
An "intrapreneur" is an "intracorporate entrepreneur" who works inside rather than outside a corporation, producing new products and services that enable the company as a whole to grow. In educational settings, there are both negative and positive sides to intrapreneuring. The worst intrapreneurs in colleges and universities are those who write "bestselling" textbooks, giving publishers what will sell; those who seek grants for hot topics and build elaborate in-house organizations; expert consultants and grant lecturers, who command high fees often on university time; those who travel around the world imposing the American system; and clinical professors who use the university to extend private practices. The best intrapreneurs, on the other hand, are those who produce plans for solving major problems in higher education; consultants who successfully place chancellors or strengthen the relationship between colleges and industry; lecturers who relate the institutional mission to the public in an inspiring manner; quantifiers whose diverse data bases provide research opportunities for students; and clinical professors who serve interns and residence specialists. Leaders in industry and education have been trying to reach a balance between the worst and best intrapreneurs, while universities have initiated conflict-of-interest and positive disclosure regulations to guard against exploitation by faculty intrapreneurs. (CELCREE, an Adjunct ERIC Clearinghouse on Entrepreneurship Education) (HAA)
Entrepreneurship in Higher Education: A Critical Balance

By

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An "intrapreneur," as Gifford Pinchot III defines the term in his book, Intrapreneuring: Why You Don’t Have to Leave the Corporation to Become an Entrepreneur, is an "intracorporate entrepreneur" p. xii - the person who takes risks to make new ideas happen - the entrepreneur who works inside rather than outside the corporation introducing and producing new products, processes and services that enable a company as a whole to grow and profit.

Top intrapreneurs have both intuitive and analytical skills, but with deep personal need for achievement. These people, Pinchot believes, need achievement, but not power - power is not an important motivator. Intrapreneurs should be given ultimate freedom to use intuition, to take risks, and to invest the company’s money to launch new products and services. The wise corporate executive emphasizes intrapreneuring, realizing that a talented innovator is likely to enhance profits. Society honors entrepreneurs - the senior executives and noted inventors - but rarely hears about intrapreneurs who have the potential for lifting the parent corporation to first status.

While the "intra" personality, according to Pinchot, is apt to be intolerant of authority, that person is not the money hungry empire builder antithetical to the culture of the corporation (p. xvi). Pinchot, in fact, is entirely laudatory in appraising the entre-intrapreneurs. Again, these people are achievement-
motivated, not power motivated. Pincbot describes intrapreneuring as a way of organizing business so that work "becomes a joyful expression of one's contribution to society." (p 321). That sounds very romantic, but the most successful companies in the tough competitive world have small independent groups of imaginative action takers working to circumvent or even sabotage the formal system that supposedly manages innovation. "These courageous souls [Pinchot continues] form underground teams and networks that routinely bootleg company resources or 'steal' company time to work on their own missions. They make new things happen while those trying to innovate by the official route are still waiting for permission to begin." (pp. xi-xii).

Virtually all institutions have "in-house" risk takers in higher education, the impresarios whose talents when put to collective use can and do save shaky institutions - those who place students above all else. We also have some who rely on the protective cover of academic freedom and the privilege of life tenure to gain fame and fortune - to feather their own nests at public expense.

Some educators refer to the last ten years in higher education as a decade of greed. It is a great irony and a frustrating paradox that the entrepreneurs (the most greedy and self-centered of them) are rewarded sooner, are often accelerated over those who try to fulfill the manifest functions of the university: research, teaching, university service, and professional competence. In many first rate institutions the last three, teaching, university service, and professional competence, are liabilities to promotion - the more you teach, the better you
serve, the slower you move up the professional ladder.

The first purpose of this paper is to describe the negative side of intrapreneuring in colleges and universities, and then the positive. The second purpose is to discuss ways to achieve a critical balance of the talents associated with intrapreneurship in higher education.

The Worst Intrapreneurs

Eight types of "worst intrapreneurs" are identifiable.

1. The Textbook Authors - who write bestsellers, giving publishers what will sell. Publishers are not inclined to be risk takers. Most are primarily interested in what teachers want. Teachers are first to select textbooks, not students. Far too many teachers are uncomfortable with new ideas and new teaching tools that demand changes in pedagogy. Intellectual content is frequently not the primary consideration. In the worst situations, publishers control content, sometimes over the better judgment of authors. On "university time," the worst professor/authors build small fortunes, and systematically detach themselves from teaching and service, but remain on full-time university status. The more they get, the more they want - the essence of greed.

2. The Proposal Writers - who produce persuasive grant proposals on leading contemporary questions of the day, and from such awards, build elaborate "in-house" organizations. University bureaucracies often allow released time and "by-out" privileges from teaching and service for winners of big money.

Special publications called Research Funding Proposals are available on virtually all college campuses. The reports announce possible sources of funds and types of research most likely to be
funded by the various public and private agencies. The professional proposal writers are likely to show immediate interest in the areas of scholarship where grant money is available whether or not the home institution would be served. Every department should have a standing committee whose responsibility would be to determine if the proposal would impact on the basic institutional missions, such as teaching and service.

Fortunately, many funding agencies now impose their own control policies. During my early years at UCLA, the Kellogg Foundation which supplied monies for the Junior College Leadership Program at nine major universities, including UCLA, insisted on action research and activities that would make an immediate difference. Professional promotion and security was not Kellogg’s concern.

3. Closely related are The Expert Consultants - professors who command inordinately high consultation fees, frequently earned on “university time.” The most active expert consultants are not available on campus. That’s one problem. Another problem is conflict of interest. That is, consultant recommendations may reflect the interests of the payer rather than the institution. Some high paid consultants can be “bought off.”

4. The Grant Lecturers - the talented speakers who command high fees may be on “everybody’s wish list.” Conference organizers complain that their pockets just aren’t deep enough to pay for the speakers they want. Although the upper end of the fee scale involves only a few “headliners,” the lower range is still substantial.
Most university lecturers ask for travel and housing and only modest honorariums from their own professional societies and scholarly organizations. Many omit the honorarium, but for "outside" speeches, fees are substantial, depending on the financial health of the organization and the professors' attitudes toward the groups' purposes. While those interviewed by the Chronicle of Higher Education reporter preparing some of the above material claimed they rarely skip a class, they obviously must spend valuable time away from students and research - away from their basic university responsibilities.

5. **The Internationalists** - who continue to spin around the world determined to impose the "superior" American system on others less fortunate. How many internationalists actually serve international populations living in the college service area? Helping societies living on Senegal or San Salvador is important, but immigrants and aliens from those countries living in the university community desperately need assistance. Experts, do some of your work at home!

6. **The Quantifiers** - who collect enormous amounts of information from large populations and present safe interpretations of the massive findings. "Nose counters" with "score card mentalities" are rather undignified but realistic descriptors for the worst of the "quantifiers." The "nose counters" give little attention to scientific research methodology. Findings are highly speculative. These professors are primarily information collectors. They do little interpreting. They don't create knowledge, nor do they give direction to problem solving policy or action. Their contributions to learning and
pedagogy are therefore limited.

7. **The High Professional Clinical Professors** - the prominent surgeons who offer their names in exchange for part-time clinical responsibilities, using university space, equipment, and time to extend private practices.

8. **The Moonlighters** - who get themselves employed simultaneously as "regulars" in more than one institution. Individuals have actually been known to be teaching as "regulars" in at least two community college districts, not as "a regular" in one and an extension teacher in another. That accusation points to gross negligence as well as unethical conduct.

During the process of gathering fame and fortune, these "worst" entrepreneurs become more and more self-sufficient, drawing away from institutional obligations, doing less and less teaching and service. Protected by absolute tenure and reputation immunity, the worst of them, especially those representing major research universities, continue to build administrative kingdoms with stronger and stronger political clout, along with their considerable fortunes.

The above characterizations are somewhat overdrawn for a purpose. The fact is, though, all seven types appear in virtually every institution of higher education, particularly throughout the departmental structure of major research universities. Community colleges, for obvious reasons, are less involved, but are not totally immune.
The Best Intrapreneurs

Entrepreneurship can, of course, be noble and positive - the heart of Pinchot's message. The best intrapreneurs would say: "what I achieve entrepreneurially must benefit the university in some tangible way." Take 1. The Textbook Authors - who break new intellectual ground or reorganize the known into unusual or unique teaching techniques.

2. The Proposal Writers - who produce plans for easing or solving major problems in higher education - improving retention, liberalizing admission practices, training "transactional leaders," or solving one of the myths impeding progress in higher education (see Millard, 1991).

3. The Expert Consultants - who help to place the right chancellor at the right university, or draw a community college district into a tighter, more meaningful relationship with industry.

4. The Grand Lecturers - who relate institutional mission to the general public through inspiring prose, as few other can.

5. The Internationalists - who provide intellectual as well as physical help to colleagues elsewhere, bring back suggestions for "home" improvement gleaned from abroad, or on a subcontractual basis, arrange for faculty and student exchanges, special mid-level manpower training and vocational education for struggling short-cycle colleges.

6. The Quantifiers - whose diversified data bases provide unusual research opportunities for colleges and graduate students.

7. The High Profession Clinical Professors - who simply serve interns and residence specialists, and avoid using the
university for personal advantage.

How can the talents illustrated by the worst and best intrapreneurs be brought into balance? Extreme measures have been tried by insisting, for example, that all royalties, fees, honoraria, and grants be returned to the institution, and by disallowing all teaching and service "buy outs." Control the money and you've solved it. But the problem is much more complex and pervasive. Extreme control policies are likely to stifle ingenuity and ambition and circumscribe talent even to the point of threatening survival of the institution.

Intrapreneurs need empowerment - meaning freedom to act and prestige after accomplishment - just as much or even more than material compensation. (p. viii). The most cherished award for a talented intrapreneur is the guarantee of freedom - freedom to choose one's own vision, to pursue the right to make mistakes, the right to think ahead, and to benefit from one own's diligence. (p. 279).

Those thoughts are remindful of Abraham Maslow's concepts of motivation - from basic physiological needs to the higher order motivator, self-actualization: and also Douglas McGregor's theory X (illustrating reactions to authoritarianism) and theory Y (the primary need for competence and accomplishment). Leaders in industry and education, alike, who struggle to reach a sensible balance of entrepreneurship, constantly ponder the questions:

1. How can the full intellectual potentials of individuals be utilized in the organization or institution?
2. How can the administrator-manager make it possible for subordinates to find rewards for self-motivation and self-control?

3. How can the organization, for its own survival and development, adapt to individual needs?

The qualities of the worst intrapreneurs in higher education - greed and self-aggrandizement - stretch into all corners of life, certainly in American political life. Some analysts refer to this breakdown of society's moral fibre as a hangover from the late "60s and early "70s when beliefs and values were severely challenged and forsaken by a strong segment of the young adult generation.

Money making is clearly a dominating motivation throughout our society. The attraction to higher education continues to weaken as professorial salaries fall farther and farther behind the competition. Since that condition is not likely to improve dramatically, a better distribution of available compensation throughout ranks and levels is all the more important.

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Striking success has been achieved in the business world in developing intrapreneuring programs that give employees of all ranks opportunities to earn more and also to achieve more. Pinchot describes many strategy stories, and presents the most striking achievements through anecdotal accounts.

Like many others, The General Telephone Company aggressively promotes its approach to employee involvement in the creative process. "Dollars for ideas" is a widely publicized slogan addressed to all workers through a special report called "New
Ventures." First, an employee - any employee - submits a proposal to group evaluators. A winner, appropriately referred to as a "Venture Manager," is then pulled off regular assignments to work on or lead the project at full company expense. The project is carefully monitored by the "New Venture Board" that sets policy and approves business plans, compensation agreements and incentives. Non-employees, called "entrepreneurs," may actually head a "new venture," participating in those situations in a joint-venture capacity.

A GTE employee, whom I recently befriended, is absorbed in a plan to improve intercompany billing systems. He is trying to figure out how to simplify billing charges to the advantage of GTE. He is convinced that the extra hours spent on his own time will eventually bring important dividends to the company and to him, personally. Here are a few more details about "The New Venture" strategy.

Submitting a plan is, of course, the first step. The required section headings include elements dealing with the competitive environment and financing in which the author describes the most likely and the worst financial scenarios. The "new venture" proposal must have a conceptual framework, evidence of a product/service balance, and some type of action schedule. This means in GTE terms a schedule for market research and testing.

Potential "venture managers" must show competency in four areas: marketing, technical, financial, and administration. Under an unusual, if not unique, compensation plan, winners become full-time "venture managers."
Compensation is a vital part of the payoff: an initial check, an incentive bonus (normally a few years later), and a per cent of profits awarded to the new manager and the team. A system of awards particularized for highly innovative people is crucially important. Most companies, according to Pinchot, focus reward policies on promotion, often a step up into a managerial position. Above and beyond administrative promotion, intrapreneurs need "freedom to use their intuition, take risks, and to invest the company's money in building new businesses and launching new products and services" (p. 261).

GTE's three-pronged strategy does not punish new venture managers who make mistakes. This is definitely not a failure-adverse corporation. Evident further suggests that GTE places incentive money within reach of new venture managers. Pinchot uses the word, "intracapital," to describe this type of reward system (p. 277). He suggests that in trusting intrapreneurs with incentive money, a "development bond" as some call it, corporations are giving control of resources to innovative and efficient employees - the heart of the free enterprise system. (p. 298).

The GTE corporate attitude is summarized in the "Official Report to Employees:

We can't afford to miss a promising idea or a potentially profitable market opportunity just because they don't fit into the scope of our 'normal' operations. We need advocates for the new and daring. And we've got them. (p. 1).
In higher education, schools of medicine, engineering, and business are particularly vulnerable to exploitation by faculty intrapreneurs. These professional divisions are usually aggressive in attempting to control intrapreneurship. On the other hand, schools of education and the arts and sciences have been less aggressive, but still have the worrisome problem.

Exploitations in college and university intrapreneurship often emerge from conflict-of-interest situations involving research contracts. Control efforts are frequently centered in the machinery of the academic senate. The responsible group at UCLA is called the “Independent Substantive Review Committee.” Five faculty members appointed by UCLA’s Chief Executive serve three-year terms. The ISPC meets monthly to review positive disclosures of gifts, grants, or contracts. (Seligman, p. 31).

“Positive disclosures” refers to the amount of income received, or to be received, by principal investigators from a non-governmental entity that is also supporting their research at the university. The form must be completed for all research projects involving $250 or more over 12 months that have been or will be funded in whole or in part through a contract grant or gift from a non-governmental agency. (p. 29).

The committee records are confidential, but actions taken may be recognized anonymously within the university, itself: postponement of funding pending investigation, or requiring proposal changes. The major issue confronting the committee is: Should the university accept the money from the funding agency? Ethics and the law come under intense scrutiny in making the decision.
Institutions subtract an amount from every accepted grant for "indirect costs." The range is from about 40 to 80 per cent - meaning that 40 to 80 cents of every dollar from funds accepted become university money. Occasionally, "indirect costs" has to be explained to a disbelieving professor. "What so-called services do I get?" Very important services are provided - employee benefits, university space, university time, legal protection as needed, and other benefits that may be figuratively described by the phrase, "use of university letterhead."

Eighty per cent, or 80 cents of every dollar, is an excessive charge. A few years ago, Stanford University was caught in a maelstrom of Congressional outrage over the amount of federal research money taken by the university for overhead. (Cordes, p. 1). Stanford admitted shortcomings in the accounting system, but denied intentional wrong doing. Whatever the guilt or innocence, the situation is a reminder of the complexities and difficulties associated with this area of intrapreneurship.

The background for this method on controlling intrapreneurship should be of particular interest to all faculty in higher education. In 1994, after "Watergate," the Political Reform Act was enacted in California as a result of strong national interest in controlling activities of elected officials. According to the Act, regulations including annual financial disclosures were developed by the California Fair Political Practices Commission. Only faculty serving as University of California administrators were originally affected; but in 1982, all faculty were required to disclose financial involvements with non-governmental agencies offering research awards. The committee
was established on all University of California campuses.

Cases typically include various forms of conflict-of-interest and conflict-of-commitment situations; i.e., the professor who adds family members to the payroll, the professor who is also a corporate president or prominent stockholder, the individual whose grant proposal is only remotely connected to the primary academic area of expertise, or the person who submits orders for an inordinate amount of very expensive equipment.

The University, as Seligman points out, was forced "to take an active role in the consideration of potential conflict-of-interest situations involving faculty." (p. 28). In his definitive article, Seligman lists and describes criteria to be utilized by the committee, presents the 1988 summary of committee activities, and reviews two cases anonymously. He prophetically concludes that

...leaders of American research universities will soon have to come face-to-face with the issues of conflict-of-interest in research, and will have to take deliberate action to bring this activity under control before that function is taken over for them by someone else. (p. 40).

Peter Drucker, one of the most respected management thinkers, refers to "today's great wave of entrepreneurialism," the new wave of innovation. (p. 4). He describes the federal government's early attempts to balance risk and security with such far reaching acts as Social Security. Later he warns, as does Pinchot, that existing organizations and institutions must learn to be innovative. Emphasizing only the creation of new entities based on entre-intrapreneurial principles is far too narrow. Successful entrepreneurship - healthy, long lasting innovation - does not depend absolutely on a flash of genius from a professor or vice-
president, but results from a cultivation of ideas and systematic planning.

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