

Factors Influencing Corporate Entrepreneurship among Middle-Level-Managers towards Manufacturing Industry

Banumathi M.¹, and Rajakumar C.S.²

¹Asst. Professor, Business Administration Wing, DDE, Annamalai University.

²Professor and Head, Business Administration Wing, DDE, Annamalai University.

Introduction

Middle managers play critical roles in the implementation of organizational strategies. Middle Manager is mainly focus on two aspects: 'position' in the hierarchy and 'function' rendered by them. Dutton (1993) and Wooldridge et. al. (2008) propose that middle management, ranges from the level below top management to the first level of supervision. Examples of middle managers include general line managers (divisional heads), functional line managers (marketing head, deputy heads) and team or project based executives or project leaders.

From the perspective of 'function', middle management is defined as the coordination of a firm's daily routine activities with the activities of vertically related groups (Floyd 1992). Middle Managers are responsible for a sub-functional work flow of a department / division. Few academicians state that aspects like number of staff working under a person, years of working experience, and total emoluments need to be considered to define middle management.

The role of middle level managers, as quoted by Kuratko et.al. (2002; 2005; 2006; 2007; 2008), is to communicate effectively between top-level and operating level managers. To accomplish this goal, middle level managers need to play strategic roles. As suggested by Floyd and Wooldridge (1992), they have to synthesize information to be exchanged for championing innovative ideas, facilitate adaptability among subordinates and implementing strategy by integrating subordinates' activities

Corporate entrepreneurship can enhance the share- holder's value by creating the work environment that boosts the individual and corporate growth, presenting employees an opportunity to utilize their creative skills and formulating the organizational culture that enhance the market performance of firm. Sathe (1985) argues that corporate entrepreneurship is a process of organizational renewal. It has emerged as a much needed ingredient contributing towards the growth of any organization under a changing business environment.

Guth and Ginsberg (1985) notes that corporate entrepreneurship encompasses two types of phenomena and the processes surrounding them (1) the birth of new business within existing organization, i.e, internal innovations and venturing, and (2) the transformation of the organizations through renewal of the key ideas on which they are built, i.e., strategic renewal. Spann, Adams and Wortman (1988) define corporate entrepreneurship on the establishment of a separate corporate organization (often in the form of a profit center, strategic business unit, division, or subsidiary) to introduce a new product, serve or create a new market, or utilize a new technology.

Similarly, several authors view corporate entrepreneurship as the diversification and escalation of businesses (Nayager & Van Vuuren 2005; Bhardwaj et al. 2006; Ripolles-Melia et al. 2007; Kearney et al. 2007), leading to the development of new businesses within existing companies to enhance competitiveness, productivity, and

profitability (Morris et al. 2008), a strategy enacted in organizational settings and discovery of opportunities (Zahra 2008), has a lasting effect on company's growth (Zahra 2009), and in the words of Salvato et al. (2009), it involves a constant reinvention of unique business projects which requires recognizing and exploiting the opportunities.

The Manufacturing Industry (MI) is defined as the mechanical or chemical transformation of organic and inorganic substances into new products, whether the work is done by machine or by hand, factory or home, or that the products are sold wholesale or retail. Includes the assembly of component parts of manufactured products, except in cases where such activity is typical of construction and installation, repair and maintenance when such activity takes place as a service related to manufacturing.

Review of Literature

The concept of corporate entrepreneurship has been analyzed from different theoretical perspectives by academicians and the outcome mostly focuses on the link between the employees' entrepreneurial attitude, and probable growth of firms, expansion of market or overall performance. Typically their definitions revolve around the concept that corporate entrepreneurship involves transformation of stagnant businesses into dynamic activities (Jennings & Lumpkin 1984; Schendel 1990), is an organizational process transforming individual ideas into collective actions (Chung and Gibbons, 1997), increases organizational progress through optimal performance (Bardt 1998), is a way to recreate economic capabilities (Danka 2000), shows the behavioural intentions different from the routine practices (Antoncic & Hisrich 2001), and describes the employee's entrepreneurial behaviour within a stable organization (Jones & Butler 1992; Burns 2005; Shepherd 2008).

High performance work system is described as a coherent set of human resource management practices which including selective hiring, promotion from within, extensive training, performance appraisal, employee participation, information-sharing, teamwork, broad job design, and have repeatedly been shown to relate positively with firm performance (Subramony 2009). High-performance HR practices are bundles of HR practices that enhance the skills of the workforce, encourage participation in decision-making, and motivate employees to expend discretionary effort (Sun et al. 2007). Accordingly, high performance human resource practices are expected to encourage employees to devote themselves to the organization by contributing innovative ideas (Chen & Huang 2009).

Existing literature suggest that emotional intelligence is the product of two main skills, personal and social competence. Personal competence focuses more on you as an individual, and is divided into self-awareness and self-management. Social competence focuses on how you behave with other people, and is divided into social awareness and relationship management (Mary Myers Dunlap 2013). Emotional intelligence involves the capacity to accomplish faithful analysis about emotions and the capacity to employ feelings, emotions, and emotional knowledge to augment thought, incorporating particular expertness and suggesting that this distinctive expertness may also be considered as constituting a united, general emotional intelligence (Ljungholm 2014).

Contributions from the academicians, finally shortlisted three dimensions to represent entrepreneurial orientation, which are used in our study, are explained below. The individual dimensions of entrepreneurial orientation are classified as innovation, risk-taking and proactiveness. Innovativeness, refer to willingness to support creativity and experimentation in introducing new products/services besides novelty, technological leadership, and R&D in developing new processes. Secondly, risk taking which means tendency to take bold

actions such as venturing into unknown new markets, committing a large portion of resources to venture with uncertain outcomes, and/or borrowing heavily. Lastly, proactiveness is defined as an opportunity-seeking, forward-looking perspective involving introducing new products or services ahead of the competition and acting in anticipation of future demand to create change and shape the environment. A successful entrepreneur in establishing his business does not only depend on his role but also on his orientation toward the organization itself; thus, entrepreneurial orientation is an important part since it can assist an individual to adapt to his working environment. Final conclusion that can be drawn from the literature is that of the leaders that strategic decisions integrate these three dimensions is the key impetus to generate growth.

Creativity scholars have created a vast body of literature regarding a large number of contextual and individual factors, which can enable or inhibit the generation of creative ideas (Runco & Pritkzer 2011; Mumford 2012; Runco 2012). According to in-depth discussions made by scholars, creativity is considered as the ability to think up and design new inventions, produce works of art, solve problems in new ways, or develop an idea based on an original, novel, or unconventional approach. The academicians stress the need to have creativity inhibited in the minds of employees to face stiff challenges from the external forces and to manufacture products at lesser cost. To conclude, creativity, as a strategic asset, acts as a base for competitive advantage, is and a source for firm growth (Weinzimmer, Michel & Franczak 2011).

Organizational learning is a concept for which many definitions have been given. Researchers have adopted different views on this concept, which cover a wide area of research. One of the first definitions given to organizational learning is that of Argyris and Schn, 1978. The concept of organizational learning capability (Dibella et al. 1996; Goh & Richards 1997; Hult & Ferrell 1997; Yeung, et al. 1999; Jérez-Gómez, et al. 2005) seems to stress the importance of the facilitating factors for organizational learning or the organizational propensity to learn. Ang and Joseph (1996) contrast organizational learning and learning organization in terms of process versus structure. Organizational learning may be defined as a change in cognition or a change in behaviour (Easterby-Smith et al. 2000) learning needs to be explored as a social and psychological process (Stiofán Deburca 2000).

Research Objective

To understand the influence of demographic variable on corporate entrepreneurship

Research Methodology

Sample and Data Collection

The target respondents of the study are middle level managers working in manufacturing industries in Chennai, capital of Tamil Nadu state. Industrial Development Corporation was approached to obtain the list of manufacturing companies adopting ISO 14001 /TS 16949 and employ a minimum of 500 staffs. These two conditions were used as implementation of ISO 14001/TS 16949 require the need for more middle level executives and in companies of 500 employees, number of middle level executives would be more. From the list of top 50 companies (based on turnover) 12 companies were randomly selected. By using proportionate random sampling Gellately et al. (2006), were shortlisted from a population of Kidder and Judd (1986), middle level managers working in those 12 companies.

Measurement

Corporate Entrepreneurship

Corporate entrepreneurship is the dependent variable. Corporate Entrepreneurship Assessment Instrument (CEAI) developed by Hornsby et al. (2002) was used in this study. It consists of 48 items in five dimensions. They are management support measured by 19 items, reward/reinforcement (6 items), work discretion (10 items), time availability (6 items), and organizational boundaries (7 items). The questionnaire was developed with five point Likert type scale with Strongly Agree to Strongly Disagree.

High Performance Work System

High performance work system (HPWS) is one of the independent variables. Numerous studies have shown that various authors developed scales to measure High performance work system. Snell and Dean (1992), Delery and Doty (1996) and Becker and Huselid (1998) have proposed various dimensions to measure high performance work system. After careful study the researcher has chosen six dimensions from these three instruments. For example, employee empowerment, reward practices, job security and performance appraisal were taken from Snell and Dean (1992), internal career opportunities was taken from Delery and Doty (1996) and information sharing was taken from Becker and Huselid (1998). Employee empowerment has been measured by 4 items, reward practices (8 items), job security (3 items), performance appraisal (4 items), internal career opportunities (4 items) and information sharing (5 items).

Emotional Intelligence

Emotional intelligence (EI) is another independent variable. The researcher used Wong and Law Emotional Intelligence Scale in this study. Emotional Intelligence scale has four dimensions namely, self-emotion measured by 4 items, other emotion (4 items), use of emotion (4 items) and regulation of emotion (4 items).

Entrepreneurial Orientation

Entrepreneurial orientation (EO) is the last independent variable. The entrepreneurial orientation scale of Covin and Slevin (1986) has been adopted in his study. The scale consists of three dimensions. They are innovativeness, (3 items), proactiveness (3 items) and risk-taking (3 items).

Organizational Learning Capability

Organizational learning capability (OLC) is the mediating variable. With a view to choose a suitable scale to measure organizational learning capability, studies that used this variable were examined. The researcher found that Chiva et al. (2007) have used the instrument designed by Algre and Chiva (2007) in their works. The reliability scores were good and consistent in all the studies, and hence its robustness was established. Obviously, this scale was used in this study. This instrument has five dimensions learning, experimentation, external environment, dialogue, and participative decision-making. The dimensions are measured by learning (2 items), experimentation (2 items), external environment (3 items), dialogue (3 items), and participative decision-making (4 items).

Creativity

Creativity is the mediating variable. Zhou and George's (2001) scale is found to be the most widely used instrument by academicians and practitioners. This scale has 10 items. The questionnaire contains five point Likert type scale with Strongly Agree to Strongly Disagree.

Analysis and Results

Table 1: Regression Coefficients: Consolidated Results

Variables	Management Support	Work Discretion	Reward/ Reinforcement	Time Availability	Organizational Boundaries
Reward Practices	0.001	0.017	0.017	-	0.001
Employee Empowerment	0.018	0.008	-	-	-
Job Security	0.034	0.021	-	0.001	-
Performance Appraisal	-	-	0.007	0.030	-
Internal Career Opportunities	0.044	-	-	-	-
Information Sharing	-	-	0.001	-	-
Self-Emotion	0.001	-	0.050	0.050	0.001
Other's Emotion	0.001	-	-	-	0.023
Use of Emotion	0.047	-	0.017	-	0.006
Regulation of Emotion	-	0.001	0.001	-	0.002
Innovation	0.003	-	0.004	0.020	0.030
Proactiveness	-	-	-	-	0.001
Risk-taking	0.001	-	-	-	0.002
Creativity	-	-	0.003	0.018	0.001
Learning	0.016	-	0.001	-	-
Experimentation	-	0.012	0.032	0.028	-
External Environment	-	0.081	0.006	-	-
Dialogue	-	0.001	-	0.004	0.016
Participative Decision Making	0.011	0.043	0.003	-	-

Discussion

Our study contributes to the literature on corporate entrepreneurship by examining the influence of 18 dimensions of the study variables through performing five multiple regression analyses, by treating each dimension of corporate entrepreneurship as dependent variable. High performance work system significantly influenced management support, followed by work discretion, reward/reinforcement and time availability. It's least influence was found on organizational boundaries. Contrasting results were seen for emotional intelligence, which strongly influenced organizational boundaries followed by management support and reward/reinforcement. Only one dimension of it is found to influence work discretion and time availability. For entrepreneurial orientation, it did not influence work discretion at all, but fully influenced organizational boundaries followed by management support. Only one of its dimensions influenced work discretion and time availability. Creativity positively influenced reward/reinforcement, time availability and organizational boundaries and found to be a non-influencer of management support and work discretion. These results lead us to the conclusion, that none of the dimensions of corporate entrepreneurship (dependent variable) is significantly influenced by all the independent variable collectively.

Suggestions and Managerial Implications

To enhance management support, firms should monitor the performance of employees, before finalizing the reward policies. Firms can resort to the practice of rewarding their employees for successful completion of each stage (idea generation, in progress and completion) with varying percentages (50+20+30).

Executives should be empowered to make suitable decisions for promoting entrepreneurial mindset within the organization. Top management should not interfere on the day to day progress, and the executives should be given wide latitude to decide on what is to be done.

Executives who possess emotional intelligence need to be provided with the responsibility of leading creative teams, as they can comfortably balance the extreme behaviours of employees.

Management should not discriminate among employees while providing opportunities to learn, and an unbiased evaluation is required in this regard. Besides, making a provision in the organization hierarchy that enables the executives to vent their opinions without any hesitation is essential.

Managers should distinguish the differences among the various levels of achievers, and reward them accordingly. Management needs to highlight significant achievements and encourage a pursuit of challenging tasks. Regulation of rewards policy according to the culture of the organization will strengthen the entrepreneurial trait of workers.

Making the employees to believe that their job is secured, irrespective of failure or incompleteness of innovative projects initiated by them. Adopting the policy of participative decision making will increase the employees' involvement and commitment level in reaching organizational goals.

Organizations should give autonomy to the executives to delegate works to supervisors and decide upon the course of action to complete an innovative project. They should have the authority to re-allot works, reframe time limits, and re-fix the outcome expected.

To make the entrepreneurial activities successful, organizations should scientifically allot sufficient time to pursue innovations. Job responsibilities should be structured in such a way that it allows flexibility and responsibility. Time frame to complete a task, right from generation of new ideas, to successful implementation, needs to be calculated by considering factors like allocation and releasing of funds, gestation period, man power provided, managing resistance to change (if any), and confirming the consistency of the outcome.

Firms should clearly define the boundaries of all departments with a view to coordinate various activities. Solid boundaries eliminate flexibility and hinder entrepreneurial activities. Hence, it is suggested to follow the concept of flexible boundaries which enhances communication and information sharing between departments and outside the organization to increase corporate entrepreneurship success.

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