

Chapter 15

Corporate Entrepreneurship as a Tool for Organizational Improvement: The Case of Auto Parts Sector in Colombia

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ABSTRACT

Auto parts companies are an integral part of the automobile sector, which constitutes an important economic item within the metalworking industry. Its goal is to carry out productive work by integrating the largest possible number of automotive parts and national added value pieces. Corporate entrepreneurship, studied at both the academic and business levels, tries to generate new business schemes or the creation of new companies from the efficient use of available resources and the recognition of opportunities for the improvement and innovation of companies. This chapter shows how corporate entrepreneurship should be a key tool in auto parts organizational improvement. In order to deepen the understanding of the relationship between corporate entrepreneurship and auto parts companies, the study is complemented by the results obtained in the report of the Global Entrepreneurship Monitor (GEM) of Colombia.

1. INTRODUCTION

In the private sector, the same as in other governmental organizations, companies are becoming increasingly interested in sustainability and solving social problems that allow them to handle strategies focused on integrating their permanent search for productivity with the development of being human, based on the equity in the quality of life.

Inside all these actions the entrepreneurship is found, and all the actions around it are allowed. The current moments characterized by a massive globalization, turbulence of the markets, high competition, increase of technological advances, high standards of the consumers and smaller life cycles for the products, demand an organizational dynamic that adapts to these transformations in the industry. In such circumstances, corporate entrepreneurship is a challenge for companies.

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As part of the impact in the acceleration of technological change and the growing global competition in recent years, entrepreneurs and managers have needed to adopt an entrepreneurial behavior in the formulation of their strategies and business processes. The potential that employees can achieve in terms of improving their business processes and activities depend on the organizational success, and here is where corporate entrepreneurship plays an important role. This is why Covin & Slevin (1991) point out that the three entrepreneurial stances, risk-taking, innovation and proactivity, which are developed in new and independent business units, may also be applied to corporate processes.

This chapter focuses on analyzing corporate entrepreneurship as an organizational improvement tool, so for this, it explores the auto parts sector in Colombia. In this sense, a review of the literature was carried out to determine whether the agreement or the difference within the definition of constructs, corporate and intrapreneurship, as well as the way of development in companies.

The theoretical background was based on empirical and academic studies, both made in Latin America or globally. Then, the data obtained in the Global Entrepreneurship Monitor (GEM) report was used to know the incidence of these variables as an organizational improvement tool in Colombian companies, especially in the auto parts sector.

The structure of the chapter is presented as follows: first, the introduction, next the second section with addresses the theoretical basis that describes and clarifies the similarity of the constructs: corporate entrepreneurship and intrapreneurship, and relates it to the automotive sector and subsector of auto parts. The third section establishes the discussion on the constructs and the situation of entrepreneurship in Colombia, based on the results obtained from the Global Entrepreneurship Monitor. Finally, the fourth epigraph establishes the ultimate considerations and the respective references are presented.

The results show that although corporate entrepreneurship is considered an important instrument of organizational improvement, Colombian companies do not promote their development because traditional business models, based on economic orientation driven by basic factors of production, are mainly assumed. At the national level, Colombia does not yet have a baseline on corporate entrepreneurship for decision-making.

2. BACKGROUND

The XXI century has been characterized by globalization and permanent change. This change requires any organization to advance preparation to meet the challenges it brings to operate in a global market in a time of constant change (Garzón, 2008). These complex challenges facing organizations today are seen by some workers with active response, which requires the collection of market signals in which they operate. These workers, by adapting to changes, drive and manage initiatives within the company, becoming leaders who provide a mutual benefit to the organization and themselves (Khandwalla, 1977). Thus, they become real and true entrepreneurs. But any form of entrepreneurship also implies a change, and necessarily, an innovation, which is a must in any business today, however, is not enough identify those workers who, as entrepreneurs within organizations, include and impact through creative generation projects.

The main problem lies in the lack of support and insufficient freedom that are restricted in the environment. Enterprises require leaders who create this and are willing to plunge all the difficulties that this challenge will bring.

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