct cost was $22,480. When the no-lift policy was introduced in early 2004 there were no injuries (they have had a couple of injuries in the last year, but they have been very minor and not resident related). Jackie said ’Investing in equipment that makes the job easier and reduces the number of accidents means staff can start getting more pleasure out of doing the job. You keep them longer, which balances up the cost of new equipment’. Staff turnover has also dropped to as low as 15 per cent. ’Our primary aim is to keep our workers here,’ says HR Manager Sally Maria.

Switzer is now seen as a leader in the industry in moving and handling, and attracts funding from a wide range of sources and has won several Health and Safety Awards. Switzer continues to provide a safer work environment for staff and a high quality care experience for residents within their fixed funding levels. ’Happy staff makes for happy residents, which decreases the workload because they’re more cooperative’ says Clinical Manager Mary Herbert. Management at Switzer have plans to attract additional funding to enable them to install a greater number of hoists and high/low beds. The current plan is to renovate an old wing to build 20 new beds, which will all be hospital size with hoists attached to the ceilings. They also wish to install an eight-bed rehabilitation short stay unit.

DISCUSSION AND CONCLUSION

Organisations in the aged care industry face several pressures, particularly lack of funding, increased demand due to an ageing population and the problems of attracting and retaining staff in the tight labour
market. At Switzer these factors created the pressure to find a ‘new way’ to do business for the improvement of quality of care for clients and safer work for staff. The above case is an example of intrapreneurial strategy-making (Verreyne & Meyer, 2007) as it illustrates the generative process (Hart, 1992) undertaken by Jackie to develop, fund and implement the risky, yet innovative strategy of the no-life policy.

Our initial investigation of a single case provides us with some insights into an organisational process which has thus far been under explored. Intrapreneurial strategy-making has been called a ‘black box’, a well deserved label for a process which lacks definitional clarity in the literature. In particular, six major themes which describe the nature of this process emerge from our case, and is discussed next.

As is often the case with strategy-making, external and internal factors created the need for change. In the case, the impact of the 16 kilogram best practice weight limit set by ACC escalated the need to find new ways of lifting patients to mitigate the health and safety risks. Also the culmination of the increased physical demands of the work, ageing workforce and dangers of manual lifting created a pressing need to find a new approach to moving residents. The physical risks to residents of skin tears, and the absenteeism from back strains experienced by staff lead to lower productivity, as defined by management at Switzer as being about continuous quality care of residents. In this case, the problem warranted a novel approach, and set a strategy-making process that was intrapreneurial in motion. We defined this process as such because of the existence of a number of pre-conditions, including the emergent nature of the process, the innovative solution, the acceptance of risk by the organisation and the pro-active manner in which they dealt with the problem (Dess, et al. 1997).

Although intrapreneurial strategy-making can take place at any organisational level, the new no-lifting policy was formulated firstly by the General Manager, with most staff buying into the new approach fairly quickly, with the assistance of training and encouragement. Staff experienced the benefits of the new system as it was much better for their bodies and improved relationships with clients thus making the
work easier. Working smarter not harder also led more staff to stay at the organisation, rather than looking for less physically demanding work in other sectors, thus achieving many of the productivity goals established by the Board of Trustees and management at Switzer. This result makes an important contribution to what has previously been considered a ‘black box’. Others such as Dess et al. (1997) and Verreynne and Meyer (2007) only suggest that intrapreneurial employees contribute to strategy-making, but do not emphasize the potential role of managers as the actual intrapreneur, not only the person who supports the initiative.

Support by those in Governance roles is vital for the successful adoption and implementation of any new strategy in an organisation. Through this case study, we also identified the importance of such support for the success of intrapreneurial strategy-making, supporting the definition of Verreynne and Meyer (2007). For such a major change in process as outlined in the case, the Board needed to support the pursuit of the new strategy in terms of seeking external funding, purchase of new equipment, hiring of expert staff and work redesign. The Board of Trustees in the first meeting realised the business case for the strategy in terms of raising productivity and addressing key issues faced by the whole sector, such as difficulties in attracting staff, and an ageing workforce. The supports was therefore more likely to be the result of external pressures in this case, rather than from a supportive culture for innovative action, which would be important for the long term success of this approach.

The outcome of the use of an intrapreneurial strategy-making process is inevitably product/service/process/systems innovation. In the case of Switzer, process innovation came through the creation of the no-lift policy since it was a risky idea, new to the sector, and which was developed and implemented emergently by employees (Bourgeois & Brodwin, 1984). The case therefore demonstrates how intrapreneurship can transform business practices through the introduction of new technology, redesign of work processes, and comprehensive training to deliver improved client service resulting in significant improvements in organisational performance (Antoncic & Hisrich, 2004; Zahra, 1991).
As expected, the innovative new processes were met with initial resistance. With such significant change managers realised the importance of advocating the benefits of new work approaches as staff need encouragement to change work practices. Furthermore, strong leadership is required when adopting radical new approaches to work processes to work through resistance from staff (Zhao, 2005). Close relationships with residents contributed to staff adopting the no-lift policy as they could see the benefits not only for themselves, but also for the residents.

We highlighted that successful intrapreneurs are able to secure resources and support to ensure the successful introduction of new products/services/processes. In the case of Switzer, the innovation strategy required investment in new lifting equipment. Jackie had to apply for several grants from external funding agencies. Obtaining grants allowed for the incremental purchase of hoists, which were implemented and used by staff with clients emergently. Given the funding constraints, transformative change was achieved over time through the incremental investment in new equipment. To get buy-in for the strategy timely measurement of the benefits of new processes is vital for calculating the return on investment.

**Implications of research**

This paper investigates the nature and application of intrapreneurial strategy-making in a SME through a case study on the implementation of a no-lifting policy at the Claud Switzer Memorial Home. This paper has several implications for researchers and SME owners/managers. Firstly it contributes knowledge on the nature of intrapreneurial strategy-making from a qualitative perspective, to the field which has been under-investigated in the literature. Where studies have been conducted they have tended to investigate from a quantitative perspective the presence and performance implications rather than the nature of intrapreneurial strategy-making in a not-for-profit service organisation. The development of theory and knowledge from this paper will aid our understanding of the strategy-making process of specific groups of intrapreneurs such as ‘nursepreneurs’ (McHarg, 2006) for how intrapreneurial strategy-making can be
undertaken in other resource constrained service organisations. From an academic perspective, developing a richer appreciation of the intrapreneurial strategy-making process provides theoretical advancement of intrapreneurship and strategy. This research project will aid other business and entrepreneurship researchers to conduct further research that will aid in economic and social policy, and best practice cases.

REFERENCES


