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CORPORATE ENTREPRENEURSHIP, HUMAN CAPITAL, AND THE THIRD CAREER LADDER

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ABSTRACT
Corporations are excellent at exploiting their current capabilities and tend to be effective at altering them for incremental innovation. However, corporate entrepreneurship efforts to bring breakthrough innovation do not work over any sustained period of time and prior research suggests human capital issues may be a factor in this lack of success. The findings of our study point to the need for a “job redesign” to support the career needs of corporate entrepreneurs. Our results and the current job design literature are used to argue for a third career ladder for corporate entrepreneurs.

INTRODUCTION
The identification and exploitation of new opportunities is a persistent feature of firms in competitive environments (Dimov & de Holan 2010; March 1991; Sidu et al 2007). Corporate entrepreneurship (CE) initiatives that underpin these efforts and drive breakthrough innovation allow firms to separate from the pack and provide consistent above average returns (Lawless and Anderson 1996; Sood and Tellis 2009; Sorescu et. al 2003; Zahra 1996). Unfortunately, CE success is sporadic (O’Connor and McDermott 2004) as one-off, infrequent breakthroughs do not leverage the firm’s cumulative knowledge, capabilities, or management prowess (Leifer et. al. 2000; Jelinek and Schoonhoven 1993; Dougherty and Heller 1994).

Research shows that the individuals and teams that lead CE efforts tend not stay together for very long (Leifer et al 2000; Fast 1976). While corporations state a need for more innovation and entrepreneurship (Rosenfeld 2005) their actions belie their pronouncements. In fact, many people who have been involved in breakthrough innovation in established companies perceive CE related roles to be career risks (Deutschman 2007; O’Connor and McDermott 2004). Corporate entrepreneurs, recognized as rule-breakers in their organizations, are sometimes viewed as rogue corporate citizens with questionable ethical practices (Kuratko and Goldsby 2004). Inconsistent performance often marks CE efforts as just another ‘program du jour’ (Jansen, Vera et al. 2009; O’Reilly & Tushman 2004). In sum, while prior research of CE has made positive contributions none have answered questions regarding how to properly and consistently develop corporate entrepreneurship human capital.

In this paper, we investigate the links between the human resource policies for breakthrough innovation and inconsistent corporate entrepreneurship performance. Relying on theory from organizational design we posit that while organizations are creating CE positions, they are not creating corporate entrepreneurship careers. We see this seemingly simple disconnect as an important
differentiator in organizational effectiveness with respect to CE efforts. Taking a grounded theory approach, our research demonstrates that few, if any, firms are aligning their human resource assets in the best manner to achieve their goal of breakthrough innovation. While most corporations have dual career ladders (technical and managerial tracks) neither of these designs effectively aid in CE efforts to bring true breakthrough innovation. As such, we propose and develop a third career ladder focused on corporate entrepreneurship.

Our paper continues by exploring organization design theory with a focus on job design and dual career ladder structures. We then detail our methodology and design to demonstrate its appropriateness for addressing CE human capital issues. Finally, we present our analysis, results, and proposal for a third career ladder for corporate entrepreneurship.

**Organizational Design**

Designing organizations effectively and aligning human resources within those designs has long been a part of organizational performance. From Adam Smith’s work on the specialization and division of labor in the 18th century, to Charles Babbage’s work on skilled labor in the 19th century, and Frederick Taylor’s time and motion studies in the 20th century, researchers have always sought to find organizational and job designs that will increase performance. As the nature of work and jobs has changed over decades and centuries, investigators have continued to research efficient and effective designs.

**Job Design: Theory & Evolution**

In recent decades, rapidly transforming markets and technological changes have emerged that have made job design and re-design increasingly challenging for managers. Conventionally, the careers of professional employees typically involve several stages (Hall 1996; Thompson, Baker, & Smallwood, 1986). Creative job design offers managers the ability to develop increased skills, knowledge, and commitment to their employees. Over the past few decades research into job design evolved from some primary, labor-related constructs (hygiene, motivation, etc.) to more complex issues of professional managers (compensation, telecommuting, work-life balance, etc.).

As the essence of work changed so did the way that researchers viewed job design. The two factor model of work (Herzberg 1966) demonstrated that satisfaction was primarily the result of motivating factors and that dissatisfaction was associated with hygiene factors. Satisfaction was defined as intrinsic to the work itself while dissatisfaction was primarily associated with extrinsic factors. The Herzberg model extended the research stream to accentuate the motivational factors of the job itself.

Theory evolved again with the classic Job Characteristics Model (JCM) of Hackman and Oldham (1976). This model illustrated five primary core job characteristics which included skill variety, task identity, task significance, autonomy, and feedback. Hackman and Oldham suggest that these characteristics impact the psychological states of experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results which in turn impacts various work outcomes (Hackman and Oldham 1976, 1980).

Over the last few decades of the 20th century job design research flourished to the point where many thought it reached a state of finality. In fact, Ambrose and Kulik (1999) noted that research
in job design was waning at the end of the last century due to a shared belief that most of the important theoretical and empirical questions in the field had been asked and answered.

**Job Design Research Renaissance**

It is now clear the shared belief of researchers was misguided. Just scholars were beginning to question the viability of the future of job design research a number of macro environmental factors took hold en masse to shift the manner in which we all work (Grant & Parker 2009; Humphrey et al 2007; Parker, Wall & Cordery 2001; Rousseau & Fried 2001). In the past decade and a half work environments and jobs changed dramatically in the following manners:

- Shift from manufacturing to service
- Increase in jobs in knowledge-based sectors
- Increase in emotional and interpersonal tasks within service work
- Increase and interdependence in teams
- Globalization
- Global operations across different countries, societies, and cultures
- Breakthrough technology and flexible work methods (virtual work, telework as norms)
- Changing workforce (more women, greater ethnic diversity, more educated workers, an aging population, and altered psychological contracts between employers and employees)

These changes give rise to new questions and theories about the design of jobs as many of them have yet to be incorporated into research, “…a number of scholars have recently pointed out that current theoretical models and empirical studies of job design no longer reflect – and have yet to integrate – the impact of the dramatic changes in work contexts that have occurred over the past few decades” (Grant, Fried, Parker, & Frese, 2010).

In fact, it is fair to state that much of what we know about job design has been impacted by these changes. Generally speaking, the majority of the latest research starts from the premise that the phenomenon has changed and continues to change dramatically (Erez 2010; Kilduff & Brass; Nicholson). So much so that while some basic fundamentals hold, researchers claim that past and current models bear little resemblance to what the future may be (Oldham & Hackman 2010).

The underlying foundation of the classic Job Characteristics Model (JCM) of Hackman and Oldham (1976) is one of these applicable basic fundamentals as individuals desire in their work the five characteristics of skill variety, task identity, task significance, autonomy, and feedback. The model suggests that these characteristics impact the psychological states of experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results which in turn impacts various work outcomes (Hackman and Oldham 1976, 1980). However, this model is heavily contingent upon context and the work environment (Strong, Jeanneret, McPhail, Blakely, and D’Egidio 1999). This is critical when investigating corporate entrepreneurship as the corporate environment has unique contextual demands that affect the practice of entrepreneurship (Corbett & Hmieleski 2007; Corbett, Neck, & DeTienne, 2007).

**Job Design & Corporate Entrepreneurship**

The level of interdependence involved in certain jobs such as corporate entrepreneurship can distort the boundaries of the role because individuals may perform various tasks that are different (Corbett &Hmieleski 2007). This can create unique interactions with others and decrease the consensus about the actual goals or requirements of the task (Dierdorff & Morgenson, 2007). In addition, increasing the amount of task variety or information processing in a job that is already
complex and ambiguous may produce job overload. The level of interdependence is also dependent on the availability of resources in relation to the demand for these resources (Pfeffer and Salancik 1978). Competitive pressure limits the amount of time to decide and hinders routinized behaviors which are generally considered efficient because individuals continuously perform these behaviors (Zander and Kogut 1995). Though top managers may be aware of changes in the environment they will only act on these changes in the environment when performance is severely affected (Pettigrew, 1973).

Context specific research is necessary to determine the most promising way to design a job in this entrepreneurial contextual environment. Generally speaking, few employees will be likely to provide ideas that could possibly enhance productivity if they have the possibility of being fired (Pfeffer 2007). An entrepreneurial environment involves rewarding individuals for developing and capitalizing on innovative opportunities; but also allowing for the likelihood of failure. Given the recent changes in job design research and the prior studies that suggests that lack of consistent CE success may be linked to human capital and “people issues” (Deutschman 2007; Jansen et al, 2009; Kuratko and Goldsby 2004; O’Connor and McDermott 2004; O’Reilly & Tushman 2004) research examining this intersection is warranted. Our research design was specifically constructed in order to examine the human capital issue within this unique environment.

**Methodology and Research Design**

Our data comes from an ongoing research program that explores capability development of corporate entrepreneurship within large R&D intensive firms. All of the firms and informants in our study have a stated purpose to develop – not incremental advances – but breakthrough innovation. The first two phases of the program yielded interesting findings but also revealed that corporations continue to struggle with their ability to attract, develop, and retain human capital for large scale breakthrough innovation efforts. As such, our longitudinal, qualitative investigations of Fortune 100 companies began its third phase during the summer of 2010.

The first two phases of our research were dedicated to understanding the capability development for continuous breakthrough innovation. We focused not on the projects or new internal ventures that were started but instead the systems and processes that allowed this continuous breakthrough to re-occur. Phase one (with a dozen companies including firms such as Corning, IBM, and GE) began in 2002 and included initial site visits to each firm and follow up interviews at six month intervals over a three year period. The second phase began in 2005 with six additional firms (including Bose, HP, and Intel) and included interviews and panel meetings where corporate entrepreneurs from the various companies met together. Together this work yielded over 200 interviews and dozens of notes and reports with top management team members, R&D managers, and functional experts from various business disciplines.

A primary thematic finding during these first two phases was that all of the firms continue to struggle with the ‘people issues’ related to achieving continuous breakthrough innovation in their firm. As such, the third phase of our research began in the summer of 2010 and exclusively examines organizational design, human capital, and career development issues for corporate entrepreneurship. Our design is similar to the first phases of our research and includes qualifying interviews and follow up interviews over a number of years with key informants. At least six additional firms will be added in this stage and currently include firms such as Bayer, John Deere, and Pepsico. All qualifying interviews are complete, follow-up interviews and site visits are on-going.
Interview Protocol

All interviews were conducted, including screening interviews, initial on-site interviews, and follow-up interviews every six months. Internal company documents, reports, and news accounts supported the primary data collection method. All interviews were semi-structured, at least one hour in length, and followed a specific, predetermined protocol. A protocol was established for each phase of the project including the initial interview (full day with multiple informants), six month follow-up interviews (4-5 per company with corporate entrepreneur), and final interview (1 per company with corporate entrepreneur).

In the current study we focused our analysis on the issues and concerns raised regarding people, staffing, rewards, jobs, etc. from the first two phases of the research project. We then were able to structure more direct questions regarding these human capital concerns in the third phase of data collection that begin in 2010.

Data Coding

Qualitative research is an iterative process demanding that researchers continuously build insights by exploring the data, going back to the theory, and then back to the data again (Strauss & Corbin, 1998). By its nature qualitative research provides rich detail, but it can also be a messy process (Denzin & Lincoln, 1998). In order to bring discipline to our process, we used NVivo, a computer aided text analysis software program, to facilitate coding and ensure additional rigor.

Given the “back-and-forth” nature of this research our analysis began by re-reading all of the transcripts from the first two phases of the research process. These 246 interviews confirmed what we had seen during data collection: namely that firms struggle with the “people side” of breakthrough innovation. We then recruited and gained access to nine corporations. The data collection is on-going with qualifying and initial interview complete with all firms. At present we are in the process of collecting our first round of follow up interviews with each firm: we currently have an additional 13 interviews.

Data were analyzed through multi-case analysis methods (Eisenhardt, 1989; O’Connor, Rice, Peters, & Veryzer, 2003; Yin, 1994) incorporating grounded theory methodology (Strauss & Corbin, 1998). This form of analysis is consistent with “extended” case methodology (Burawoy, 1991; Danneels, 2002) which is designed to allow researchers to integrate and synthesize existing bodies of research. Each of the four authors coded and analyzed all transcripts with assistance from one other researcher who provided additional reliability checks. Inter-rater reliability was achieved by following procedures suggested by Miles and Huberman (1994).

Findings & Implications

As noted above, qualitative research is an iterative process demanding that researchers continuously build insights by exploring the data, going back to the theory, and then back to the data again (Strauss & Corbin, 1998). Our journey began in the initial 246 interviews which lead us to conclude that corporations still could not figure out how to deploy their human resources for successful breakthrough innovation. This lead us back to collecting more focused data which also lead to refining our search and a thorough reading of the extant literature. The following quote from an innovation leader provides insight into this dual direction of our work:
“So the way we’ve got it structured, we’ve got this group buried in the technology organization. And that gives you two problems. First, it makes it difficult to attract good commercial people because they feel like they’re at risk of getting basically lost inside a technology organization. And you have difficulty attracting good technology people to work in it because they move in and lose the kind of tools that they expect to have as a technologist, which is a lab or people working for them who do work. So at both ends of the spectrum, it is difficult to attract. There are difficulties.

- Company 4

These thoughts were consistent with concerns from other corporations with the same issues about how they could best structure to drive innovation. The quote is representative of the two primary career tracks we see in most large technology and R&D based organizations: managerial and technical. However, more than just suggesting problems of design quotes such as this also lead us back to theory on job design and the dual career ladder.

The career interests of R&D professionals are often to develop careers that provide challenging work, new knowledge and skills, and a personal sense of accomplishment (Alpert 1992; Bailyn 1980; Cotterman 1991; Hall & Louis, 1988; Katz 1988). The dual ladder system was primarily established to reward professional workers without taking them outside of their professional careers (Shepard 1958). Numerous R&D professionals have different values and norms and the definition of success is different than the traditional management setting (Schein 1978). The ladder was developed to align the different career interests of employees by developing two differentiated paths in which individuals were able to progress and fulfill their needs within the organization.

The traditional path was the managerial progression and enabled professional advancement through the traditional hierarchical lines (Kaufman 1975). The second ladder was intended to provide employees with an expert technical career compared to the first ladder but without the managerial progression. Moving up on the second ladder usually entailed additional responsibility or increasingly complex technical work. This allowed for technical workers to be involved in increasingly refined complex projects (Allen & Katz 1995). One example of the progression of the two ladders would be that the technical ladder promotion system would start with an employee being a technical associate, then a senior associate and then a principle associate. Years later the position of senior technical fellow took hold. The managerial ladder would also start in R&D as an associate, but then move to become an R&D manager and later progress to the VP of R&D (Raelin 1987). The dual ladder was intended to both attract and retain key employees (Goldstein 1988, Mainiero & Upham 1986).

It has been illustrated that dual career ladders provide the autonomy and complexity desired by experts to continue the work they are doing but allow for increased empowerment and autonomy (Brousseau, Driver, Eneroth, and Larsson, 1996). R&D professionals working without the benefit of dual career paths often lack challenges may reach a career plateau. These individuals that do not have career development are often bored, work shorter hours and have lower performance (Bailyn 1991). Although these professionals can deviate from the career plateau through a career ladder, (Hall 1985; Tucker et al., 1992) our research has shown that our sample of nascent corporate entrepreneurs exhibit many of the same difficulties. In fact, while all of the companies we researched had some form of a dual career ladder we saw that the following five themes still emerged and diluted their corporate entrepreneurship efforts. Companies have difficulty (1)
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finding talent, cultivating the (2) skills and characteristics needed, and (3) rewarding properly. Additionally, there is still a perception that working in breakthrough innovation is a (4) career risk, all of which negatively affects (5) career development in these firms.

**Sources of Talent.** It is very difficult to find and attract quality people to take on breakthrough innovation corporate entrepreneurship work. As one manager noted it is a continuous battle with established business units for skilled talent.

“So you’ve got to be careful of that, but the issue of trying to attract good people is, again, because of this new business development, it’s a high risk area and so forth and so forth, and we have to build a way to reward those people. The other thing he’s encountering is that all the businesses are now growing, and what they’re doing is coming after R&D people and saying come to the business.”

- Company 4

However, even when you can attract the talent you often find that the talent pool you are drawing from is typical of a large corporation that sometimes still brings less of the breakthrough mentality that is required.

“Neither manufacturing or technology is a background commonality in any of our commercial managers. It’s marketing, sales, maybe product management, business management, and I think that leads you to very incremental, you know, approaches to your growth.”

- Company 2

**Skills and Characteristics.** Even when firms identified talent that may be a match for their corporate entrepreneurship efforts, they often found deficiencies in the skills and attitude toward entrepreneurship and breakthrough innovation. Having a technological competency is so important in these firms sometimes the skills on the business side are constantly trying to catch up.

“That’s right, and we have a skill set deficiency in marketing relative to people that can do that kind of marketing. And we feel by bringing many more of these people in and putting them through this experience will have new product marketers and that can be very effective in the businesses, which is a critical skill gap that we have.”

- Company 1

A vice president of innovation growth in another company reiterated the same imbalance in business skills.

“Yeah. Right now, my skill set in the group is probably still too heavily tilted towards the technology space”

- Company 2

One of the innovation leaders from Company 7 details the problems that can occur when you have an extremely talented technologist, scientist, or engineer, trying to convert technology from the lab into a breakthrough product.

“And he was a senior technical staff member and those are highly regarded technical people. Fellow next to your name on things that you send out. So he would be highly regarded in the technical community but when it came to understanding the business strategy and the
business design there was no way he could get there and so he was stopping all the progress. Not because he tried to stop it but he didn't know how to start it.

- Company 7

Career Risk. This situation of the mismatched technical expert is clearly a problem of person-job fit. While the above noted individual was willing to take on a role in corporate entrepreneurship many individuals are not because it is considered a potential career killer. In some instances the fall out can go beyond the firm.

“... but there is a history of careers ending by taking chances. Actually one of the people he was thinking about didn't try something that innovative. The risk taken was that the machine shut down. When this happens this goes through the industry like wild fire. If you cause such a disaster watch out. Overall, the industry is very conservative. If you were to do something new like place a new fabric on a production and it messes up. You lose a $100K per hour. The industry is small and people know what happens.

- Company 3

While not acceptable, issues such as this one are common throughout the sample and understandable. What was also interesting to note was how career risk also indirectly costs the firm money because projects do not get cut.

“We do not have the discipline to kill projects. When projects aren’t meeting milestones, we let them drag on. The issue is that people are afraid of losing their jobs because we don’t have a good mechanism for recycling people. Need a reward system for killing projects. We need to set it up so that the people on the project will let us know that it’s going nowhere but under current system, they’re too afraid of losing their jobs.

- Company 2

Rewards. Risk is inextricably related to reward and companies continue to have a difficult time trying to figure out the proper reward structure for breakthrough innovation activities. Part of the issue is related to other concerns that spring from career risk and the culture that develops around it.

“What are the challenges? Who’s going to take a risk? Nobody wants to take a full-time position with a new technology; if the technology goes away, so does their position. We've tended to reward only successes.

- Company 10

Some firms see the need for a different pay scale for individuals who are willing to work in the ambiguous space of corporate entrepreneurship. As this leader asks, there has to be something more for those who bring success in this area as opposed to those who work in a relative calm of an established business unit.

“One is certainly the people involved in these programs, and what’s the reward structure for them. That is a real issue in my mind. They have to want to do it. They have to be entrepreneurs, they have to be champions, and they have to be there long enough to accomplish it, and long enough is a fairly long period of time. And what’s their reward for doing that versus being in a position commercializing a product and being successful?

- Company 1
Many companies – as highlighted in the following quote – just give up. Since there is no formal structure in place for how to reward corporate entrepreneurs, they attempt to bypass the issue by proclaiming that everyone is an entrepreneur in the firm.

“I’m asking all my people to be entrepreneurs without rewarding them accordingly. We haven’t addressed the rewards issue and every time we do it we hit a brick wall.”

- Company 4

Career Development. The companies recognize that they need to do more development for their people and that by doing so it will benefit the firm. However, in the crush of trying to manage current businesses and develop new opportunities it often gets short shrift.

“Our other priority is to really communicate better around the processes and the tools that we have in place and start training a broader scope of people. And that’s something that we’re working on;”

- Company 2

And while some firms create career development programs aimed at breakthrough innovation, the programs are somewhat haphazard.

“We’ve identified, you know, we think are top notch, you know, cream of the cream technical people and business people from, you know, different universities. Brought them in to the summer, structured very hot projects for them. Put a little support structure around them, mentors, sponsors, very important hot projects, and we create what we call biz tech teams. So there’s a business person and three technical people on this team creating what we call a biz tech team. And that’s been a summer program for the last four years, and it works on new stuff. So, that’s -- it feels like and it is in a more of an innovation kind of a space. What we did -- and there has been through the last year or so some activity that they’ve been working on some projects in our emerging business opportunity space. But it’s kind of been by happenstance.”

- Company 7

As we went through the data it was clear that having some form of a dual career ladder did not really aid firms looking to create breakthrough innovation. This is not altogether surprising because prior research shows that companies with these dual systems often question their merit (Debackere et al. 1997). One issue is that although, the technical ladder attempts to pay and reward equitably, it often lacks is power (Allen & Katz 1986). Another is that technical ladder sometimes became a repository for failing managers (Smith & Szabo 1977) and then was seen by many as a second class system.

**THIRD CAREER LADDER FOR CORPORATE ENTREPRENEURS**

Based upon all of this we propose a third career ladder specific for breakthrough. It appears as if few people focus on and become expert in driving new opportunities toward commercialization. A comment from an executive at Company 5 best summarized what we are seeing:

“The more difficulty part, I think is getting the, you know, the marketing and the business people, you know, excited about that because I would say most of those tend to be more risk adverse because those positions are not rewarded, you know, within the company and you know it’s very difficult to get the marketing business development types they are more
entrepreneurial, you know, because they recognize the way they get promoted is being in a more... in a mature business, right.

And the technical people, I think like to get attracted to new opportunities. They rather be on new opportunities than on the back end trying to fix some process quality problem or something like that

- Company 5

As we see, the management types in the business are attracted to mature existing businesses where they can have an obvious impact and where there is a clear path for career development. As such, they tend to focus on the late stages of new venture project. Alternatively, scientists and engineer – naturally – want to focus on science and engineering; they like the early stage discovery aspects. However neither takes much ownership of the entire commercialization process.

What seem to find is that the design of a dual ladder or other typical career paths in organizations are designed to make individuals become an expert in either some technical research domain or an expert in running a large existing operation. As such, little of the structure, culture, coaching, and career development allows employees to properly drive breakthrough innovation even when it is a state goal of the organization.

Interestingly, it is sometimes the folks who are not thriving in either of these two traditional career trajectories who appear to have the potential to work well in breakthrough innovation. Consider the following comment from one of the innovation hub leaders charge with driving new organic growth for his firms.

“In the past we’ve found that, in many instances the resources that we’ve been given are people that are too much trouble, poor performers, or perceived to be poor performers... people who didn’t have anything to do. In our first month with some of these diamonds in the rough...we didn’t know how to use their talents...but we find out what they’re good at and use them that way.

- Company 10

This leader went on to describe how these individuals did not fit in the standard structures in the firm and were thriving on typical dimensions. It was in a space of breakthrough where they were successful. Ironically, many of these people were candidates for potential dismissal if they had stayed aligned in either of the two traditional career paths.

Thus, we began to think about the need for a differentiated career path dedicated to the unique needs of corporate entrepreneurs doing breakthrough innovation. Subsequently, one of our informants had the same thought.

The other thing we’re doing on career development at [company name deleted] is, I’m about to embark on what I’m hoping is not a fruitless exercise, but I want to create a true business development ladder which identifies skills and competencies. And [name deleted], some years ago, actually started this, and we have a very good jump on it, but I now have HR engaged. I got some senior people in our HR organization to agree to this

- Company 2
Our preliminary model for a career path for corporate entrepreneurs is based upon the three broad competencies needed in a firm for breakthrough innovation: discovery, incubation, and acceleration (O’Connor et al. 2008). These competency sets are distinct from one another, and require that the management system for each (structure, leadership, resources, metrics, etc.) be manifested differently. The implication is that the skills and talent development for each differs as well. Our model based upon these competencies is provided in Figure 1.

The objective of the discovery capability is to identify new business opportunities with game-changing potential that will set the course for the company’s long term ever-evolving identity. A discovery competency, then, is a company’s ability to create and identify opportunities that may have major impact in the marketplace through the delivery of new performance benefits, greatly improved performance, or new ways of doing business. Incubation is a business laboratory where technology, market and strategic considerations coalesce. It is the ability to experiment with technology and business concepts simultaneously to arrive at a demonstrated model of a new business that brings breakthrough value to the market and the firm. Whereas incubation reduces uncertainty through experimentation and learning, acceleration focuses on building a business to some level of predictable sales. It involves developing the necessary infrastructure for the business, including a management team, marketing capabilities, manufacturing or operations and delivery systems, and the associated network of partners.

CONCLUSIONS

Our in-depth longitudinal qualitative research program confirms prior research that suggests that human capital misalignment is a factor that impedes breakthrough innovation in corporations. Our data goes beyond existing studies by also identifying specific problems. Our career ladder model is offered in order to mitigate some of these concerns. Our ladder outlines specific roles and responsibilities for corporate entrepreneurs working at various levels of discovery, incubation, and acceleration in an organization.

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Figure 1 –Corporate Entrepreneurship Career Ladder

| Senior Manager | Help identify domains/platforms of opportunity. Influence corporate senior leadership regarding strategic intent. Suggest investment decisions and allocates resources appropriately. | Portfolio management. Monitor and assess health and pacing of portfolio. Work with managers to ensure portfolio balance across domains. Oversee/argues for budget allocation. Recommend projects for transition to acceleration. | General management for a high growth business. Full discretion over the business in terms of budget, hiring, investments, sourcing, partners, etc. in cooperation with senior leadership of ultimate organizational home. |
| Mid-Manager | Conduct initial evaluation of opportunities from associates and teams. Make connections across opportunities and broaden them. Coach associates to think strategically. | Determine priority of discovery projects for resources. Hire/train incubation associates. Advisory teams, help gain clear strategy across platform’s project portfolio. Recommendations upward regarding continued project funding. | Traditional functional leadership skills, i.e. decisiveness, analytical. Leadership team of the growing business: e.g. head of marketing, head of operations, CTO, head of Finance, etc. |
| Associate | Develop, elaborate and articulate new business concepts. Scout new technical ideas and trends | Project leader acts as a general manager of a nascent business, changing direction of the project as needed | Traditional functional skills, specific to the functional role played on the team. Ability to operate on a cross functional team. |

DISCOVERY | INCUBATION | ACCELERATION