

# Impact of Intrapreneurship on Organizational Growth and Development

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**Abstract:** Research aims at proving that Organization growth considerably depends upon Entrepreneurship in existing organization & Intrapreneurship employee related experiences. There is a sincere effort to prepare a model which include Organizational development dependent on various variables like employee satisfaction and intrapreneurship. Dimensions which were considered for employee satisfaction were work satisfaction, remunerations, employee benefits & peer relations among employees. Conceptual hypothesis was developed and was tested statistically. Structured questionnaires were send to 200 employees of different companies in Oman. Results supported the positive relationship between Organizational growth, Intrapreneurship and Employee satisfaction. Intrapreneurship also have a positive social implication as it increases social wealth. Above research also opens doors for other researcher to extend the research using other variables along with intrapreneurship and employee satisfaction.

**Keywords:** Intrapreneurship, Organization growth, Entrepreneurship, employee satisfaction.

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## 1. LITERATURE REVIEW

According to Morris, Kuratko and Covin (2007) the world experiences an entrepreneurial revolution. Entrepreneurial research has been increased substantially during the last decade. The subfield of entrepreneurship is called as “intrapreneurship” or “corporate entrepreneurship”. Intrapreneurship is an important phenomenon and it accelerates organizational growth to a great extent. “It is a mechanism to redefine or rejuvenate the organization, its position within markets and industries, or the competitive arena in which the organisation competes” (Heinon & Korvela, 2003). Research on intrapreneurship is divided into several areas following are some of those: (a) The intrapreneur as an individual, focusing on his characteristics as well as his recognition and support in the organisation. (b) The process of intrapreneurship can be referred to creation of new ventures within the organisation. Intrapreneuring is defined as the process to creating innovative environment within the firm. It has been observed that intrapreneurship breaks managerial bureaucracy and hierarchy and intends to utilize the internal resources of the organisation quite efficiently. It can be a perfect choice of employee development as well, as in this case employee borrows good amount of wisdom from their managers and leaders and tries to eliminate the ineffectiveness of the organisation. In this research paper I am making a sincere effort to develop a model which explains impact of intrapreneurship on organisational growth. It has been observed that the elements of employee satisfaction are very important to get a good start and development of entrepreneurial activities in an organisation. Intrapreneurship includes entrepreneurial behaviors and orientations of existing organizations. Intrapreneurship exists in a firm, for example, when the firm acts entrepreneurially in pursuing new opportunities; in contrast, a non-intrapreneurial firm would be mostly concerned with the management of the existing (Antoncic and Hisrich, 2003) and would make decisions predominantly on the basis of the currently controlled resources (Stevenson and Jarillo, 1990). Intrapreneurship may be seen as doing new things and departing from the customary to pursue opportunities (Vesper, 1984); as a process by which individuals inside organizations pursue opportunities without regard to the resources they currently control (Stevenson and Jarillo, 1990); as a spirit of entrepreneurship within the existing organization (Hisrich and Peters, 1995); or as emergent behavioral intentions or behaviors deviating from the customary way of doing business (Antoncic and Hisrich, 2003, 2004; Antoncic, 2007) Previous views of intrapreneurship can for the purpose of this study be classified in four dimensions which encompass the following entrepreneurial activities in existing firms:

- (a) Venturing New Business
- (b) Being more innovative in development of product and delivering service more efficiently.
- (c) Being more innovative using technology as well.
- (d) Self assessing and renewing key ideas of the organization.

Certain researches on intrapreneurship has focused on factors of intra-organisational environments that can facilitate intrapreneurship development. Kuratko (2005) demonstrated positive relationship between corporate entrepreneurship and job satisfaction. Top management's style of dealing with employees is crucial for employee satisfaction and plays an important role in employee involvement in entrepreneurial activities and innovative performances as well (Huang & Lin 2006). Investing in employees can encourage their self-initiative (Hom et al., 2009), which is important for intrapreneurship. Managers and employees, who are involved in the team for changing the organization, need to be able to implement new business processes (McAdam and Galloway, 2005). Support from senior management may represent important encouragement for employees to innovate (Lee and Tsai, 2005). As important elements of organizational culture, values can be essential for the development of intrapreneurship. Values are an important component of an innovative organizational culture in which individuals are continuously encouraged to generate new ideas, solutions and knowledge (Wong, 2005). Employee emotional and value commitment tends to improve innovativeness in organizations (Kanter, 1984). Employee satisfaction is also built on values-related drivers of intrapreneurship such as: the attitudes of individuals within the firm (Stevenson and Jarillo, 1990). Firm performance can be considered the most important consequence of intrapreneurship (Antoncic and Hisrich, 2001) and usually denotes performance in terms of growth and profitability (Covin and Slevin, 1991). Entrepreneurial activities can be important for the growth of firms and economic growth since entrepreneurship tends to contribute to economic performance through the introduction, creation and enhancement of innovations, change, rivalry and competition (Wennekers and Thurik, 1999; Carree and Thurik, 2003). Successful enterprises have been characterized with intrapreneurship (Peters and Waterman, 1982; Kanter, 1984; Pinchot, 1985). Empirical evidence from past research indicates intrapreneurship is related to small-firm growth (Covin, 1991), performance in hostile environments (Covin and Slevin, 1989), large-firm growth (Covin and Slevin, 1986; Zahra, 1991, 1993; Zahra and Covin, 1995) and the growth of existing firms regardless of their size (Antoncic and Hisrich, 2001, 2004; Antoncic, 2007). Above literature review underpins two different research hypothesis which are statistically tested in the research paper followed by interpretation and analysis.

## 2. METHODOLOGY

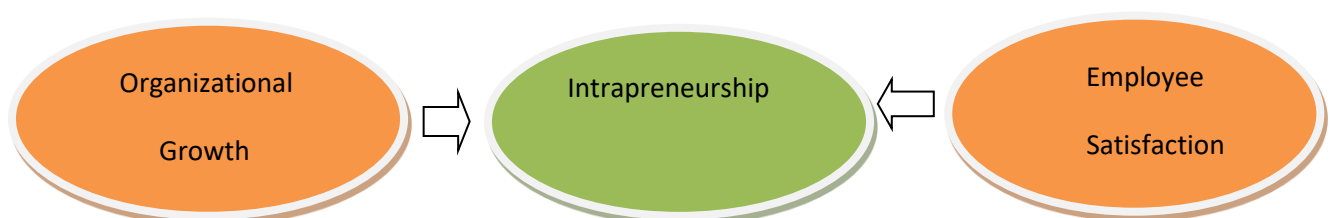
### 2.1 Research Hypothesis:

There were two research hypothesis which were undertaken based on the informations collected from the employees of multiple organisation.

H1: There is a positive association between employee satisfaction and intrapreneurship.

H2: Intrapreneurship is positively associated with firm's growth.

### 2.2 Proposed Model:



### 2.3 Research Methodology:-

### 2.4 Data Collection:-

A pilot study of 30 respondents was conducted. Total of 250 questionnaires were personally distributed via convenience sampling as a sampling technique. After 5 weeks completed questionnaires were personally collected from the respondents. Of the 250 survey forms 200 were completely returned in order to be included for the final analysis.

**2.5 Selection of research strategies:**

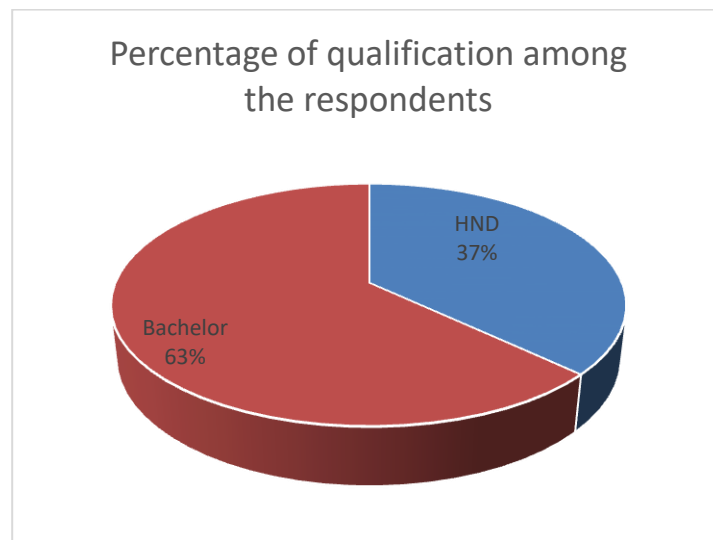
A cross sectional survey design was adopted for the study. The study was carried out by using a structured survey questionnaire which consisted of two parts. Participants were briefed on the survey and the purpose of the study.

**2.6 Measurement:**

The instrument consists of 20 questions. Each question is measured on a five-point Likert scale, where 1 for strongly disagree and 5 for strongly agree.

**2.7 Demographic Characteristics:**

The demographic variables obtained from each respondent include: gender, age, educational qualification. In terms of education, it was deduced that as many as 63% of the respondents are pursuing bachelor’s degrees, 37% have secondary education and pursuing Higher National Diploma.



**3. DESCRIPTIVE STATISTICS**

Descriptive statistics are used to process, analyze the collected data and testing of hypotheses for drawing inferences. Mean scores are calculated to find out the most representative figure for the entire mass of data, range for each variables is calculated to define the difference between the values of the extreme items of a series and standard deviation to measure dispersion of a series.

Variables	Mean	S.D	VARIANCE
Employees are relatively well-rewarded financially for their work.	4.84	0.41	0.26
Employees find their work challenging and exciting.	4.81	0.41	0.26
Employees feel that their fellow workers are stimulating and helping them in development of innovative ideas which are good for organizational development.	4.84	0.45	0.30
This organization can be described as flexible and believes in the concept of continual improvement.	4.88	0.34	0.22
Employees are appreciated and appropriately rewarded for their innovative ideas used and implemented for the growth of Organization.	4.85	0.41	0.27
Possibility of personal growth exists in your organization.	4.82	0.40	0.26
Employees are satisfied with their work structure and speaks good about their organization.	4.87	0.47	0.31
Peer/colleague support is quite high in your organization in all aspects.	4.86	0.29	0.20
Organization gives equal opportunity to every employee to progress well in Organization.	4.71	0.32	0.51
Is your company gets involved in creating new demand on your existing products in your current markets through advertising and marketing.	4.81	0.66	0.25
Taking initiative to pursue new businesses in new industries that are related to your current business.	4.76	0.39	0.40

Does your company believes in technological Innovation?	4.90	0.56	0.18
Reorganizing units and divisions to increase innovation.	4.82	0.26	0.38
Co-ordinated activities among various departments to enhance company innovation.	4.82	0.54	0.23
Increasing the independence of different units to enhance their innovation.	4.75	0.36	0.40
Adopting flexible organizational structures to increase innovation	4.90	0.56	0.18
Entering new businesses by offering new lines and products.	4.82	0.26	0.37
Your company's emphasis on developing new products.	4.82	0.53	0.24
Do you feel that innovative intrapreneurial activity can serve the purpose of overall growth of organization?	4.76	0.38	0.40
Does your company supports the idea of revising your business concept to take the business to new heights?	4.89	0.56	0.19

### 3.1 Regression statistics

Table-1

<i>Regression Statistics</i>	
Multiple R	0.039859106
R Square	0.001588748
Adjusted R Square	-0.003453733
Standard Error	0.410112126
Observations	200

Table-2

<i>Regression Statistics</i>	
Multiple R	0.117722096
R Square	0.013858492
Adjusted R Square	0.008877979
Standard Error	0.407584347
Observations	200

### 3.2 Regression coefficients:

Table-3

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	5.059306569	0.347376693	14.5643236	3.85425E-33
X Variable 1	-0.040145985	0.071521515	-0.5613134	0.575218637

Table-4

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>
Intercept	4.33825	0.317092	13.68137	1.98E-30
X Variable 1	0.1075	0.064445	1.668096	0.096877

### 3.3 ANOVA SUMMARY OUTPUT:

Table-5

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.052992701	0.0529927	0.315072742	0.575218637
Residual	198	33.3020073	0.16819196		
Total	199	33.355			

Table-6

ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	0.46225	0.46225	2.782543	0.096877383
Residual	198	32.89275	0.166125		
Total	199	33.355			

#### 4. FINDINGS

The findings are the results obtained by testing both the hypothesis under study. As observed previously in all above tables we are using regression and correlation coefficient as the statistical tool for analysing the data under study. H1: predicted a positive association between employee satisfaction and intrapreneurship. The estimated coefficient was found to be 0.03, though it represents weak association but yet both the variables under study are positively correlated. Further H2: Predicted Intrapreneurship is positively associated with firm's growth. The estimated correlation coefficient was found to be 0.11, through which it was quite evident that both the variables under study are positively correlated.

#### 5. CONCLUSIONS & FUTURE RESEARCH DIRECTIONS

The findings are in support of the proposed regression model, which includes the hypothesized positive relationships between employee satisfaction, intrapreneurship and firm growth. The employee satisfaction construct includes various dimensions and merged elements which are important for achieving satisfaction among employees; these range from financial and non-financial incentives. The elements of employee satisfaction as a construct tend to be predictive of the collaborative of intrapreneurship activities. Employee satisfaction tends to positively impact growth of the organization. This study confirmed a positive intrapreneurship-growth relationship as well. As a scope of future research it can be recommended that for more accurate and precise results there can be construction of a multiple regression model which can be constructed using various internal and external factors which exist in the organization and directly or indirectly affect the aspect of intrapreneurship.

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