EXPLORING INTRPRENEURSHIP AMONG EMPLOYEES: A CASE STUDY OF ALIBABA’S V-MATE PROJECT

Qinjie Shen  
Dongcheol Heo  
Detlef Reis

Graduate School, Bangkok University, Thailand

Nowadays, in the 21st century, business innovation is the direction for every company to focus on, and in recent years, entrepreneurship has become a major factor for many medium and large companies to survive and win in today’s highly competitive market. The purpose of this independent study is to analyze the factors affecting entrepreneurship in Alibaba through the V-mate project using in-depth interviews. Most Alibaba employees understand the basic concept of intrapreneurship and the main characteristics of intrapreneurship. Somehow, they still need to understand the difference between intrapreneurship and entrepreneurship. The traits of insider-outsider impartiality, inspiration, purposefulness, creativity, knowledge, ability to take risks, sense of responsibility, proactivity were found in Alibaba employees to develop intrapreneurship within the company.

Keywords: intrapreneurship; Alibaba; V-mate; traits of insider-outsider; inspiration
Introduction

Intrapreneurs are entrepreneurs of organizations. Some intrapreneurs are members of research and development teams that are constantly working to improve companies’ products and services; others are creative marketers developing new ways to satisfy their current customers and revitalize their customer base. In any case, they constitute a group of employees of the company who can create, identify and use new opportunities that create new value for firms. Around the world, creative teams from renowned companies are finding new business opportunities, and forward-thinking leaders are helping to transform their firms and embrace the latest trends through in-house corporate venture practices.

Hence, it can be assumed that domestic entrepreneurship could create a miracle in the Chinese tech sector. Internal entrepreneurship can help companies thrive.

This study will examine the business behavior of Alibaba employees and fill a gap in previous research on how Alibaba employees innovate and what opportunities they have to improve Alibaba's innovation and efficiency.

Research Question

Q1: How has Alibaba's Intrapreneurship driven the V-mate project forward over time?

Find out the innovative impact Alibaba's Intrapreneurship has had on V-mate and the role it plays in market decision making and product development. There are a couple of sub-questions:

SQ1: What factors affect the progress of intrapreneurship projects in Alibaba?

SQ2: What valuable lessons or significant challenges has Alibaba learned from intrapreneurship projects that led to success?

SQ3: How did the project team overcome the aforementioned problems of choosing a project leader and cost-benefit ratio and achieve the project goal?

SQ4: What factors influence the development of intra-business projects in Alibaba?

SQ5: What valuable lessons or important challenges has Alibaba learned from the internal projects that led to its success?

SQ6: How did the project team overcome the aforementioned issues of project manager selection and cost-to-cost ratio and achieve the project goal?

Literature Review

Concept of Intrapreneurship

Intrapreneurship is referred to as corporate entrepreneurship and is known as the entrepreneurship performed inside present firms (Douglas & Fitzsimmons, 2013; Rubinskaya, 2021).

It comprises venturing, innovation, strategic renewal activities towards growth and revival in mature firms (Ling et al., 2008; Sinha & Srivastava, 2015). An organization's entrepreneurial activities are derived from the employees' behavior, who can be explained as intrapreneurs.

Antoncic & Antoncic (2011) classified five dimensions of intrepreneurial: new business venturing, innovativeness, risk-taking, strategic renewal and proactiveness. So each
of these dimensions has a common factor that intrepreneurial behavior spurs growth and innovation in firms by exploring, recognizing, and exploiting new knowledge.

Through continuous research into intrapreneurship, combined with constant practice and experimentation of the concept by various companies around the world, it has been found that the value of intrapreneurship is only limited in terms of new business creation and entrepreneurship, but also includes innovative activities such as inter-company collaborations, mergers and acquisitions, subcontracting, and synergy.

**Social cognitive theory**

Social cognition theory and utility maximization theory are related to entrepreneurial/intrapreneurial behavior.

According to Papadakis et al. (1998), Ivanova et al. (2020), social cognitive theory narrows the range of factors influencing entrepreneurial activity, searches for and classifies them into factors of employee traits, environmental factors and organizational factors. On the other hand, utility maximization theory is used to narrow down the factors influencing relevant entrepreneurial decisions.

While there are many differences in decision utility models, the key idea is that people who are given many choices will choose the one that potentially promises maximum utility and maximum satisfaction. People choose their activities based on the expected benefits from a particular with a particular period.

Monsen et al. (2010) applied this theory and concluded that financial rewards are key to influencing decisions within business activities.

**Strategic Focus**

Zahra (1991) argues that large-scale corporate strategies hinder the development of domestic intrapreneurship. This reflects that some types of corporate strategies are favorable for domestic entrepreneurship. However, the strategic direction of an organization includes corporate strategies and official strategies, as well as the strategic direction of management at all levels. The strategic focus of management is linked to managerial behavior and cognition through intrapreneurship.

Several studies have shown that management affects the performance of organizations, including the ability to fuel intrapreneurship (Christensen, 2005; Hornsby et al., 2002; Kuratko et al., 1990). The reason is that management controls the distribution and availability of resources on which the success of intrapreneurs may depend. This indicates that maintaining the status quo will be a critical element of the strategic focus.

Conflicts between middle and top managers have been proven to cause serious problems in organizations and affect the work behavior of employees. Therefore, this study will show how important a company's strategic focus can be in domestic entrepreneurship among employees working in high-tech companies in China.

**Methodology**

The method chosen for this study is a single case research method. The single case study aims to explain and critique the causes of the problem and adopt effective strategies to solve it. The researchers participate in the case by observing the subject from theirpoint of
view, exploring the processes of their perception of the event and interacting with them using their language and concepts.

The aim of this study is:

First, through in-depth interviews, we can understand the general situation of innovation carried out by Alibaba, their investment in innovation, internal and external factors, innovation efficiency, etc.;

Second, through in-depth interviews, we can uncover the impact of different lines of Alibaba’s innovation strategy on their internal knowledge acquisition, storage, transfer, and sharing activities, and the impact of various internal knowledge preferences on innovation performance, etc.;

Thirdly, on this basis, we can quickly understand, in the specific innovative practice of enterprises, what knowledge and culture should be equipped with an innovative strategy in order to ensure the practical implementation of innovative activities, i.e. understand the role of internal knowledge in mediating a bridge between orientation innovation strategy mode and innovation performance through interviews to test the practical applicability of the theoretical model of this study.

Finally, using the data gained through the interviews, to find out what internal intrapreneurship brings to the company, what factors drive projects and how they affect employees and what factors are limiting a company’s intrapreneurial drive and how the company is adapting and keeping them motivated in the face of challenges.

**Empirical Results**

**Theme 1: Intrapreneural Traits and Abilities**

The results show that most Alibaba’s Chinese employees associate intrapreneurship with entrepreneurship. They know about entrepreneurship and they all said intrapreneurship is about doing something new and taking risks to create something unique. However, most of them did not use the term that these activities should be in the firm as an employee. According to the interviews, the Alibaba employees interviewed showed traits of insider-outsider mindset, implicitness, inspiration, commitment, creativity, knowledge, risk tolerance, sense of responsibility, and proactivity (Tab. 1).

<table>
<thead>
<tr>
<th>Participant No.</th>
<th>Level</th>
<th>Department</th>
<th>Years working for Ali</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee</td>
<td>Innovation</td>
<td>4 years</td>
</tr>
<tr>
<td>3</td>
<td>Employee</td>
<td>Innovation</td>
<td>4 years</td>
</tr>
<tr>
<td>5</td>
<td>Employee</td>
<td>Innovation</td>
<td>8 years</td>
</tr>
</tbody>
</table>

It is found that some participants believe that intrapreneurship is entrepreneurship in an organization to create a new project and new ventures, which may require skills in risk tolerance, knowledge, passion, creativity, problem solving, etc. Some respondents strongly believe and state that that entrepreneurship and intrapreneurship are the same. But at the
same time, it also shows that a truly successful company will not be afraid of failure, but will give enough trust to employees, the company and employees are mutual achievements.

Thus, it seems that the interviewed Alibaba’s employees are aware of the concept of intrapreneurship and the qualities associated with it, but still mix intrapreneurship and entrepreneurship. Only two managers used the term that this should happen in firms. In addition, there are various features of intrapreneurship, such as innovation, a sense of responsibility, the ability to take risks, creativity, initiative, and others. However, neither employees nor respondents were fully confident and aware of the difference between intrapreneurship and entrepreneurship. No employees mentioned the signs of intrapreneurship, but simply answered what they knew.

Table 2 - Respondents who are aware of factors
(source: compiled by co-authors)

<table>
<thead>
<tr>
<th>Factor</th>
<th># of respondents aware of factor</th>
<th># of respondents partially aware of factor</th>
<th># of respondents unaware of factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualities of intrapreneurship</td>
<td>8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Difference between entre- and</td>
<td>0</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>intrapreneurship</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Theme 2: Factors Driving Intrapreneurship Behavior among Employees**

From the answers it turns out that many factors can stimulate staff motivation in the organization to show their creative skills and abilities. The support of the management, rewards and recognition, labor freedom, incentives, competitive environment in the workplace and play a vital role in influencing the intrapreneurial behavior of employees in an organization.

Table 3 – Participants of the survey
(source: compiled by co-authors)

<table>
<thead>
<tr>
<th>Participant No.</th>
<th>Level</th>
<th>Department</th>
<th>Years working for Ali</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee</td>
<td>Innovation</td>
<td>4 years</td>
</tr>
<tr>
<td>2</td>
<td>Manager</td>
<td>Innovation</td>
<td>10 years</td>
</tr>
<tr>
<td>3</td>
<td>Employee</td>
<td>Innovation</td>
<td>4 years</td>
</tr>
<tr>
<td>4</td>
<td>Employee</td>
<td>Innovation</td>
<td>5 years</td>
</tr>
<tr>
<td>5</td>
<td>Employee</td>
<td>Innovation</td>
<td>8 years</td>
</tr>
<tr>
<td>6</td>
<td>Employee</td>
<td>Innovation</td>
<td>6 years</td>
</tr>
<tr>
<td>7</td>
<td>Employee</td>
<td>Marketing</td>
<td>3 years</td>
</tr>
<tr>
<td>8</td>
<td>Manager</td>
<td>Marketing</td>
<td>11 years</td>
</tr>
<tr>
<td>9</td>
<td>Employee</td>
<td>Innovation</td>
<td>3 years</td>
</tr>
<tr>
<td>10</td>
<td>Employee</td>
<td>Innovation</td>
<td>6 years</td>
</tr>
</tbody>
</table>

In the context of the manager's role in promoting innovation, the leadership may be compelling and supportive which can determine the behavior of the employees in the workplace. Some of the employees have stated that the management in Alibaba is quite
supportive and employees are not compelled to accept the innovative projects. In contrast, some employees argued that managers in Alibaba sometimes compel employees to work but not always.

These findings suggest that the management of Alibaba is not autocratic, but that a situational leadership is practiced in the organization, allowing the leaders or managers to change the leadership style according to the requirements of the situation at hand. Managers become sometimes autocratic and compelling while sometimes becoming supportive.

In the context of motivational force for engaging staff in innovation and creativity, communication system in the company, and management style in the company plays a vital role in motivating an employee to be more engaged in creativity and innovation. Other participants said different factors for getting motivated in the workplace such as goals, commitment, strategic focus and others. It means most of the employees in Alibaba get motivated by the monetary rewards, recognition, promotion and self-commitment to work hard for creativity and innovation.

Table 5 – Participants of the survey
(source: compiled by co-authors)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rewards and recognition</td>
<td>Rewards provide them fully energy to work on projects</td>
</tr>
<tr>
<td>Desire for fame and recognition</td>
<td>Satisfy the vanity in the company</td>
</tr>
<tr>
<td>Freedom of the work</td>
<td>Company gives freedom to let them work projects by their own, won't interfere much</td>
</tr>
<tr>
<td>Education level</td>
<td>Reading more related books of intra and want to have chance to study business innovation</td>
</tr>
<tr>
<td>Leadership</td>
<td>Managers become sometimes autocratic and compelling while sometimes becoming supportive.</td>
</tr>
<tr>
<td>Competitive environment</td>
<td>The internal competition made them have good efforts</td>
</tr>
<tr>
<td>(Internal)</td>
<td></td>
</tr>
<tr>
<td>Competitive environment</td>
<td>When a competitor innovates a new product or application, the company will launch a similar product or application and make functional innovations</td>
</tr>
<tr>
<td>(External)</td>
<td></td>
</tr>
</tbody>
</table>

**Theme 3: Factors restricting intrapreneurship behavior among employees**

From the findings, it is found that employees can be restricted for the innovation. Employees may resist accepting change in the organization. The leadership and management in the organization play an important role in motivating and restricting employees to show creativity and innovation in the workplace both.

Table 6 – Participants
(source: compiled by co-authors)

<table>
<thead>
<tr>
<th>Employee</th>
<th>Innovation</th>
<th>Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Employee</td>
<td>Innovation</td>
</tr>
<tr>
<td>4</td>
<td>Employee</td>
<td>Innovation</td>
</tr>
<tr>
<td>5</td>
<td>Employee</td>
<td>Innovation</td>
</tr>
<tr>
<td>7</td>
<td>Employee</td>
<td>Marketing</td>
</tr>
<tr>
<td>8</td>
<td>Manager</td>
<td>Marketing</td>
</tr>
<tr>
<td>10</td>
<td>Employee</td>
<td>Innovation</td>
</tr>
</tbody>
</table>
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Job insecurity is one of the factors that restrict employees for involving intrapreneurship. Participant 5 said that “I believe that I can face failure and take risks, and I do not have fear of being fired, so I will make something new one day”.

Lack of resources is another reason that limits the intrapreneurship of employees in Alibaba. It means stress may affect the employee's intellectual skills, which in turn reflect on their task and performance in the organization. High stress at the workplace may restrict employees from working for innovation because lack of resources can cause stress to an employee on how to get things managed with fewer resources. It means employees give importance to friendly importance while some give more importance to management.

Furthermore, fear of failure is the most important factor in the employees' work-life because failure to do something new and loss of job due to failure may restrict employees in a usual way instead of motivation for innovation and creativity. Overall, this theme has presented that lack of resources, fear of job security, psychological challenge (fear of being called a loser), lack of communication, stress at the workplace, and some other factors may restrict Alibaba employees to work on innovative tasks and projects.

<table>
<thead>
<tr>
<th>Table 7 – Factors are limiting Intrapreneurship</th>
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<tbody>
<tr>
<td>(source: compiled by co-authors)</td>
</tr>
<tr>
<td>Factor</td>
</tr>
<tr>
<td>Job insecurity</td>
</tr>
<tr>
<td>Lack of resources</td>
</tr>
<tr>
<td>Leadership</td>
</tr>
<tr>
<td>Communication</td>
</tr>
</tbody>
</table>

Discussion

In the context of the first goal, intrapreneurial traits and abilities, most Alibaba employees are aware of innovation and creativity and understand the traits and characteristics of intrapreneurial activities. However, they understand that intrapreneurship is doing something new and creating new ventures or businesses.

This means that the knowledge of intrapreneurship is not complete, and many confuse it with entrepreneurship. This study has found that Alibaba employees mentioned purposefulness, willingness to take risks, innovation, initiative, activity, creativity, and other characteristics of intrapreneurship in the organization. This means that this study explored the definition of intrapreneurship, which is entrepreneurial activity in a corporation and the risk of introducing new ideas into an organization.

This study has found that the results are consistent with previous research by Antoncic & Antoncic (2011) focusing on four important aspects of intrapreneurship: proactivity, innovativeness, new business venturing, and willingness to take risks. The current research supports previous research that the entrepreneurial behavior of employees at the workplace can influence the entrepreneurial activity, productivity, and creativity of organizations (Ling et al., 2008; Sinha & Srivastava, 2015).
In addition, Huang et al. (2021) stated that intrapreneurship focuses on entrepreneurship within a corporation. Intrapreneurship is a business approach used to achieve business sustainability. This means that the results of the current study overlap with previous studies to some extent, but the lack of knowledge among employees about the difference between intrapreneurship and entrepreneurship may lead to a gap between current and previous studies.

However, the current study is a qualitative study and examined whether employees were aware of the term intrapreneurship and whether they have traits of intrapreneurship. Among the intrapreneurial traits that employees confirmed were innovation, determination, dedication, pursuit of knowledge, self-motivation, and competitiveness.

Even though this study can be useful for comprehending the traits of the intrapreneurship, but there is a limitation. This study was unable to determine which characteristic and trait are most effective for intrapreneurial behavior. This can affect the use of research within the organization and the use by employees to improve their skills and qualities in order to be more innovative and creative. This can provide general comprehension of the necessary skills and traits required for the innovative development of an organization. In addition, such skills and traits can be developed with training as well.

In the context of the second goal, factors that determine intrapreneurial behavior among employees, it is found that freedom in the workplace, transparency, implicitness, competition in the market, educational diplomas in company value, promotion, rewards, recognition, monetary incentives and other factors can motivate employees at Alibaba workplace. All these factors have had a positive impact on motivating Alibaba employees to become more involved in innovation and creativity in their work to increase efficiency and provide consumers with unique products.

The findings of this study are consistent with previous studies that explained that monetary incentives, rewards, promotions, organizational structure and policies, product demand, market situation, employee-management communication, friendly workplace environment, management support at workplace encourage employees to take risks and accept changes in the workplace (Antoncic & Hisrich, 2004; Covin & Slevin, 1991; Christensen, 2005; Hornsby et al., 2002; Kuratko et al., 1990).

The reflection of utility theory was also visible, as one of the participants stated that if they feel that the product is in demand in the market and will be useful to consumers, then they can work on this innovation. Overall, this finding suggests that these motivational factors can be used to spur intrapreneurship within Alibaba and other firms.

Although most of the findings of the current study are consistent with previous studies, this study has identified new motivational factors that drive intrapreneurial behavior such as transparency, competition with peers, creativity of peers in the workplace, and educational credentials at the cost of a company that can operate as a motivating factor for increasing the involvement of employees in creativity and innovation.

In the context of the third goal, factors restricting intrapreneurship behavior among employees, it is found that various factors and challenges inhibit the intrapreneurship behavior of the employees at the workplace.

Lack of resources, autocratic managerial style, lack of communication, psychological problems (being called a loser and failure), personal stress and strain, poor communication between employee and managers, inefficient working conditions and workplace environment, and other factors can affect employees' propensity to innovate. Employees may
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not want to work on an innovative project if they are not satisfied with the management and organizational policies. Most of the employees are satisfied with their work at Alibaba and contribute to the creativity of the company.

However, the organization is facing problems in motivating employees. Some factors lead to adverse effects on employee’s motivation in the workplace, such as poor communication, lack of resources, lack of coordination, stress at work, and others. As Kabir et al. (2017) argued, people’s lack of education may limit employees' ability to be intrapreneurs and entrepreneurs.

But this study has not found this. This may be the reason that Alibaba is one of the giant corporations in China which requires highly efficient and educated employees and uses strict recruitment and selection method, and hence this is not a problem. From the interviews, it was found that social norms were not the reason that can limit intrapreneurship in Alibaba. Thus, this study is not consistent with Kabir et al. (2017).

This research also contrasts with the results of Drost (2010) that self-efficacy limits the intrapreneurship. But this study shows consistency with some studies (Rojuaniah et al., 2016; Belousova & Gailly, 2009; Aparicio, 2017) that access can have a negative impact on employee and people motivation. This research also confirms that a lack of freedom and fearful environment suppress the intrapreneurship behavior (Rojuaniah et al., 2016) as well as the importance of time commitment for creativity (Amabile, 2002).

To sum up, it has been found that rewards, promotion, recognition, creativity by colleagues, competition, demand for products, transparency, freedom, resources availability, strategic focus, communication and other factors may be determinants to the intrapreneurship behavior of the employees where more or less of the intensity of the factors may affect the behavior of employees in the organization.

This research contributed some novel insights on intrapreneurial in Alibaba Company. Naturally, some gaps have been left unclosed and can be bridged in future studies.

Conclusions

The main purpose of this study was to study the inspiration of intrapreneurial behavior among employees working in Chinese high-tech companies. To achieve this goal, the study focused on Alibaba, one of the fastest growing companies in China and the world. This study is based on a single case study approach. The researcher preferred a qualitative research method and an interpretivist philosophy combined with an inductive approach to explore the factors that motivate and limit employees to work on innovative projects in an organization.

From the results and discussion in this study, it can be concluded that most of the employees in Alibaba understand the basic concept of intrapreneurship and basic characteristics of intrapreneurship.

However, they still need to see the difference between intrapreneurship and entrepreneurship. The traits of insider-outsider, implicitness, inspiration, commitment, creativity, knowledge, risk tolerance capability, sense of responsibility, proactiveness were found among employees. They should be aware of the difference between the two, providing good education to employees in the workplace and improving their skills towards gradual growth in the organization.

Another conclusion of this study is that employees in the workplace can be motivated through recognition of achievements, rewards, monetary incentives, support from
management, supportive company hierarchy, good working climate, transparency at work, freedom, market demand, education, employees, among several other factors mentioned. This study explored some new factors, such as transparency, creativity of colleagues at the workplace, and a company-sponsored degree, which can be good motivating factors for increasing employee engagement in innovative projects.

Furthermore, it is found that employees can feel demotivated if they are not valued at the workplace and managers do not listen to the employees. This may cause stress at the workplace and discord between the employee and management, affecting the relationship between them. Job security is also an important factor that can affect employee intention and engagement, as feelings of insecurity due to failure in innovative projects can influence employee avoidance behavior.

**Research limitations and recommendations**

This study was conducted to examine the factors that motivate and limit employees in exhibiting behavior within an entrepreneurship, but it has some limitations that may affect the use of the results. This study was conducted using qualitative methods, which can provide general and detailed information without any statistical data on what factor influences employee motivation. In addition, a qualitative study that included only 10 employees from one case may limit the use of the results because it cannot prove and argue that the identified factors may be the same across organizations. Fear of privacy and the risk of personal information being leaked may have influenced the mindset of the respondents in this study to provide reliable information. The results of the study cannot be generalized, as it was conducted in one company and country.

For future research, it can be recommended that other researchers may use the quantitative method and survey questionnaire to conduct a study on the same topic and research areas to determine which factors most influence the motivation of the employees to show intrapreneurship. A survey questionnaire can be useful for collecting quantitative data and using statistical methods for assessing the data.

This will aid to prove previous theories about motivating factors and the entrepreneurship behavior of employees. Furthermore, the researcher can consider more organizations in the study but a single case to improve the reliability of results and usefulness. In addition, future studies can be done in other nations and sectors as well.

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