



## **Corporate entrepreneurship and the retention of corporate entrepreneurs in the organisation**

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Master of Business Administration.

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## Abstract

There is empirical data that illustrate that entrepreneurial activity and economic growth have a positive correlation. This study discusses the importance of corporate entrepreneurs in organisations, and the need to retain them in the organisation to continue leveraging on their skills.

Previous research on staff retention focussed mainly on the environment, rewards, and role ambiguity. This study goes further by using previous corporate entrepreneurship models to test for staff retention.

A quantitative approach was taken, using a questionnaire that tested corporate entrepreneurs. The Questionnaire had organisational factors (independent variables) on corporate entrepreneurship and the dependent variable. The population consisted of 150 corporate entrepreneurs from a South African company which has branches in South Africa, Korea, China and Japan.

The results indicated that the autonomy and organisational boundaries has the highest impact with regards to corporate entrepreneurs staying with the organisation.

## **Key words**

Corporate entrepreneurship

Staff Retention

Staff Motivation

## Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Tshelambilo Edward Mathe

Date

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# Chapter 1: Introduction to the Research Problem

## Introduction

The South Africa unemployment rate is currently at 25.5% (Statistics South Africa, 2012). This figure has increased by 0.2% in the last year. This means our unemployment rate has increased in the last year, instead of decreasing, which indicates that current job creation models are not sufficient to deal with the problem of unemployment.

A recent article by the Economist which highlighted some of the problems experienced in South Africa, which include unemployment, confirms this need for looking at unemployment in a different way (Economist, 2012).

There have been many studies on entrepreneurship. A recent study by Alexander (2012), highlighted the need for entrepreneurship for economic growth. Alexander (2012) also established that economic growth and unemployment have a positive correlation. However, entrepreneurship has other challenges, which include the high failure rate because of lack of funding, management support or mentoring, organisational structures and human capital (Alos, Bamiro, (2005). Adonisi (2012) looked at corporate entrepreneurship and job satisfaction; however, he did not look at how corporate entrepreneurs can be retained within the organisation.

Corporate entrepreneurship is a business that is started from within existing structures of the organisation (Shabana, 2010); different types of literature on the definition of corporate entrepreneurship are found in chapter 2. By definition it means that corporate entrepreneurs do not face the same challenges as entrepreneurs.

As environments become more complex due to political, social and economic problems, organisations have to become more entrepreneurial in order to identify new opportunities for a sustained superior performance (Hayton, 2005). This is in line with Adonisi's (2012) view that the cultivation of an entrepreneurial environment of an organisation can widely be recognised as a key success factor to secure the growth and survival of an organisation.

In an organisation the employees are directly involved with identifying opportunities and creating innovative changes that encourage corporate entrepreneurial behaviour

(Eddleston, Kellermanns & Zellweger, 2010). These authors also state that such employees are given the responsibility of implementing corporate entrepreneurship initiatives. Because of their critical importance in the cycle of entrepreneurship, these employees, also referred to as corporate entrepreneurs, are critical to the organisation.

Some organisations have managed to use corporate entrepreneurship to diversify their strategy. Organisations that have managed to incorporate an entrepreneurial culture in their organisations, have succeeded in using corporate entrepreneurs to bring more innovative products to market, which assisted such organisations to decrease competition (Finkle, 2012a). Currently only entrepreneurs are lauded for successful entrepreneurial activities. Organisations with entrepreneurial cultures have proven that corporate entrepreneurial individuals should receive the same respect and financial reward as entrepreneurs.

Because corporate entrepreneurs operate inside existing company infrastructures, they are shielded from many of the challenges that entrepreneurs generally have to deal with, such as finance, mentorship or advice, distribution channels and general management. Therefore, the prospect of success of corporate entrepreneurs can be far greater as they operate in environments that focus on creating value for the organisation, without the distractions that are usually faced by entrepreneurs. Also, corporate entrepreneurs usually initiate projects about which they are passionate, which further increases their prospects for success (Erasmus, de Beer, Mpofo, Cant, Steenkamp, Badenhorst-Weiss, Ferreira & Groenewald, 2007). The organisational factors discussed in Chapter 2 illustrate the elements required for corporate entrepreneurship to be effective within the organisations.

From the above description of the problem on the lack of attention to corporate entrepreneurship in South Africa, it is clear that corporate entrepreneurship has not received sufficient attention in this country, with reference to staff retention.

An organisation culture that allows employees to feel they can build things, actually accomplish what they envision and, ultimately, this results in employees remaining with the company where they feel they can achieve something (Finkle, 2012a).

Organisations can remove internal resistance to change and the forces of inertia that prevent the generation of novelty by tapping into the knowledge accumulated within its own boundaries (Ford, Garnsey, & Probert, 2010).

“As environments become more complex and dynamic, firms must become more entrepreneurial in order to identify new opportunities for the sustained superior performance” (Hayton, 2005). “Corporate entrepreneurship involves organizational learning, driven by collaboration, creativity and individual commitment” (Hayton, 2005). “Human resources are the drivers of success” (Hayton, 2005).

New ventures are susceptible to change and, therefore, require human resources that can deal with the ever changing environment and align the entrepreneurial role; entrepreneurial role is identified as self-efficacy, opportunities recognition, perseverance, human and social capitals, and social skills (Ahmad & Taylor, 2009) . Bearing in mind that the entrepreneurial role may not be enough to identify a corporate entrepreneur in the organization, because the process can be more complex than initially anticipated (Ahmad & Taylor, 2009)

Based on what Markman (2003) and Ahmad & Taylor (2009) stated, it can, therefore, be argued that corporate entrepreneurs have critical skills. Illiopoulou & While (2010) state that critical skills must be nurtured and retained.

## **1.2 Research Problem**

When corporate entrepreneurs start businesses within existing businesses, they often start the business from a very small base and therefore do not contribute sizeably to the organisations' profit (Drucker, 1985). For this reason they can be ignored while their new ventures are still fighting for market share. The understanding of what makes these individuals want to stay in the organisation, is a topic on which several studies have been undertaken. Most of the literature dealing with staff retention, categorises corporate entrepreneurs under the same banner as normal staff; however, other organisations, like Google, have identified them as unique.

One study found that corporate entrepreneurs are motivated by money. They created a fund with stock options for the employees to test this (Finkle, 2012a). This manner of motivating entrepreneurs is contradicted by Shabana (2010), who states that a corporate entrepreneur is motivated by the ability of pursuing creative business ideas with the support of the companies' resources. This contradiction regarding entrepreneurial motivation arises from two different forms of reward for corporate entrepreneurs, extrinsic and intrinsic. Which one is more important?



An entrepreneur has certain individual differences that make the individual unique; these include self-efficacy, opportunity recognition, perseverance, human and social capital, and social skills (Markman, 2003). Markman refers to someone who exhibits these qualities as having an entrepreneurial fit; the closer the entrepreneurship-fit, the greater the success of the individual. He further states that not all individuals with the same knowledge, skills, and abilities are able to recognise opportunities and ultimately harvest them to create ventures. This endorses Ahmad & Taylor's (2009) view, which advocates the importance of identifying corporate entrepreneurs in the organisation.

Therefore, once organisations have identified this rare skill, it should be nurtured. The literature in chapter 2 illustrates the importance of nurturing corporate entrepreneurs, as emphasised by Ford, Garnsey & Probert (2009) who state that many ventures seeking venture capital are rejected because the team is judged to not have the necessary competence to manage the development of the growth of a venture, requiring a stringent recruitment processes.

### **1.3 Purpose of Research**

The purpose of the research is to determine which organisational factors have an impact on corporate entrepreneurs leaving the organisation. To answer this question the model from Hornsby (2002)-was used.

The model identified five constructs:

- Management Support
- Autonomy/Work Discretion
- Rewards
- Time availability
- Organisational Boundaries

The Risk-taking construct was taken from Monsen (2009).

Previous studies show a relation to work environments, role ambiguity, innovativeness and the ability to take risks to explain or determine what makes individuals want to leave the company. This study proposes to go further and to use each construct of the organisational factors from Hornsby (2002) to determine their relationship to staff retention.

As discussed above, the results are used to determine whether

- 1) this mode is supported by the literature.
- 2) there is a link or correlation between conventional staff retention models, as discussed in Chapter 2, with the organisational construct; and
- 3) the business can benefit from the results and use them for its own staff retention.

## **1.4 Motivation for Research**

Countries need to grow their economies in order to create jobs. There is a link between entrepreneurship and growth (Alexander, 2011). Corporate entrepreneurship, as discussed above, can create an opportunity for the organisation to create such growth. Corporate entrepreneurs find ways to go through the complex and dynamic environments to create value for the organisation (Hitt, Ireland, Sirmon, & Trahms, 2011). They can do this by reducing the ambiguity and uncertainty, or by taking advantage of ambiguity and uncertainty (Hitt et al., 2011).

A corporate entrepreneur's pro-activeness creates an environment of increased firm performance.

The objective of this research is to understand what makes corporate entrepreneurs want to stay in organisations. Environmental factors, both political (external) and economic (internal) may play a role (Mohamad, Ramayah, Puspowarsito, Natalisa, & Saerang, 2011). This study focusses on internal factors that may affect individuals to stay in the organisation. It can be stated that staff can be motivated by their leader's self-confidence, high energy level, personal conviction, power, and assertiveness (Webb, 2007). In addition, high levels of motivation may be achieved when leaders provide specific plans of rewards and create cultures of affirmation, consideration and appreciation of workers' abilities and effective actions (Webb, 2007).

It can be argued motivation also plays a role in corporate entrepreneurs staying in the organisation. Marvel, Griffin, Hebda & Vojak (2009) determined that some of the organisation factors like reward, management support, time and resources, organisational structures and acceptance of risk paly can affect the motivation of staff. They highlighted, specifically, intrinsic motivation as one of the motivators or demotivates of staff.

## **1.5 Scope of Research**

The scope of this research will be limited to Gerber Gold Schmidt companies in South Africa and Asia. Asia is indicated as “other” in this study and includes China, South Korea and Japan. This study does not include government institutions.

## **1.6 Structure of the Research Report**

The research report will be structured as follows:

Chapter 1: Introduction to the research report

Chapter 2: Literature Review

Chapter 3: Research Propositions

Chapter 4: Research Methodology

Chapter 5: Research Results

Chapter 6: Discussion of Results

## Chapter 2: Literature Review

### 2.1 Introduction

The literature review starts by defining corporate entrepreneurship. It begins with early writers of entrepreneurship, followed by an evolution of the word entrepreneurship to corporate entrepreneurship. The literature also highlights some of the factors in the definition of corporate entrepreneurship.

The corporate entrepreneurship model by Hornsby (2002) is used to underscore the internal factors to which entrepreneurial organisations should pay attention and these include: reward, management support, risk-taking, autonomy & work discretion, time availability, structure and organisational resources.

And organisational resources construct is added as a sub-construct for management support, because one of the prerequisites for management support is to ensure that the organisation has resources for new initiatives. The literature on management support highlights organisational resources and their importance to the corporate entrepreneur.

The above factors are emphasised in a recent study by Monsen (2009), in which he considers individual factors that cause individuals to leave organisations. He mentions the ambiguity of roles, innovativeness and risk-taking in the organisation as factors contributing to staff leaving an organisation. However, he fails to take into account a number of other organisational factors and their contribution to staff retention. The literature uses the organisational factors on corporate entrepreneurship to find literature that can be related to staff retention. This literature is further supported with conventional literature on staff retention.

The literature review concludes with material on firm performance, highlighting literature on firm performance as well as staff retention.

The model used for this study differs from convention studies; it is supported by literature which states that corporate entrepreneurship exist outside of its measures and researchers can use whichever measurement approach best suited to their research purpose and their research objectives (J. G. Covin & Wales, 2012), because the subject covers a complex interplay of individuals, organisations, economies, and opportunities for capitalising on innovation (Duxbury & Murphy, 2009).

## 2.2 Definition of Corporate Entrepreneurship

Before defining corporate entrepreneurship, it is critical to understand the fundamentals of entrepreneurship. Entrepreneurship is a developing discipline that has begun to blossom in recent years; yet, there is a lack of agreement on precisely what constitutes entrepreneurship (Rauch, Wiklund, Lumpkin, & Frese, 2009).

One of the giants in the literature of entrepreneurship (Schollhammer, 1982), defines entrepreneurship as an individual act, stating that everyone is an entrepreneur only when such an individual carries out new combinations. He further asserts that one of the characteristics for entrepreneurship is an act of innovation.

Entrepreneurs can also be defined as individuals who venture into environments of perceived uncertainty and are willing to accept the uncertainty; thus entrepreneurs are distinguishable from non-entrepreneurs by their willingness to bear the uncertainty intrinsic to a possible profitable course of action (McMullen & Shepherd, 2006). Earlier on, Forlani & Mullins (2000) also mentioned this when they said that entrepreneurship is the willingness to accept uncertainty, but they had a slightly different view, stating that entrepreneurs venture into new opportunities not only because of the risk inherent in the patterns of anticipated outcomes, but also because of the differences in the entrepreneurs' perception of these risks.

Earlier literatures identified certain variables in entrepreneurs which include:

- Energy level, conformity, and need for autonomy (Sexton & Bowman-Upton, 1986)
- Need for achievement, need for autonomy, dominance, high energy level, and persistence (Neider, 1987)
- A desire for personal control (Greenberger & Sexton, 1988)
- Proactive personality (Crant, 1996)
- Pro-activeness, aspirations beyond capability, team orientation, capability to resolve dilemmas, and learning capability (Stopford & Baden-Fuller, 1994).

One of the contributors to entrepreneurship literature identified seven concepts that define entrepreneurship (Morris & Kuratko 2002).

- Entrepreneurship is the creation of wealth involving the assumption of risk-taking, in association with production in exchange for profit.

- An entrepreneur starts a new business venture where there was none before.
- Creation of innovation is introduced where entrepreneurship is concerned, with unique combinations of resources that make existing methods or products obsolete.
- Creating change by adjusting; adapting one's personal repertoire, approach, and skills to meet the ever-changing demands of the business environment.
- Increases human resources in the factors of production.
- Creating value for consumers by exploiting untapped resources.
- Entrepreneurs are concerned with the positive growth of sales, production, income, assets, and human resources.

Another definition of entrepreneurship summarises Morris' definition by stating that "entrepreneurship is a process through which individuals and teams create wealth by bringing together unique packages of resources to exploit opportunities in the marketplace" (Hitt et al., 2011).

Studies have shown that entrepreneurship and corporate entrepreneurship are quite similar even though the contexts in which they are acted on are different (Duxbury & Murphy, 2009). Entrepreneurs and corporate entrepreneurs share many of the same personality characteristics (Duxbury & Murphy, 2009). The similarities are evident in the definition of corporate entrepreneurship.

Pinchot (1985) used the word "Intrapreneurship" in his book to describe entrepreneurship in existing organisations. Kuratko (2011) commented on Pinchot's labelling as follows: "They make corporate entrepreneurship sound like something completely unique, or as if it were the stepchild of entrepreneurship, borrowing some of the name but not really constituting the real thing". To show that the fundamentals are the same and only the context differs, he uses corporate entrepreneurship to differentiate it from entrepreneurship (Kuratko, 2011). As a result in this study, the current author uses the words "corporate entrepreneurship".

Pinchot (1985) was very simplistic when stating that one of the basic rules of corporate entrepreneurship is coming to work and being willing to be fired.

Corporate entrepreneurship can comprise formal or informal activities aimed at creating new businesses in established companies through product and process innovation and market developments (Zahra, 1991). This view concurs with the definition that states that corporate entrepreneurship is the creation of new business within an existing

organisation, also referred to as internal corporate venturing (Zajac, Golden, & Shortell, 1991).

Corporate Entrepreneurship includes situations where; (1) an established organisation enters a new business; (2) an individual or individuals champion new corporate ideas within a corporate context, taking into account at what the organisation excels; and (3) an entrepreneurial philosophy is observable throughout the entire organisation's outlook and operations (J. G. Covin & Miles, 1999). These authors added that these phenomena are not mutually exclusive constructs, but may co-exist as separate dimensions of entrepreneurial activity within a single organisation (Antoncic & Hisrich, 2004). This would involve commitments and actions framed around the entrepreneurial behaviour and processes that the organisation uses to develop current and future competitive advantage in promising new markets (R. Ireland, Kuratko, & Covin, 2003).

Corporate Entrepreneurship has also been defined as activities engaged in by organisations, involving innovation, venturing and strategic renewal (Guth & Ginsberg, 1990).

Another view is that corporate entrepreneurship is influenced by the emotions between the entrepreneurs and non-entrepreneurs in a given social context, indicating that the social environment may have an impact on the entrepreneurial behaviour of an organisation (M. G. Biniari, 2012b).

Other well-known contributors to the literature on corporate entrepreneurship define it as an organisation's vision-directness, which involves the whole organisation's involvement on entrepreneurial behaviour that purposefully and continuously rejuvenates the organisation and shapes the way the organisations does it's every task through the recognition and exploitation of entrepreneurial opportunity (R. D. Ireland, Covin, & Kuratko, 2009).

In other earlier studies corporate entrepreneurship has also been defined as a process by which individuals inside organisations pursue opportunities independent of the resources they currently have in their control (Stevenson & Jarillo 1990), do new things and depart from the customary to pursue opportunities (Vesper 1980), and engage in a spirit of entrepreneurship within the existing organisation (Hisrich & Peters, 1986).

Corporate entrepreneurship involves extending the firm's domain of competence and corresponding opportunity set, through internally generated new resource combinations

(Burgelman, 1984). Corporate entrepreneurship enables organisations to pursue profit making innovations by encouraging employees to think like entrepreneurs, and then giving them the freedom and flexibility to pursue their projects without being hampered by organisational bureaucracy (Kearney, 2010). Corporate entrepreneurship enhances organisational competencies and the development of this opportunity through internally generated innovation (Russell, 1999). This internal innovation is influenced by organisational and environmental characteristics.

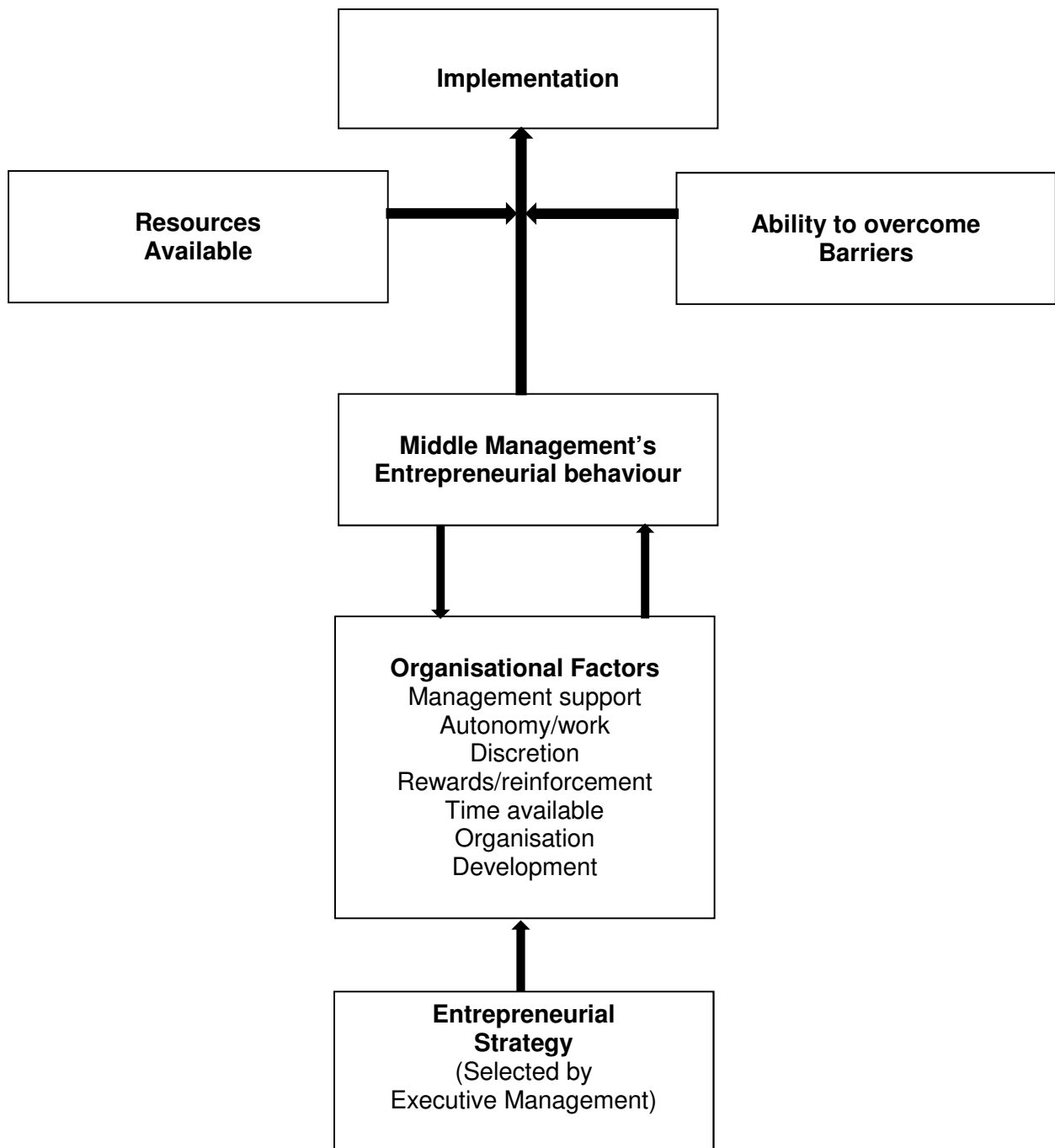
All the definitions of corporate entrepreneurship have some similarities, Morris, Kuratko & Covin (2008) added to the definitions by stating that “it is an entrepreneurial behaviour inside established mid-sized and large organisations”.

## **2.2 Corporate Entrepreneurship (CE) Model**

Several studies have been used to test corporate entrepreneurship in the organisation. As stated in the introduction, conducting research on corporate entrepreneurship is very complex (Duxbury & Murphy, 2009). Kuratko (1990) used five hypothesised factors as a test instrument. These included: management support, organisation structure, risk-taking, time availability, and reward and resource availability. These factors were gleaned from literature. The results of the final study from Kuratko (1990) supported a 3-factor solution for entrepreneurial conditions which included management support, organisational structure and resource availability. In the conclusion of his research study, Kuratko (1990) stated that the manner in which corporate entrepreneurship research is conducted, is very subjective because the study of corporate entrepreneurship is very complex; this is the reason why his constructs were reduced from 5 to 3 at the end of the end of his study.

The above-mentioned five factors were also used in later studies to test other specific management factors, amongst others by Hornsby, Kuratko & Zahra (2002), to test middle management’s perception of the internal environment for corporate entrepreneurship. From the study they developed a mode (please see figure 2.1):





**Figure 2.1: Middle manager's perception of the internal environment for Corporate Entrepreneurship (CE)**

Source: Hornsby *et al.* (2002)

This model highlights the entrepreneurial strategy of the organisation as influenced by senior management. Organisational factors previously used by Kuratko (1990), on how management perceived the existence of the organisational factors as well as the

entrepreneurial strategy and finally, the implementation, taking into consideration the resources available and the ability to overcome barriers (Hornsby, Kuratko, & Zahra, 2002). While this model may be very helpful in understanding future long-term personal and organisational outcomes, as well as individual perceptions of the relationship between behaviours, it does not take short-term outcomes, like retention (Monsen & Wayne Boss, 2009), into account.

Monsen (2009) used one organisational factor to answer his questions about staff retention. In his study he included innovativeness, pro-activeness and risk-taking. Monson did not do a correlation between staff retention and the other organisational factors.

A recent study demonstrated additional organisational factors, including flexibility and job satisfaction (Adonisi & van Wyk, 2012). This study investigated job satisfaction as a separate construct to corporate entrepreneurship, it did not elaborate on the effect of job satisfaction to staff retention. The current study focuses on corporate entrepreneurship as well as the six organisational factors and their impact to staff retention.

## **2.3 Organisational Factors**

### **2.3.1 Rewards**

Rewards constitute the most visible and influential part of an organisations' human resource management system and compensation programme (Morris, Kuratko & Covin, 2008).

The organisational systems, like rewards, can encourage or discourage risk-taking and innovation in the organisations. If reward systems are not properly executed, they may have a negative effect on an individual's tendency not to behave in an entrepreneurial manner (R. D. Ireland et al., 2009). Hornsby (2002) states that reward systems that are congruent with high performance, goal orientation, emphasises on individual responsibility, and has incentives that are based on results, can enhance the motivation of individuals to engage in innovative ideas.

Reward systems are seen as part of the organisational architecture that top executives assist in creating (R. D. Ireland, Covin, & Kuratko, 2009). Choices of the level of remuneration can have critical consequences and cause employees to have perceptions of injustice in the organisation (M. G. Biniari, 2012a). A corporate entrepreneur should be remunerated in such manner that he stands out among his/her colleagues (Marvel, Griffin, Hebda, & Vojak, 2007). Marvel (2007) also states that if the corporate entrepreneur sees that his/her income is equal to that of other members of the organisation, such an individual may become demotivated. In order for the individual to stand out, the reward must be in line with what the person expects the reward to be; some corporate entrepreneurs are motivated by financial rewards, others by power and status, while yet others strive for personal development and career enhancement, self-actualisation, or social rewards (Kuratko, Morris & Covin, 2011).

Pay-for-performance has a strong positive effect for tasks that employees do not find interesting. However, pay-for-performance tends to have a negative effect on interesting tasks (Weibel, Rost, & Osterloh, 2010). Therefore organisations should create an atmosphere in which staff members feel that they can increase their income by means of hard work (Lehmann, Dieleman, & Martineau, 2008). These authors found that high job increases may not necessarily lead to high individual productivity (Grund & Westergaard-Nielsen, 2008).

Executives use rewards systems to create architecture for the organisation. The executives may likely use the reward system to articulate the vision of the organisation; they may use formal or informal reward systems (R. D. Ireland et al., 2009). Entrepreneurial visions of executives are likely to result in entrepreneurial behaviour (R. D. Ireland et al., 2009).

Alignments must be created in reward system, so that congruency is achieved in the entrepreneurial behaviours induced at the individual and organisational level (R. D. Ireland et al., 2009).

When creating reward systems organisations should take note of intrinsic motivations (Marvel et al., 2007). Even though an organisation cannot create intrinsic motivation, it can create and influence environments that are conducive for intrinsic motivation to flourish (Marvel et al., 2007). The use of suitable reward systems can increase and motivate employees' willingness to assume the risks associated with corporate entrepreneurial behaviour (Srivastava & Agrawal, 2010).

In his article Srivastava (2010) states that “Expectancy theory (Vroom, 1964) predicts that individual effort requires that the individual must believe that the goal accomplishment will lead to a reward”. This reward must be perceived to be higher (Duxbury & Murphy, 2009), because one of the rules of corporate entrepreneurship is to come to work and be willing to be fired (Pinchot, 1985).

Hornsby (2002) incorporated all aspects of rewards when he said that rewards should consider goals, feedback, emphasis on individual responsibility, and result-based incentives. He added that the use of appropriate rewards can enhance the willingness of corporate entrepreneurs to assume the risks associated with entrepreneurial activity.

The rewards should meet the expectations of corporate entrepreneurs (Kuratko, Morris & Covin, 2011). The expectation should be that 1) the person should perceive a direct relationship between the appraisal or evaluation system and performance, 2) extrinsic and/or intrinsic rewards should be directly linked to good appraisal and 3) the rewards should be appropriate (Kuratko, Morris & Covin, 2011).

### **2.3.2 Management Support**

Management support can create a positive culture that supports entrepreneurship, regardless of the external environment (R. D. Ireland et al., 2009). Ireland (2009) also states that top-level managers have the greater responsibility of promoting entrepreneurial behaviour in the organisation.

Biniari (2012) maintains that management support can play a crucial role in mediation; by creating reflective and not comparative conditions toward corporate entrepreneurship. The mediation should take into account other members of the organisation who are not corporate entrepreneurs, because ignoring them can also have negative results for the organisation. Marvel (2007) states that more interaction by top management, the better.

The external environment may create opportunities that corporate entrepreneurs can exploit with the support of management. This support should encourage entrepreneurial and innovative behaviour by means of the organisational culture that rewards entrepreneurship and innovation (Iliopoulou & While, 2010). However, external environmental factors may be beyond the influence of management (Mohamad et al., 2011). An environment that is supportive will increase self-efficacy because individuals

asses their entrepreneurship capacities in reference to perceived resources, opportunities, and obstacles in the environment (Chen, Greene, & Crick 1998).

Organisations should ensure that there is congruence between the internal environment (decision-making and control) and entrepreneurial activities (Kearney, Hisrich & Roche, 2010). Without a clear level of congruence, these activities will lack focus and productivity (Kearney, Hisrich & Roche, 2010). To achieve this congruence between the internal environment and entrepreneurship, senior management should engage in shaping the organisation and achieve its strategic vision by ensuring it has the most appropriate decision-making and controls in place to generate success in its entrepreneurial activities (Kearney, Hisrich & Roche, 2010).

Pinchot (1985) built a model for a sponsorship spectrum:

<b>Inventor</b>	<b>Intrapreneur</b>	<b>Sponsor</b>	<b>Protector</b>
Understands the new product or service but not how to make a business of it	Attention is on business Realities, like politics	Attention is on removing barriers and advising the entrepreneur	High-level sponsor who approves and protects

**Table 1: Sponsorship Spectrum: Why you don't have to leave the corporation to become an entrepreneur**

Source: Pinchot (1985)

In his model Pinchot (1985) in illustrated the need for “Intrapreneurs” to have a sponsor in order to reach their full potential. The model shows that the “intrapreneur” will identify the opportunity and the sponsor will then help the “intrapreneur to navigate the corporate bureaucracy and protect the intrapreneur in order to grow the organisation.

Kuratko, Morris & Covin (2011) built on this model from Pinchot (1985) and identified concepts that characterise corporate entrepreneurship and highlight the common traits in organisations that are entrepreneurial. He identified these traits to be:

- The initiator: the individual that triggers the entrepreneurial activity or event.
- The sponsor/facilitator: the individual or group that advocates the activities of the initiator and supports these activities through managerial and financial support.

- The champion/manager: the individual who helps to facilitate the project and leads the initiative through its different stages.
- Team supporter: plays a secondary role in providing expertise. Intelligence, marketing, and/or other managerial functions that also play a role in supporting the concept or initiative.
- Reactor: plays the devil's advocate role in pinpointing weaknesses and threats to the concept or initiative.

Covin & Kuratko (2009) identifies the sponsor and the champion as the most critical roles for entrepreneurial development in the organisation. Therefore, when looking at the retention of corporate entrepreneurs, understanding the champion, with reference to the power that the sponsor has, is important.

Building on Covin & Kuratko's work, Ireland's (2009) maintains that an organisation that illustrates good support for corporate entrepreneurship, can expect:

- 1) A reduction in competition intensity. This can be achieved by breaking parity, by creating and exploiting some of the bases for competitive advantage. Such reduction in competition intensity can translate into an innovation imperative and lead to competitive capability the organisation can use to explore new markets or existing markets by means of its entrepreneurial activities.
- 2) Much faster responses to technical change; and
- 3) Provision of new product-based value propositions that more closely match the demand characteristics of evolving markets.

However, reduction of competition intensity, faster response to technical change and providing new product based propositions can be hampered in the absence of management support in terms of encouraging and enabling innovation, by shielding corporate entrepreneurs from bureaucracies that prevents them from being creative (Marvel et al., 2007).

Corporate entrepreneurs want to feel that if they engage in entrepreneurial activities within the organisation, they will be listened to and encouraged for bringing their ideas to fruition (Alpkan, Bulut, Gunday, Ulusoy, & Kilic, 2010).

When corporate entrepreneurs feel as though they are not being supported, it may create an atmosphere of fear and loneliness, resulting in creative ideas not reaching the required levels of implementation (Alpkan et al., 2010). Provision of discretionary

power, time and rewards does not necessarily lead to a corporate entrepreneur being innovative if management support is not also evident (Alpkan et al., 2010). Therefore, management needs to understand that the entrepreneurial design of the organisation impacts on its entrepreneurial orientation (Platzek, Winzker, & Pretorius, 2011).

Management support can take many forms, which include championing innovative ideas, providing the necessary resources or expertise, or institutionalising the entrepreneurial activity within the firm's systems and processes (Hornsby et al., 2002).

Management support should also take the age of respondents into account. Previous studies have shown that younger staff members, who may also be labelled as junior staff members, require managers who attend to their personal needs, nurture and support them and provide a motivating environment (Wieck, Dols, & Landrum, 2010). More mature staff members require the same type of attention, but to a lesser extent.

### **2.3.2.1 Organisation Resources**

Corporate entrepreneurs must perceive the availability of resources for innovative activities (Sykes, 1986). Management should create an environment which gives corporate entrepreneurs the sense that resources are available for sound new ideas (Kuratko, Morris & Covin, 2011). The availability of un-allocated resources usually encourages experimentation and risk-taking behaviours (Burgelman, 1984).

### **2.2.3 Autonomy/Work Discretion**

Autonomy extends decision-making power to individuals who will actually carry through the work at hand (Alpkan et al., 2010). Organisational support for an effective corporate entrepreneurial climate should include autonomy and work discretion (J. G. Covin & Slevin, 1989). Work discretion involves the degree of autonomy that employees have in making decisions.

If corporate entrepreneurs feel that their efforts to innovate within the organisation are not well supported, it may result in them not being innovative (Alpkan et al., 2010). Therefore, a flexible operational culture is paramount to maintaining a positive corporate entrepreneurial culture in an organisation (Adonisi & van Wyk, 2012). Such flexible internal culture should promise support and tolerance (Alpkan et al., 2010).

Platzek (2011) states that the flexibility resulting from increasing adaptability and innovation, can assist with the implementation of an entrepreneurial vision.

The length of time an employee has been in the organisation and the individual's skill, knowledge and experience can also play a role in the autonomy that the organisation allows an individual (Iliopoulou & While, 2010).

Decentralisation of responsibilities, initiatives and self-monitoring of staff results in work discretion and autonomy (Platzek et al., 2011). Through decentralised autonomous entrepreneurial behaviour, the organization can create competencies that set the organisation apart (Hitt, 2007).

Decentralised and autonomous entrepreneurial units can increase entrepreneurial behaviour (Platzek et al., 2011).

Individuals who have autonomy in their work environments are generally more likely to stay in their position, and are more satisfied and committed to their jobs (Cowden, Cummings, & Profetto-Mcgrath, 2011).

Autonomy can only be viewed as an important factor that affects job satisfaction and ultimately, staff retention, if staff members view autonomy as important to their jobs (Iliopoulou & While, 2010).

## **2.2.4 Time Availability**

Time availability means that ability to interact with others outside the firm; such freedom can also be seen as the ability to choose an area to work from or in (Finkle, 2012a; Marvel et al., 2007). These authors also stated that corporate entrepreneurs see time available as an opportunity to spend time on technically innovative projects without being overburdened with bureaucratic activities.

One example of time availability and its results can be observed at 3M Corporation. 3M allows its engineers and scientist to spend 15% of their time on projects of their own and this has resulted in many inventions at 3M (Finkle, 2012c).



## 2.2.5 Risk-taking

Risk-taking involves venturing into new projects for profit, with the likelihood that the projects might not produce positive results (Kuratko, Morris & Covin, 2011). Risk-taking by corporate entrepreneurs is defined as the employees' willingness to take risks and show a tolerance for failure when it occurs (Sykes, 1986).

When an organisation has a history of rewarding both failures and successes, corporate entrepreneurs are motivated to continue pushing innovative ideas (Marvel et al., 2007). When corporate entrepreneurs are considered to be risk takers, it means that they take bold actions, such as venturing into unknown new markets and committing organisational resources to ventures with uncertain outcomes (Monsen & Wayne Boss, 2009).

Hayton (2005) states that organisational members, who are unable to understand the risks associated with entrepreneurial activities, will be more risk-averse than those who grasp the principle. He adds that the hierarchal position of an individual within the company plays a role in the individual's ability to take risks. If the individual fails to see or understand the different risks in the company, such a person will have problems adopting "risk-taking" strategies from their senior managers. Hayton (2005) further states that if employees feel they cannot engage in risk and entrepreneurial activities within the organisation, they are more likely to perceive a misfit with the organisation and may start thinking about resigning from the organisation.

Organisations that consider themselves to be entrepreneurial, should count the number of entrepreneurial events in the organisation (frequency), considering the extent to which this events are innovative, risky, and proactive (degree) (Kuratko, Morris & Covin, 2011); to increase this frequency and degree an organisation needs corporate entrepreneurs.

## 2.2.6 Organisational Structure and Boundaries

Ireland (2009) defines structure as an organisation's arrangement of authority, communication, and workflow relationships.

Many structural attributes are linked to innovative activities in the organisation; however, a single aspect of structure that defines entrepreneurial organisations is organicity (R. D. Ireland et al., 2009). Organicity is the extent to which the overall

organisation can be characterised as organic or mechanistic (R. D. Ireland et al., 2009). The more organistic the organisation is, the higher its tolerance of qualities such as: decentralised decision-making, low formality, wide spans of control, expertise-based power, process flexibility, free flowing information network, and loose adherence to rules and policies (R. D. Ireland et al., 2009). Conversely, a more mechanistic approach implies the opposite (R. D. Ireland et al., 2009).

Structure provides the administrative mechanisms by means of which ideas are evaluated, chosen, and implemented (Burgelman, 1984). These administrative mechanisms can become a motivator (Marvel 2007).

It is argued that top executives want to increase their turnover; therefore, creating structures in the organisation that encourage an organistic approach, will be in their own best interest (R. D. Ireland et al., 2009).

Certain organisational boundaries and structures of an organisation can result in corporate entrepreneurs being unable to understand their positions within the organisations and also lead to feelings of uncertainty. However, an entrepreneurial culture by definition is an ever-changing environment with uncertain outcomes (R. Ireland et al., 2003).

## **2.4 Staff Retention**

Recent studies have shown that employee retention is one of the critical factors for entrepreneurial firms (Henricks, 2007). Human resources form the basis of failure or success of a business, especially when it comes to entrepreneurial organisations (Katz, 2000). Pursuing a strategy of corporate entrepreneurship creates complex problems, due to radically changing internal organisational behaviour patterns (Kuratko, Montagno, & Hornsby, 1990). The ability to be ready for change is a prerequisite for innovativeness and corporate entrepreneurship (Rutherford & Holt, 2007). However, how change is managed is important, because if it is not managed properly, change can cause stress, poor job performance and loss of revenue (Upson, Ketchen & Ireland 2007). Therefore, the structure of the organisation and the boundaries in the organisation should be conducive to a corporate entrepreneurial culture.

Strategic entrepreneurship integrates entrepreneurship and strategic management (R. Ireland et al., 2003). This author also states that strategic entrepreneurship can be uncertain and ambiguous because it combines opportunity-seeking behaviour and

advantage-seeking behaviour to create wealth. By means of an entrepreneurial mindset, an entrepreneurial culture, and entrepreneurial leadership, an organisation will be able to manage resources more strategically, allow for creativity, and develop innovation, which may result in a competitive advantage and wealth creation (R. Ireland et al., 2003). Ireland (2003) identifies and highlights stress as one of the factors that causes organisations to fail to retain their staff. Monson (2009) integrated Ireland's (2003) model of strategic entrepreneurship with Hornby's (2002) model for mid-level managers to identify three factors that affect the intention to quit:

- 1) Managers' role ambiguity and intention to quit
- 2) Managers' perception of risk-taking, innovativeness, and pro-activeness: impact on role ambiguity
- 3) Managers' perception of risk-taking, innovativeness, and pro-activeness: impact on intention to quit.

Another study found that a work environment can have an impact on the retention of staff (Cohen, Stuenkel & 2009). Fehr & Gelfand (2012) defined the work environment as the tone of any work place, which is influenced by a wide variety of different factors, including the role of management, peer relations, patient acuity, availability of resources and the physical environment. Even though the study on the influence of the work environment was not conducted in the field of corporate entrepreneurship, the definition of the work environment is, nevertheless, valid in order to understand how corporate entrepreneurs can be retained in the organisation by understanding their environment.

#### **2.4.1 Manager's role ambiguity and intention to quit**

Designing job roles to minimise stress levels is a critical factor for corporate entrepreneurship, because if managerial roles are not designed properly, the results can be excessive stress, poor job performance and ultimately wealth erosion (Ketchen, Ireland, & Snow, 2008).

Senior and junior managers in the organisation face role conflicts in their everyday activities; however, the ambiguity of the role conflict is the critical factor (Monsen & Wayne Boss, 2009). Ambiguity is also a critical factor for a successful entrepreneurial company (Markman & Baron, 2003). When an employee perceives his or her role in

the organisation to be uncertain or not well defined, this perception may result in reactions on the part of the employee, which include hesitancy, indecision, procrastination and ultimately, leaving the organisation (McMullen & Shepherd, 2006).

#### **2.4.2 Managers' perception of risk-taking, innovativeness, and reactivity: impact on role ambiguity**

Managing an entrepreneurial organisation differs from running a non-entrepreneurial organisation, because entrepreneurial organisations operate under conditions of greater uncertainty, boundaries which are loose and ever-shifting, the need to quickly choose among multiple competing courses of action, and insufficient information for rational decisions (Hayton, 2005). Employees in entrepreneurial organisations need to perform tasks that have very loose boundaries; these tasks are often ones for which they have not been trained for (Monsen & Wayne Boss, 2009). Perceptions of transformational change and high-frequency change are associated with reports of uncertainty as to how to respond to the change (Rafferty & Griffin, 2006).

McMullen & Sheppard (2006) summarised the above with three questions that people use to identify their situation:

- 1) What is happening out there? (state uncertainty)
- 2) How will it impact me? (effect uncertainty)
- 3) What am I going to do about it? (response uncertainty)

Should the organisation fail to answer these questions satisfactorily, it means that the organisation's strategy of following a more aggressive entrepreneurial strategy is resulting in insecurity and dissatisfaction among employees. Such a situation calls for organisations to carefully design and orchestrate staff roles. (Ketchen et al., 2008).

#### **2.4.3 Manager's perception of risk-taking, innovativeness, and pro-activeness**

The more entrepreneurial the organisation, the less likely it is that employees will want to leave. Even though entrepreneurs may be comfortable with an entrepreneurial environment, their fellow staff members may not like it (Monsen & Wayne Boss, 2009). The more closely the individual's perception is aligned to the organisations

environment, the less likely such an individual is to leave the organisation (Markman & Baron, 2003).

#### **2.4.4 Work Environment**

A positive work environment increases levels of staff retention in the organisation (Andrews & Dziegielewski, 2005). A positive work environment is created and fostered by a leader (Colonghi, 2009). In an entrepreneurial environment the senior manager in the organisation is responsible for creating the positive environment.

One study concluded that staff reported greater respect for managers who were approachable and visible in the work environment (Manion, 2004). The study also found that the visibility and responsiveness of leaders were important contributors to job satisfaction. Rafferty (2006) confirmed this when he reported that supportive leaders created an environment of low staff turnover (Rafferty & Griffin, 2006). The latter research can be used to understand the entrepreneur and his/her environment in the organisation as well as how the senior manager contributes to such an environment, emphasising the importance of management support. Furthermore, the recognition and praise of the contribution of individuals, also constitute major factors in motivating staff (Gess, Manojlovich, & Warner, 2008). Lack of recognition and praise can lead to discontent, poor morale and reduced productivity, and is one of the reasons for high staff turnover (Gess et al., 2008). A supportive environment does not depend only on management, but also on peers (Cowden et al., 2011). An environment that is autonomous, in which the value of staff contributions are recognised and which enables staff members to reach their full potential, increases staff retention (Cowden et al., 2011).

The work environment can be negatively influenced by leaders who do not support their staff (Rafferty & Griffin, 2006). Such perceived lack of support may result in staff members being acutely aware of organisational changes, culminating in work stress and staff turnover (Rafferty & Griffin, 2006).

#### **2.5 Geographical Area**

Where a person permanently resides, can influence such individual's everyday behaviour (Hisrich, Peters, Shepherd, 2008). People are influenced by their

environment, which includes the political and legal environment, cultural environment, technological environment and the social culture; some of these cultures generally derive from the political philosophy and economic philosophy of the country (Hisrich, Peters, Shepherd, 2008).

## 2.6 Organisation performance

Entrepreneurial activities promote economic growth and development (Minniti, 2008).

Google managed to increase its competitive edge, became innovative and succeed over time by employing the corporate entrepreneurship strategy (Finkle, 2012b).

By means of a corporate entrepreneurship strategy, of product-based value proposition that closely matches the demand characteristics of evolving markets, firms can position their products to intersect with the evolutionary paths of their markets. Such market emergence can create innovative opportunities and be an exogenous evolutionary force to which a firm using a corporate entrepreneurial strategy can react, pre-empting competitors in the pursuit of opportunity (Covin, Slevin 2000).

Exploiting entrepreneurial opportunities enables an organisation to strengthen existing capabilities and build new capabilities (Covin, Ireland 2003). Corporate entrepreneurs have certain social skills that make them successful – such as self-efficacy, opportunities-recognition, perseverance, human and social capitals as well as social skills (Markman & Baron, 2003). Not everybody in the organisation can be turned into a corporate entrepreneur (Markman & Baron, 2003).

If roles in an organisation are designed and orchestrated in such way that they are clearly delineated, it can lead to less stress, better job performance and ultimately, wealth creation (Ketchen et al., 2008).

Entrepreneurial behaviour in the organisation increases the satisfaction of staff in general, even though entrepreneurial behaviour contradicts the pre-existing culture (Pearce, Kramer, and Robbins 1997). This means that the organisation can test an entrepreneurial business model without affecting the existing business culture.

The greater the extent to which an organisation exhibits entrepreneurial properties and qualities, has the appropriate structure and a decision-making process as well as a control system in place that facilitates entrepreneurial behaviour, and the more

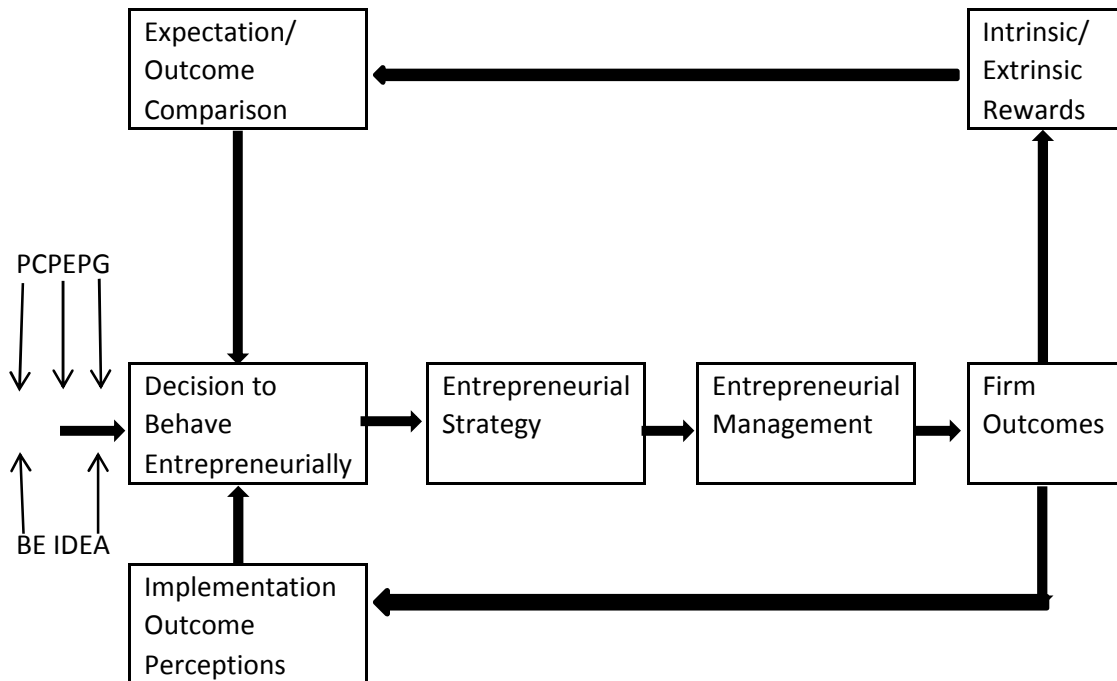
employees it has who believe in behaving entrepreneurially, the greater the ability of the organisation to achieve maximum innovation and entrepreneurial success (Kearney, 2010).

When examining the definitions of entrepreneurship and corporate entrepreneurship, it is clear that there is a common theme: The theme is innovation (Guth & Ginsberg 1990), putting together resources to create wealth (Ireland et al., 2011). This common theme can be further explained by referring to the definition of corporate entrepreneurship that states that wealth creation is the outcome of entrepreneurship (Hitt et al., 2011).

To generate wealth, corporate entrepreneurs must first create value (Hitt et al., 2011). They can create wealth by leveraging innovation to exploit new opportunities and to create new market domains (Hitt et al., 2011). If they fail to innovate, they will age and die (Drucker, 1985).

Morris & Kuratko (2002) built a model of entrepreneurial motivation. Based on the model, they concluded that for an organisation to perform at an optimum level, its management needs to understand the intrinsic and extrinsic factors that motivate corporate entrepreneurs.

Figure 2.2 is taken from Kuratko (2011). It illustrates the expectancy that a corporate entrepreneur has with regards to the organisations. The model demonstrates that corporate entrepreneurs would like to get rewarded for their entrepreneurial activity. The reward can be intrinsic or extrinsic. The goal for management is to understand what type of reward is more important for the corporate entrepreneur



PC, (Personal Character), PE (Personal Environment), PG (Personal Goals), BE (Business Environment) and Idea.

**Figure 2.2: Model of Entrepreneurial Motivation**

Source: Naffziger, Hornsby & Kuratko (1994)

## 2.7 Summary

Literature illustrates that the organisational factors of corporate entrepreneurship can be used to determine the possibility that they may play a role in the intention of corporate entrepreneurs to resign from the organisation.



## **Chapter 3: Research Propositions**

The questions and the constructs were taken from Hornsby (2002) and Monson (2009). A review of the literature and the questions and constructs encountered in the review, enabled the researcher to derive propositions. The dependent variable (intention to resign) is taken from Monsoon (2009). The questions on the propositions and the independent variable (intention to resign) are outlined in Annexure A.

### **3.1 Proposition 1**

The ability to take risks in the organisation has an impact on a corporate entrepreneur staying with the company.

### **3.2 Proposition 2**

Organisational boundaries have an impact on the corporate entrepreneur staying with the company.

### **3.3 Proposition 3**

Time availability has an impact on the corporate entrepreneur staying with the company.

### **3.4 Proposition 4**

The autonomy corporate entrepreneurs are allowed has an impact on them staying with the company.

### **3.5 Proposition 5**

The support that management gives to corporate entrepreneurs has an impact on corporate entrepreneurs staying with the organisation.

### **3.6 Proposition 6**

The reward of corporate entrepreneurs has an impact on corporate entrepreneurs staying with the organisation.

## Chapter 4: Research Methodology and Design

### 4.1 Introduction

This chapter discusses the framework and the motivation for the chosen design. The unit of analysis, population and sample frame are defined.

### 4.2 Motivation for Research Design

Research design can be defined as a framework for specifying the relationships among variables and it outlines the procedure for every research activity (Blumberg, Cooper & Schindler, 2008). The study used interpretivt philosophy. Interpretivism philosophy is defined as a research philosophy which advocates the necessity to understand differences between humans in their roles as social actors (Saunders, Lewis, 2012). Saunders & Lewis (2012) also identified three other philosophies, positivism, realism and pragmatism. They define these philosophies as: positivism as a research philosophy similar to those used in the physical and natural sciences, realism as a research philosophy which stresses that objects exist independently of our knowledge of their existence and pragmatism as a research philosophy which argues that the most important determinant of the research philosophy adopted, are the research question(s) and objectives. This is the philosophy this researcher chose, as the objective is to understand roles that corporate entrepreneurs play in the organisation and their motivation for staying with the organisation.

A deductive approach was used. Deductive approach is defined as a research approach which involves the testing of a theoretical proposition by using a research strategy specifically designed for the purpose of its testing (Saunders, Lewis, 2012). This approach was used because certain questions arose from theory and the researcher outlined exactly how these questions were going to be answered and analysed. The information obtained in this manner was examined to determine whether it added to the literature or confirms the literature or contradicts the literature.

Business research is classified into three main classes, based on the purpose or function, namely causal research, exploratory and descriptive research (Zikmund, 2003).

Traditionally two research methodologies, qualitative and quantitative (Creswell, 2009), are most commonly used in research design. Qualitative research is any kind of research that does not derive its conclusions from statistical procedures or other means of quantification (Straus & Corbin, 1990). Qualitative research is often used for exploratory study; exploratory study is research that aims to seek new insights, ask new questions and assess topics in a new light (Saunders, Lewis, 2012).

Quantitative study is a method used to quantify the variation in a phenomenon, situation, problem or issue; it is also what is conducted when information is gathered using predominantly quantitative variables; and if the analysis is geared to ascertain the magnitude of the variation (Kumar, 2005). Quantitative research relies on objective technology, like precise statements, standard techniques, numerical measures, statistics and replication (Neuman, 2011). Relationships among variables are central to answering questions and hypotheses, which can usually be done using surveys and experiments (Creswell, 2009). The purpose of a survey is to produce statistics, that is, quantitative or numerical descriptions about some aspects of the study population (Fowler, 2009). A researcher then generalises or makes claims about the population, based on the sample results (Creswell, 2009).

The literature review guided the researcher to do quantitative research, as discussed above.

The data was grouped into descriptive categories like “Risk-taking items” and “Reward”. A method of continuous numerical quantities was used to number the responses received from respondents. Descriptive survey research was used. Descriptive study is defined as a research design to produce an accurate representation of persons, events or situations (Saunders, Lewis, 2012). A descriptive study is also defined as a study that is structured with clearly stated hypotheses or investigative questions (Blumberg, Cooper & Schindler, 2008).

A survey study is defined as a research strategy which involves the structured collection of data from a sizeable population. Data collection may take the form of a questionnaire, structured observation and/or structured interviews (Saunders, Lewis, 2012). A survey can also be defined as a method of gathering primary data, based on communication with a representative sample of individuals (Zikmund 2003). Surveys

can be a quick and inexpensive way of obtaining information about the population. A qualitative study may have provided the researcher with more information about understanding the corporate entrepreneur. However, a quantitative study was chosen because this topic is not new and the objective was to gain an understanding of the extent of the problem in the South African context.

A web based survey was used. Blumberg (2008) defines web based surveys as self-administered questionnaires that use organisational intranets, the internet or online services to reach its respondents. These participants may be self-selected or targeted. The researcher used a web based survey because it was quicker and inexpensive; the ease of this method of data collection is confirmed by Zikmund (2003).

Cross-sectional design was used. A cross-sectional design is defined as collecting data from participants during only one period in time; this can be termed a snapshot (Saunders, Lewis, 2012). When cross-sectional research is conducted, data is usually collected from multiple groups or types of people.

## **4.3 Unit of Analysis, Population and Sampling**

### **4.3.1 Unit of Analysis**

The unit of analysis was the retention of Corporate Entrepreneurs in organisations. These Corporate entrepreneurs were identified as junior middle managers, middle managers and senior managers at the Gerber Goldschmidt Group. The unit of analysis is defined as a level at which the research is performed and which objects are researched (Blumberg, Cooper, 2008).

### **4.3.2 Population**

Zikmund (2003) defines a population as a complete group that shares a common set of characteristics. A company called the Gerber Gold Schmidt Group (GGG) was identified as our population. This company was referred to as “company” or “organisation” throughout the study.

This organisation has been in business since 1920. In the early stages of their existence they were mainly traders, and the company was managed and owned by the founders. The company was based in Johannesburg. In order to expand into other regions in South Africa and remain relevant to changing times, the company changed its business model. The firm started an entrepreneurship program within the organisation in order to ensure that the running of the organisation can be decentralised. The change of business model created a more stable company, which ultimately opened offices in 31 cities in more than 21 countries, and has more than 2000 employees. Today the organisation, which is a privately owned company, has a turnover of R2 billion.

The organisation has branches in Southern Africa, the USA, South America, Europe, South Korea, China, Japan and Australia. The goal was to send the survey to branches in South Africa as well as branches outside of South Africa. Therefore, the survey was going to be split between Southern Africa, USA, South America, Europe, South Korea, China, Japan and Australia. Initially the study aimed to include all junior middle managers, middle managers and senior managers, which would have been a population of 300 corporate entrepreneurs in the company, as identified by the Group Human Resources Manager. After extensive discussion with the company chairmen, the researcher was advised to split the group between South Africa and “other”, with “other” pertaining to countries outside South Africa. Due to time constraints in obtaining authorisation from regional General Managers for sending out the survey, the “other” countries were subsequently downscaled to include only South Korea, China and Japan.

After the reduction of the “other” countries, the Group Human Resources Manager advised the researcher of a new population of 170. After analysing the list of the corporate entrepreneurs identified by Group Human Resources Manager, 20 of the identified were found to be supervisors with very few responsibilities pertaining to corporate entrepreneurship. The final population confirmed and validated as corporate entrepreneurs in the organisation was 150.

A survey was thus sent to the 150 identified corporate entrepreneurs. SurveyMonkey, a free online survey software and questionnaire tool, was used and e-mailed to all participants.

### 4.3.2 Sampling Method

One definition of a sample frame is the list of elements from which a sample may be drawn (Zikmund, 2003). The sample frame for this study included all the managers in all the Gerber Goldshmidt Group branches in South Africa, South Korea, China and Japan. This sample frame included all the junior middle managers, middle managers as well as senior managers.

Saunders (2012) identifies two types of sampling, namely probability sampling and non-probability sampling. He defines probability sampling as a sampling technique that is used to select a sample at random from a complete list of the population and non-probability sampling as a technique of selecting a sample without having a complete list of the population. Non-probability sampling includes convenience sampling, quota sampling and snowball sampling (Zikmund, 2003). Neuman (2011) states that qualitative research tends to favour a pre-planned sampling approach, based on mathematical theory and the use of probability sampling techniques, unlike qualitative research, which tends to use non-probability techniques. Probability sampling was used.

The researcher obtained a list of all the employees in the population that were targeted to complete the survey. This list became the sample frame. Saunders and Lewis (2012) define sample frame as the complete list of all members of the total population; this differs from Zikmund's (2003) definition, which defines it as a list of elements from which a sample may be drawn.

From the sample frame, stratified random sampling was used to select the samples to be tested. Stratified random sampling is defined as a type of probability sampling in which the first sample member is selected from the sampling frame at the random number (Saunders, Lewis, 2012). In stratified sampling the population is divided into relatively homogenous subsets called strata, and then random samples are taken from each stratum (Cooper & Schindler, 1998).

The senior managers, middle managers and junior middle managers to be sampled were identified because they were involved in the everyday running of their different divisions. They made decisions, on a daily basis that directly affected the business.

## 4.4 Sample Size

The initial sample size was 300 corporate entrepreneurs. Because of time constraints the sample size was reduced to 170. The size was further reduced to 150. The researcher had access to all the branches of the organisation, in the countries participating in the study.

## 4.5 Research Instrument

### 4.5.1 The Questionnaire

With regard to surveys, answers are of interest not intrinsically but because of their relationship to something they are supposed to measure (Fowler, 2009). Good questions provide consistent measures in comparable situations and their answers corresponds with what they intend to measure (Fowler, 2009)

The researcher identified 150 corporate entrepreneurs. These individuals were located throughout South Africa, South Korea, Japan and China. Because the participants were located in in far flung areas that would have been well-nigh impossible to access personally with the questionnaire, the survey was sent out electronically. The questionnaire used answered the research question. The questions were designed in such a manner that they were easy to answer.

A Five point Likert Scale was used. Zikmund (2003) defines Likert-type scales as one of the effective ways of measuring attitudes. These attitudes can be measured where respondents indicate in the questionnaire whether they strongly agree or disagree with constructed statements. Individuals can choose from strongly agree, agree, uncertain (neither agree nor disagree), disagree and strongly agree. The 32 questions on the questionnaire were used as independent variables to see how they influence the 3 dependent variable questions

Appendix A contains list of the questions that were used.



**Table 2: Likert-Type Scale**

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

Some of the questions were reverse scored to avoid response tendencies by the respondents (Cooper & Schindler, 1998).

A pilot study was done by sending the questionnaire to the chairman of the company as well as to the Group Managing Director of James Ralph; James Ralph is one of the branch companies of Gerber Gold Schmidt. The response received from both senior managers was invaluable, as it indicated the need to change the structure of the survey and also to change one of the dependent variable questions. After these changes the questionnaire was e-mailed to all the participants. The feedback from the first few participants, who completed the survey, was that the survey was clear and easy to complete.

### **4.5.2 Validity**

Validity can be defined as the extent to which a data collection method or methods accurately measure what they were intended to measure as well as the extent to which the research findings are really about what they profess to be about (Saunders, Lewis, 2012). The measuring instrument should accomplish what it claims (Blumberg, Cooper, 2008). Neuman states that validity refers to how well the conceptual definition of a construct and the actual empirical indicator fit together. Validity means that meaningful and useful inferences can be drawn from the scores on the instrument.

The researcher took the 5 constructs and questions for the independent variable from Hornsby (2002). The factor analysis from Hornsby is: management support (0.89), autonomy (0.87), reward (0.75), time availability (0.77), and organisational boundaries (0.64).

### **4.5.3 Reliability**

The researcher used Cronbach Alpha to check for reliability.

The questions for the last independent variable (risk taking) and the dependent variable (intention to resign) were taken from Monsen (2009). The Cronbach Alpha from Monsen (2009) study was: risk taking (0.694) and intention to resign (0.913)

## 4.6 Bias

Many types of bias can affect research and it is, therefore, important to understand what bias can fundamentally impact the research (Folwer, 2009). In this study non-response bias was eliminated by adding a feature on the SurveyMonkey that required all respondents to answer all questions before moving to the next page. However, subject bias may have been a factor. Saunders & Cooper (2012) define subject bias as providing unreliable information because respondents think that telling the truth may show them in a bad light. To minimise subject bias, all the respondents of the questionnaire under discussion were assured of the anonymity of responses. Even so, some respondents refused to complete the survey, stating that they were worried about their immediate managers having access to information respondents would provide in the survey. To allay their fears, meetings with the line managers (senior managers) were held and the concept of anonymity was further explained and emphasised. This meeting was followed by an e-mail from the senior manager to all participants, stating that their responses to the survey would not get them into trouble.

## 4.7 Data Collection

After receiving the ethical clearance, the questionnaire was sent to the chairman of the organisation for final approval. This process took one month.

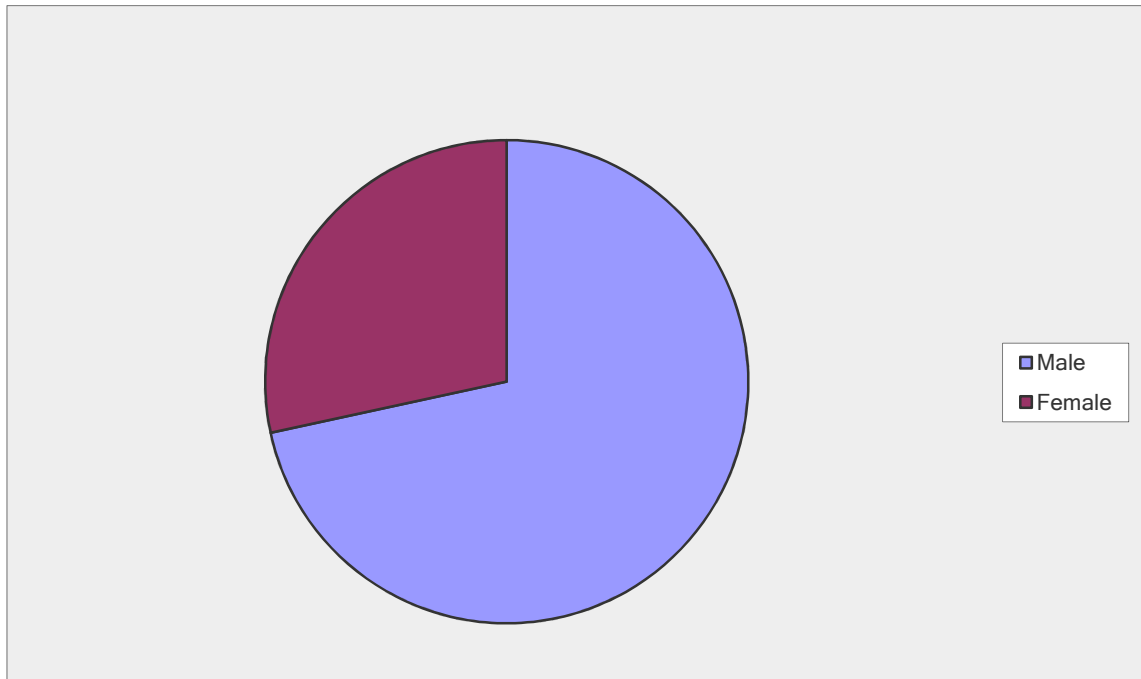
When the approval of the chairman was received, the survey was designed using SurveyMonkey. A pilot survey was sent to the chairman of the organisation as well as the Group MD of James Ralph. Their feedback required changes to be made to the dependent variable question as well as to the look of the survey.

Senior managers responded to the survey very quickly. Middle managers and junior middle managers were very slow to complete the survey. In order to receive more responses from middle and junior middle managers, calls were made and some of

individuals in Johannesburg area received personal visits. Following the calls and personal visits, the response rate improved dramatically.

70.59% of the responses received were from males and 29.41% from females.

**Figure 4.1 Male and Female Respondents**



## 4.8 Data Analysis

The data received from SurveyMonkey was not in an appropriate format to allow for immediately analysis. In order to clean up the data so that it could be analysed, each question was given an alphabet. All the biographical variables were named A1 to A5. Each construct was given an alphabet and each question under the construct was given a number corresponding to the construct, for example B1 to B3. This was done for all the independent constructs, up to alphabet G. The dependent construct was a given alphabet H, with each question given a number H1-H3. This allocation of numbers was done on an Excel spread sheet.

In order to answer the propositions of this study, the researcher used statistical analysis which included: mean, standard deviation, regression analysis, ANOVA, Cronbach Alpha as well as Duncan's multiple range test.

The results of the analysis gave the researcher information with regards to independent variable constructs and dependent constructs. The mean assisted in determining how the respondents answered each questions and their relationship, or lack thereof, was identified. The Cronbach Alpha was used to determine reliability. Regression analysis was used to determine the best predictor.

**Chapter 5 summarises the results from the quantitative research as obtained by means of a survey and in Chapter 6 these results are discussed.**

## **4.9 Research Limitations**

The following research limitations were encountered during this study:

- The quantity of the corporate entrepreneurs available for this study was reduced from 300 to 150. Therefore, it would be difficult to make generalisations regarding the whole of the organisation.
- Of the 150 corporate entrepreneurs identified, only 102 participated in the study.
- Because of the large geographical area of the respondents in South Africa, only participants in Gauteng received physical visits when they delayed in responding to the survey; more physical visits could have increased the number of respondents completing the survey.

## **4.9 Summary**

The summary of the research methodology, research instrument and data analysis techniques are outlined in Table 3.

**Table 3: Summary of the Research Methodology**

	<b>Research Proposition</b>	<b>Research Design and Methodology</b>	<b>Research Instrument</b>	<b>Data Analysis</b>
1	Risk-taking	Quantitative and	Questionnaire	Mean
2	Organisational Factors	Descriptive		Standard Deviation
3	Time Availability			Cronbach
4	Autonomy/Work Discretion			Correlation
5	Management Support			Regression Analysis
				Stepwise Regression analysis
				ANOVA

## Chapter 5: Results

### 5.1 Introduction

This chapter summarises the results from the quantitative research as obtained by means of a survey. The aim of the questionnaire used in the study was to determine whether organisational factors for corporate entrepreneurship have an impact on corporate entrepreneurs leaving the organisation.

The findings turned out to be very interesting. Each of the findings is discussed in this chapter.

### 5.2 Profile Description of the Respondents

#### 5.2.1 Gender Distribution

The results showed that the respondents were 70.59% male and 29.41% female (please see Table 4).

**Table 4: Gender Distribution**

Gender	Frequency	Percent
Male	72	70.59
Female	30	29.41

#### 5.2.2 Years in the Company

To make it easier to analyse the number of years that an employee has been with company, categories were created, namely:

0 years -5 years -1(category)

6 years -10 years -2 (category)

11 years -15 years -3 (category)

16+ years -4 (category)

56.86% of the respondents had been with the company for 10 years or less. The highest frequency was from respondents that had been with the company for 3 years, with a frequency of 11.

**Table 5: Years in the Company**

<b>Years with Company</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	7	6.86	7	6.86
<b>3</b>	11	10.78	18	17.65
<b>4</b>	4	3.92	22	21.57
<b>4.5</b>	1	0.98	23	22.55
<b>5</b>	8	7.84	31	30.39
<b>6</b>	7	6.86	38	37.25
<b>7</b>	8	7.84	46	45.10
<b>7.5</b>	1	0.98	47	46.08
<b>8</b>	7	6.86	54	52.94
<b>9</b>	2	1.96	56	54.90
<b>10</b>	2	1.96	58	56.86
<b>11</b>	3	2.94	61	59.80
<b>12</b>	6	5.88	67	65.69
<b>13</b>	2	1.96	69	67.65
<b>14</b>	3	2.94	72	70.59

<b>Years with Company</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>15</b>	4	3.92	76	74.51
<b>16</b>	1	0.98	77	75.49
<b>17</b>	2	1.96	79	77.45
<b>19</b>	3	2.94	82	80.39
<b>20</b>	2	1.96	84	82.35
<b>21</b>	3	2.94	87	85.29
<b>22</b>	1	0.98	88	86.27
<b>23</b>	4	3.92	92	90.20
<b>24</b>	1	0.98	93	91.18
<b>25</b>	2	1.96	95	93.14
<b>27</b>	1	0.98	96	94.12
<b>30</b>	1	0.98	97	95.10
<b>32</b>	2	1.96	99	97.06
<b>35</b>	1	0.98	100	98.04
<b>36</b>	1	0.98	101	99.02
<b>50</b>	1	0.98	102	100.00



### 5.2.3 Position in the Company

The highest number of respondent was senior managers, namely 42. Thirty responses were received from Middle managers and the same number from junior middle managers.

**Table 6: Position in the Company**

Position in the Company				
	Frequency	Percent	Cumulative Frequency	Cumulative Percent
Senior Manager	42	41.18	42	41.18
Middle Manager	30	29.41	72	70.59
Junior Middle Manager	30	29.41	102	100.00

### 5.2.4 Geographical Area

89.22% of the respondents came from South Africa, with the balance coming from “other” countries. In chapter 4 “other” was identified as South Korea, Japan and China.

**Table 7: Geographical Area**

Geographical Area				
	Frequency	Percent	Cumulative Frequency	Cumulative Percent
South Africa	91	89.22	91	89.22
Other	11	10.78	102	100.00

### 5.2.5 Age of the Respondents

To make it easier to analyse the age of the respondents, categories were created to be:

20 years -30 years      -1(category)

31 years - 40years      -2 (category)

41 years - 50years      -3 (category)

50+ years                -4 (category)

The highest frequency of the age of corporate entrepreneurs is between 28 and 39 years of age. There were 5 respondents who were above 65 years of age.

### 5.3 Description of the Questionnaire

In our questionnaire we used a Likert-type scale.

Respondents were asked to choose one of the following choices:

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

#### 5.3.1 Risk Taking

##### 5.3.1.1

The respondents agreed that the term risk-taking is a positive attribute in their organization. 52.94% agreed while 10.78 strongly agreed (please see table 8).

**Table 8: Risk-Taking**

<b>The Term Risk Taking is Considered a Positive Attribute in our Organisation</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	15	14.71	15	14.71
<b>3</b>	22	21.57	37	36.27
<b>4</b>	54	52.94	91	89.22
<b>5</b>	11	10.78	102	100.00

### 5.3.1.2

**Table 9: Risk-Taking**

56.86% agreed and 10.78% strongly agreed that people in the organisation were encouraged to take calculated risks. 17.65% neither agreed nor disagreed with the statement, while 14.71% of the respondents disagreed with the statement.

<b>People in our organisation are encouraged to take calculated risks with new ideas</b>				
<b>B2</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	15	14.71	15	14.71
<b>3</b>	18	17.65	33	32.35
<b>4</b>	58	56.86	91	89.22
<b>5</b>	11	10.78	102	100.00

### 5.3.1.3

Over 70% of the respondents either agreed or strongly agreed with the statement that the organisation emphasises both exploration and experimentation of opportunities. Only 6.86% disagreed with the statement (please see table 10).

**Table 10: Risk-Taking**

<b>Our organisation emphasises both exploration experimentation for opportunities</b>				
<b>B3</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	7	6.86	7	6.86
<b>3</b>	20	19.61	27	26.47
<b>4</b>	63	61.76	90	88.24
<b>5</b>	12	11.76	102	100.00

### 5.3.2 Organisational Boundaries

#### 5.3.2.1

The majority of the respondents agreed that in the last 3 months they followed standard operating procedure boundaries. The percentage of agreement was 58.82% while 12.75% strongly agreed (please see table 11).

**Table 11: Organisational Boundaries**

<b>In the Last 3 Months I Have Always Followed Standard Operating Procedures to do my Work</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>1</b>	1	0.98	1	0.98
<b>2</b>	15	14.71	16	15.69
<b>3</b>	13	12.75	29	28.43
<b>4</b>	60	58.82	89	87.25
<b>5</b>	13	12.75	102	100.00

### 5.3.2.2

56.86% and 9.80% of the respondents agreed or strongly agreed with the statement that there are many rules in the organisation that exist for doing their job.

**Table 12: Organisational Boundaries**

There are many rules and procedures that exist for doing my job				
C2	Frequency	Percent	Cumulative Frequency	Cumulative Percent
2	15	14.71	15	14.71
3	19	18.63	34	33.33
4	58	56.86	92	90.20
5	10	9.80	102	100.00

### 5.3.2.3

When it comes to the level of performance that is expected, 66.67% and 11.76% of the respondents, respectively, agreed and strongly agreed. 13.73% of the respondents neither agreed nor disagreed, while 7.84% disagreed with the statement (please see table 13).

**Table 13: Organisational Boundaries**

I clearly know what level of work performance is expected from me				
C3	Frequency	Percent	Cumulative Frequency	Cumulative Percent
2	8	7.84	8	7.84
3	14	13.73	22	21.57
4	68	66.67	90	88.24
5	12	11.76	102	100.00

### 5.3.2.4

56.86% agreed and 8.82% strongly agreed with the statement that there is little uncertainty in their job. 15.69% of the respondents neither agreed nor disagreed, while 17.65% of the respondents disagreed with the statement (please see table 14).

**Table 14: Organisational Boundaries**

There is little uncertainty in my job				
C4	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	1	0.98	1	0.98
2	18	17.65	19	18.63
3	16	15.69	35	34.31
4	58	56.86	93	91.18
5	9	8.82	102	100.00

### 5.3.2.5

Regarding work performance discussion with the line manager, 57.84% of the respondents agreed and 9.80% strongly agreed that their managers had frequently discussed their work performance with them. 17.65% neither agreed nor disagreed, while 13.73% of the respondents disagreed with the statement. A small percentage strongly disagreed (please see table 15).

**Table 15: Organisational Boundaries**

During the past year my immediate line manager frequently discussed my work performance with me				
C5	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	1	0.98	1	0.98
2	14	13.73	15	14.71

During the past year my immediate line manager frequently discussed my work performance with me				
C5	Frequency	Percent	Cumulative Frequency	Cumulative Percent
3	18	17.65	33	32.35
4	59	57.84	92	90.20
5	10	9.80	102	100.00

### 5.3.2.6

With regards to the clarity of the standard of performance on which their jobs are evaluated, 50.98% of the respondents agreed and 6.86% strongly agreed. 30.39% neither agreed nor disagreed, while 11.76% of respondents disagreed with the statement (please see table 16).

**Table 16: Organisational Boundaries**

My job description clearly specifies the standards of performance on which my job is evaluated				
C6	Frequency	Percent	Cumulative Frequency	Cumulative Percent
2	12	11.76	12	11.76
3	31	30.39	43	42.16
4	52	50.98	95	93.14
5	7	6.86	102	100.00

### 5.3.3 Time Availability

#### 5.3.3.1

17.65% of the respondents disagreed that they had enough time to explore the development of new ideas .34.31% neither agreed nor disagreed, while 38.24 agreed with the statement (please see table 17).

**Table 17 Time Availability**

<b>During the past 3 months, my work load was too heavy to spend time on developing new ideas</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>1</b>	4	3.92	4	3.92
<b>2</b>	18	17.65	22	21.57
<b>3</b>	35	34.31	57	55.88
<b>4</b>	39	38.24	96	94.12
<b>5</b>	6	5.88	102	100.00

### 5.3.3.2

45.10% of the respondents neither agreed nor disagreed that they always have enough time to spend time on problem solving. 31.37% of the respondents agreed with this statement, while 18.63% disagree. A small percentage strongly agreed, 3.92%, and disagreed, 0.98% (please see table 18).

**Table 18: Time Availability**

<b>My co-workers and I always find time for long-term problem solving</b>				
<b>D2</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>1</b>	1	0.98	1	0.98
<b>2</b>	19	18.63	20	19.61
<b>3</b>	46	45.10	66	64.71
<b>4</b>	32	31.37	98	96.08
<b>5</b>	4	3.92	102	100.00



### 5.3.3.3

50.98% of the respondents neither agreed nor disagreed that they have plenty of time to get everything done. 26.47% of the respondents disagreed with the statement, while 18.63% agreed (please see table 19).

**Table 19: Time Availability**

<b>I always seem to have plenty of time to get everything done</b>				
<b>D3</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
1	1	0.98	1	0.98
2	27	26.47	28	27.45
3	52	50.98	80	78.43
4	19	18.63	99	97.06
5	3	2.94	102	100.00

### 5.3.3.4

44.12% of the respondents agreed and 7.84% strongly agreed that they have the correct work load to do everything that is required. 31.37% of the respondents neither agreed nor disagreed (please see table 20).

**Table 20: Time Availability**

<b>I have just the right amount of time and work load to do everything</b>				
<b>D4</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
1	1	0.98	1	0.98
2	16	15.69	17	16.67
3	32	31.37	49	48.04
4	45	44.12	94	92.16
5	8	7.84	102	100.00

### 5.3.3.5

40.20% agreed that their job structure gives them little time to think about wider organisational problems, with 3.92% strongly agreeing. 32.35% of the respondents neither agreed nor disagreed with this statement, while 20.59% disagreed and 2.94% strongly disagreed (please see table 21).

**Table 21: Time Availability**

<b>My job is structured in such a way that I have very little time to think about wider organisational problems</b>				
<b>D5</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>1</b>	3	2.94	3	2.94
<b>2</b>	21	20.59	24	23.53
<b>3</b>	33	32.35	57	55.88
<b>4</b>	41	40.20	98	96.08
<b>5</b>	4	3.92	102	100.00

### 5.3.3.6

46.08% of the respondents agreed that they have to deal with time constraints in their jobs, with 3.92% strongly agreeing. 39.22% of the respondents neither agreed nor disagreed, while 10.78% strongly disagreed with the statement (please see table 22).

**Table 22: Time Availability**

<b>I feel that I am always working with time constraints on my job</b>				
<b>D6</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	11	10.78	11	10.78
<b>3</b>	40	39.22	51	50.00

<b>I feel that I am always working with time constraints on my job</b>				
<b>D6</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>4</b>	47	46.08	98	96.08
<b>5</b>	4	3.92	102	100.00

### 5.3.4 Autonomy/Work Discretion

#### 5.3.4.1

The number of respondents that agreed that they were their own bosses in the work place was 43.14%. A further 11.76% strongly agreed with this statement while over 50% agreed that they were their own bosses (please see table 23).

**Table 23: Autonomy**

<b>I feel that I am my own boss and do not have to double-check all of my decisions</b>				
<b>E1</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	19	18.63	19	18.63
<b>3</b>	27	26.47	46	45.10
<b>4</b>	44	43.14	90	88.24
<b>5</b>	12	11.76	102	100.00

#### 5.3.4.2

72.54% of respondents agreed and strongly agreed that their organisation provides them with an opportunity to be creative and to try their own methods to complete their jobs. 16.67% neither agreed nor disagreed and 10.78% disagreed (please see table 24).

**Table 24: Autonomy**

<b>My organisation provides me with the chance to be creative and try my own methods of doing my job</b>				
<b>E2</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	11	10.78	11	10.78
<b>3</b>	17	16.67	28	27.45
<b>4</b>	62	60.78	90	88.24
<b>5</b>	12	11.76	102	100.00

#### 5.3.4.3

74.51% of the respondents agreed and strongly agreed that their organisation provides them with the freedom to use their own judgement. 15.69 of respondents neither agreed nor disagreed, while 9.80% disagreed (please see table 25).

**Table 25: Autonomy**

<b>My organisation provides me with the freedom to use my own judgment</b>				
<b>E3</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	10	9.80	10	9.80
<b>3</b>	16	15.69	26	25.49
<b>4</b>	64	62.75	90	88.24
<b>5</b>	12	11.76	102	100.00

#### 5.3.4.4

79.41 of the respondents agreed and strongly agreed that their organisation provides them with the opportunity to do something that makes use of their abilities. 7.84% neither agreed nor disagreed and 0.98% disagreed with this statement (please see table 26).

**Table 26: Autonomy**

<b>My organisation provides the chance to do something that makes use of my abilities</b>				
<b>E4</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
1	1	0.98	1	0.98
2	8	7.84	9	8.82
3	12	11.76	21	20.59
4	69	67.65	90	88.24
5	12	11.76	102	100.00

#### 5.3.4.5

60.78% of the respondents agreed and strongly agreed that they have autonomy in their jobs. 20.59 neither agreed nor disagreed with this statement, while 17.65% disagreed, with 0.98% strongly disagreeing (please see table 27).

**Table 27: Autonomy**

<b>I have autonomy in my job</b>				
<b>E5</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
1	1	0.98	1	0.98
2	18	17.65	19	18.63
3	21	20.59	40	39.22
4	50	49.02	90	88.24
5	12	11.76	102	100.00

### 5.3.5 Management Support

#### 5.3.5.1

Over 70% agreed with the statement on the questionnaire that the organisation is quick to use work methods that are developed by staff members. Only 10.78 disagreed with the importance of management support (please see table 28).

**Table 28: Management Support**

<b>My organisation is quick to use improved work methods that are developed by workers</b>				
	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	11	10.78	11	10.78
<b>3</b>	18	17.65	29	28.43
<b>4</b>	62	60.78	91	89.22
<b>5</b>	11	10.78	102	100.00

#### 5.3.5.2

69.6% of the respondents agreed and strongly agreed that their organisations encouraged development of their own ideas. 23.53% neither agreed nor disagreed with this statement, while 6.86% disagreed (please see table 29).

**Table 29: Management Support**

<b>In my organisation, developing one's own ideas is encouraged for their improvement</b>				
<b>F2</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	7	6.86	7	6.86
<b>3</b>	24	23.53	331	0.39
<b>4</b>	59	57.84	90	88.24
<b>5</b>	12	11.76	102	100.00

### 5.3.5.3

70.58% agreed and strongly agreed with the statement that management was very receptive to their ideas and suggestions. 17.76% neither agreed nor disagreed and 11.76% disagreed (please see table 30).

**Table 30 Management Support**

<b>Senior Management is aware and very receptive to my ideas and suggestions</b>				
<b>F3</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	12	11.76	12	11.76
<b>3</b>	18	17.65	30	29.41
<b>4</b>	60	58.82	90	88.24
<b>5</b>	12	11.76	102	100.00

### 5.3.5.4

64.7% of the respondents agreed and strongly agreed that the development of new and innovative ideas was usually followed by promotion. 26.47% of the respondents neither agreed nor disagreed, while 8.82% disagreed with this statement (please see table 31).

**Table 31: Management Support**

<b>Promotion usually follows the development of new and innovative ideas</b>				
<b>F4</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	9	8.82	9	8.82
<b>3</b>	27	26.47	36	35.29
<b>4</b>	54	52.94	90	88.24
<b>5</b>	12	11.76	102	100.00

### 5.3.5.5

71.57% of respondents agreed and strongly agreed that individual risk-takers were recognised for their willingness to champion new ideas. 21.57% neither agreed nor disagreed and 6.86% disagreed (please see table 32).

**Table 32: Management Support**

<b>Individual risk-takers are recognised for their willingness to champion new projects</b>				
<b>F5</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	7	6.86	7	6.86
<b>3</b>	22	21.57	29	28.43
<b>4</b>	60	58.82	89	87.25
<b>5</b>	13	12.75	102	100.00

### 5.3.5.6

64.7% of respondents agreed and strongly agreed that the “doers” in the organisation were allowed to make decisions without going through elaborate justification and approval procedures. 22.55% neither agreed nor disagreed and 12.75% disagreed (please see table 33).

**Table 33: Management Support**

<b>The "doers" are allowed to make decisions on projects without going through elaborate justification and approval procedures</b>				
<b>F6</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	13	12.75	13	12.75
<b>3</b>	23	22.55	36	35.29
<b>4</b>	55	53.92	91	89.22



<b>The "doers" are allowed to make decisions on projects without going through elaborate justification and approval procedures</b>				
<b>F6</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>5</b>	11	10.78	102	100.00

#### 5.3.5.7

62.74% of the respondents agreed and strongly agreed that senior managers encourage innovators to bend the rules and rigid procedures to keep promising ideas on track. 26.47% neither agreed nor disagreed and 10.78 disagreed (please see table 34).

**Table 34: Management Support**

<b>Senior managers encourage innovators to bend the rules and rigid procedures in order to keep promising ideas on track</b>				
<b>F7</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	11	10.78	11	10.78
<b>3</b>	27	26.47	38	37.25
<b>4</b>	53	51.96	91	89.22
<b>5</b>	11	10.78	102	100.00

#### 5.3.5.8

67.64 of the respondents agreed and strongly agreed that money is often available to get new projects off the ground. 28.43% of the respondents neither agreed nor disagreed with this statement, while 3.92% disagreed (please see table 35).

**Table 35: Management Support**

Money is often available to get new projects off the ground				
F8	Frequency	Percent	Cumulative Frequency	Cumulative Percent
2	4	3.92	4	3.92
3	29	28.43	33	32.35
4	58	56.86	91	89.22
5	11	10.78	102	100.00

### 5.3.6 Reward

#### 5.3.6.1

69.61% of the respondents agreed that the rewards they are currently receiving are dependent on they work put in the business. When we add respondents who strongly agreed, the figure increases to over 82% (please see table 36)

**Table 36: Reward**

The rewards I receive are dependent upon my work on the job				
	Frequency	Percent	Cumulative Frequency	Cumulative Percent
2	5	4.90	5	4.90
3	13	12.75	18	17.65
4	71	69.61	89	87.25
5	13	12.75	102	100.00

#### 5.3.6.2

71.57% agreed and strongly agreed with the statement that management will increase their responsibilities if they performed well in their jobs. 21.57 of the respondents neither agreed nor disagreed and 6.86% disagreed (please see table 37).

**Table 37: Reward**

<b>Senior management will increase my job responsibilities If I am performing well in my job</b>				
<b>G2</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	7	6.86	7	6.86
<b>3</b>	22	21.57	29	28.43
<b>4</b>	57	55.88	86	84.31
<b>5</b>	16	15.69	102	100.00

### 5.3.6.3

85.3% agreed and strongly agreed that their senior manager will give them special recognition if their work performance is especially good. 8.82% of the respondents neither agreed nor disagreed with this statement (please see table 38).

**Table 38: Reward**

<b>My senior manager will give me special recognition if my work performance is especially good</b>				
<b>G3</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Frequency</b>	<b>Cumulative Percent</b>
<b>2</b>	6	5.88	6	5.88
<b>3</b>	9	8.82	15	14.71
<b>4</b>	73	71.57	88	86.27
<b>5</b>	14	13.73	102	100.00

### 5.3.6.4

85.3% of the respondents agreed and strongly agreed that they faced many challenges in their jobs. 8.82% of the respondents neither disagreed nor agreed, with 5.88 disagreeing and strongly disagreeing with this statement (please see table 39).

**Table 39: Reward**

There are a lot of challenges in my job				
G4	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	1	0.98	1	0.98
2	5	4.90	6	5.88
3	9	8.82	15	14.71
4	74	72.55	89	87.25
5	13	12.75	102	100.00

### 5.3.7 Intention to Resign

The intention to resign-construct was negatively coded.

#### 5.3.7.1

54.90% of the respondents disagreed and 28.43 strongly disagreed with the statement that they will probably look for a new job. 8.82% neither agreed nor disagreed and 6.86% agreed that they will look for a new job (please see table 40).

**Table 40: Intention to Resign**

I will probably look for a new job				
	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	29	28.43	29	28.43
2	56	54.90	85	83.33

I will probably look for a new job				
	Frequency	Percent	Cumulative Frequency	Cumulative Percent
3	9	8.82	94	92.16
4	7	6.86	101	99.02
5	1	0.98	102	100.00

### 5.3.7.2

60.78 of the respondents disagreed and strongly disagreed with the statement that they often think about resigning. 22.55% neither agreed nor disagreed, while 15.69% disagreed (please see table 41).

**Table 41: Intention to Resign**

I often think about resigning				
H2	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	27	26.47	27	26.47
2	35	34.31	62	60.78
3	23	22.55	85	83.33
4	16	15.69	101	99.02
5	1	0.98	102	100.00

### 5.3.7.3

82.35% of the respondents disagreed and strongly disagreed with the statement that they are likely to resign in the next 12 months. 12.75% of the respondents neither disagreed nor disagreed and 3.92% agreed (please see table 42).

**Table 42: Intention to Resign**

I'm likely to resign in the next 12 months				
H3	Frequency	Percent	Cumulative Frequency	Cumulative Percent

I'm likely to resign in the next 12 months				
H3	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	29	28.43	29	28.43
2	55	53.92	84	82.35
3	13	12.75	97	95.10
4	4	3.92	101	99.02
5	1	0.98	102	100.00

## 5.4 Cronbach Alpha Reliability

Reliability was calculated using Cronbach's Alpha. A Cronbach's Alpha coefficient of at least 0.6 must exist for the data to be considered reliable. The Cronbach's alpha was generally acceptable.

**Table 43: Cronbach**

Construct	Cronbach Alpha
Risk-taking	0.926
Organisational Boundaries	0.669
Time Availability	0.751
Autonomy/Work Discretion	0.923
Management Support	0.963
Reward	0.842
Intention to Resign	0.927

In order to obtain a reliable Cronbach's Alpha coefficient, two questions were removed from the time availability construct.

The questions were:

- During the past 3 months, my work load was too heavy to spend time on developing new ideas?
- I feel that I am always working with time constraints on my job?

One question was reverse scored because it was considered to be negatively worded.

The question was:

My job is structured in such a way that I have very little time to think about wider organisational problems?

After removing the two questions the Cronbach's Alpha coefficient was generally acceptable.

## 5.5 Descriptive Statistics

Table 44 below shows descriptive statistics with means and standard deviation for the constructs.

**Table 44: Descriptive Statistics**

<b>Simple Statistics</b>			
<b>Variable</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>
<b>Risk Taking</b>	102	3.67320	0.77215
<b>Organisational Boundaries</b>	102	3.63562	0.52271
<b>Time Availability</b>	102	3.08824	0.64452
<b>Autonomy/Work Discretion</b>	102	3.66471	0.74736
<b>Management Support</b>	102	3.70221	0.70383
<b>Reward</b>	102	3.88725	0.58512
<b>Intention to Resign</b>	102	2.07516	0.85713

The scale used for the questionnaire was 1 to 5. The mean of the six independent variables was between 3.63 to 3.89. This results show that, for the independent variables, most respondents tended to agree with the statements in the constructs. The dependent variable (intention to resign), had a lower mean, namely 2.08. The intention to resign-construct was negatively worded, which explains the low mean. Therefore, it means the lower the mean, the less likely the respondents are to leave the company.

## 5.6 Correlation

The Pearson correlation was used to test for significance at 1% level. The Pearson correlation between the independent variables was positive. This means that a high value of one independent variable construct was related with other independent variable constructs. All the Pearson correlations between the dependent variable and the independent variable, were negative. This means that the higher the respondents scored on the independent variable, the lower they scored on the dependent variable; consequently, the less likely they are to leave the organisation (please see table 45).

**Table 45: Correlation**

Pearson Correlation Coefficients, N = 102							
Prob >  r  under H0: Rho=0							
	Risk-taking	Organisational Boundaries	Time Availability	Autonomy	Management Support	Reward	Intention to resign
Risk-taking							
Organisational boundaries	0.5987						



Pearson Correlation Coefficients, N = 102							
Prob >  r  under H0: Rho=0							
	Risk-taking	Organisational Boundaries	Time Availability	Autonomy	Management Support	Reward	Intention to resign
	0.6736 9 <.0001	0.5029 2 <.0001					
<b>Time Availability</b>	0.6736 9 <.0001	0.5029 2 <.0001					
<b>Autonomy</b>	0.9188 9 <.0001	0.5999 5 <.0001	0.6930 6 <.0001				
<b>Management support</b>	0.9327 6 <.0001	0.6535 9 <.0001	0.7255 6 <.0001	0.9461 4 <.0001			
<b>Reward</b>	0.8490 1 <.0001	0.6304 9 <.0001	0.5943 9 <.0001	0.8794 9 <.0001	0.8981 3 <.0001		
<b>Intention to resign</b>	- 0.4877 8	- 0.2366 0	- 0.4407 7	- 0.5816 1	- 0.5308 0	- 0.5126 8	

Pearson Correlation Coefficients, N = 102							
Prob >  r  under H0: Rho=0							
	Risk-taking	Organisational Boundaries	Time Availability	Autonomy	Management Support	Reward	Intention to resign
	<.0001	0.0167	<.0001	<.0001	<.0001	<.0001	

## 5.6 Regression Analysis

A regression analysis was conducted to predict the dependent variable with the independent variable.

The regression analysis was run on the following independent variable constructs:

- Risk-taking
- Organisational boundaries
- Time Availability
- Autonomy/Work discretion
- Management Support
- Rewards

The dependent variable construct was intention to resign.

The first regression was used to test all the variables in the model. This resulted in R-Square equalling 0.3801. This means that all the independent variables together explain 38% of the variance in the dependent variable (please see table 46).

**Table 46: Regression Analysis**

Parameter Estimates					
Variable	DF	Parameter Estimate	Standard Error	t Value	Pr >  t
Intercept on the Y Axis	1	4.26805	0.57641	7.40	<.0001
Risk-taking	1	0.33257	0.26186	1.27	0.2072
Organisational Boundaries	1	0.31670	0.17827	1.78	0.0788
Time Availability	1	-0.18203	0.16007	-1.14	0.2583
Autonomy/Work Discretion	1	-0.88416	0.30964	-2.86	0.0053
Management Support	1	0.05335	0.40740	0.13	0.8961
Rewards	1	-0.24723	0.28474	-0.87	0.3874

## 5.7 Stepwise Regression

By means of stepwise regression the researcher attempted to obtain the best predictor of what would make corporate entrepreneurs leave the organisation. The findings revealed the best predictors to be autonomy and organisational boundaries. Autonomy contributed 33.8%, while organisational boundaries contributed 1.97 for a total 35.8% of the variance in the independent variable (please table 47).

**Table 47: Stepwise Regression**

Summary of Stepwise Selection							
Step	Variable Entered			Partial R-Square	Model R-Square		
1	Autonomy			0.3383	0.3383		
2	Organisational Boundaries			0.0197	0.3580		

The first full model which included all the independent variables explained 38% of the dependent variable. The stepwise model with autonomy and organizational boundaries were the best predictors that gave a R square of 0.3589, it was clear that the biggest predictor was autonomy and organisational boundaries with the rest of the independent variables contributing only 2% to the full model.

## 5.8 Anova (For Biographical Variables & Dependent Variable)

An Anova analysis of variance was conducted to determine whether there is a difference with regards to the intention to leave and the biographical variables:

- Gender
- Period in the Company
- Position in the Company
- Geographical Area
- Age of Respondents

The Anova analysis revealed that the p value of the position in the company was less than 0.05 ( $P < 0.05$ ) at 0.0043. The Anova indicated that the position in the company was the only biographical variable that showed significant differences between the groups, with regard to intention to resign (please see table 48).

**Table 48: Anova**

Source	DF		F Value	Pr > F
Gender	1		0.77	0.3835
Period in the Company	3		1.35	0.2646
Position in the Company	2		5.79	*0.0043
Geographical Area	1		0.01	0.9169
Age of Respondents	3		1.65	0.1836

\*Denotes significant at 5% level

### 5.8.1 Age of Respondents

The ages of respondents were grouped into 4 categories. Respondents who were 50 years and older had the lowest mean of 1.619 with regards to the independent variable. This means that they are the least likely to leave the organisation. The highest mean was for respondents between the ages of 41 and 50, which means that this group is the most likely to leave the organisation. The respondents between the ages of 20-30 had the second lowest mean; however, these differences are not statistically significant (please see table 49).

**Table 49: Age of Respondents**

Analysis Variable : Intention to Resign						
Age of Respondents	N Obs	N	Mean	Std Dev		
20-30	17	17	2.1568627	0.8507974		
31-40	42	42	2.2301587	0.8279930		
41-50	14	14	2.5000000	1.0356880		
50+	28	28	1.6190476	0.6066455		

### 5.8.2 Geographical Area

South African respondents and other countries (South Korea, China and Japan) had similar means with regards to the dependent variable. South Africa was 2.09 and 'other' was 2.03 (please see table 50).

**Table 50: Geographical Area**

Analysis Variable : Intention to Resign						
Geographical Area	N Obs	N	Mean	Std Dev		
South Africa	90	90	2.0925926	0.8568266		

Analysis Variable : Intention to Resign						
Geographical Area	N Obs	N	Mean	Std Dev		
Other	11	11	2.0303030	0.8750180		

### 5.8.3 Position in the Company

Analysis revealed that Senior Managers had the lowest mean. Middle managers and junior middle managers had a similar mean, of 2.35 and 2.41 respectively. This means that senior managers (mean=1.65) showed the lowest tendency to leave the organisation. The Anova indicated that these differences were significant on the 5% level (please table 51).

**Table 51: Position in the Company**

Analysis Variable : Intention to Resign				
Position in the Company	N Obs	N	Mean	Std Dev
Senior Management	41	41	1.6504065	0.6950269
Middle Management	30	30	2.3555556	0.8618493
Junior Middle Management	30	30	2.4111111	0.8102946

### 5.8.4 Years with the Company

Respondents who have been with the company 16 years and longer, have a low mean, while respondents who have between 11-15 years of service, have the second lowest mean. Respondent who have been with the company for less than 5 years, have the highest mean (please see table 52).

**Table 52: Years in the Company**

<b>Analysis Variable: Intention to Resign</b>				
<b>Years with the Company</b>	<b>N Obs</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>
<b>0 - 5</b>	<b>31</b>	31	2.4623656	0.9493757
<b>11 - 15</b>	<b>18</b>	18	1.7777778	0.6954568
<b>16+</b>	<b>26</b>	26	1.6794872	0.5772022
<b>6 - 10</b>	<b>26</b>	26	2.2564103	0.8553502

### 5.8.5 Gender

Females show a higher tendency to want to leave the organisation than male. The difference between the responses from females and males is small and not significant (please see table 53).

**Table 53: Gender**

<b>Analysis Variable: Intention to Resign</b>				
<b>Gender</b>	<b>N Obs</b>	<b>N</b>	<b>Mean</b>	<b>Std Dev</b>
<b>Male</b>	<b>71</b>	71	2.0422535	0.8996112
<b>Female</b>	<b>30</b>	30	2.1888889	0.7411461

## 5.9 Anova (for Biographical Variables & Independent Variables)

The researcher performed an analysis of variance (ANOVA) to determine the effect of biographical variables to the independent variable. Significant at 5% level.

### 5.9.1 Risk-taking

Position in the company and age of respondents proved to be significant at 5% level. Their p-values were less than 0.05. The analysis of variance (ANOVA) indicated that the position in the company and age of respondents are the only biographical variables

that showed significant differences between the groups with regard to risk-taking (please see table 54).

**Table 54: Anova- Risk Taking**

Source	DF		F Value	Pr > F
Gender	1		0.32	0.5715
Years in the Company	3		0.13	0.9416
Position in the Company	2		21.26	<.0001
Geographical Area	1		1.46	0.2303
Age of Respondents	3		2.88	0.0405

### 5.9.2 Organisational Boundaries

Nothing was found to be significant at 5% level regarding organisational boundaries.

**Table 55: Organisational Boundaries**

Source	DF		F Value	Pr > F
Gender	1		0.14	0.7082
Years in the Company	3		0.50	0.6848
Position in the Company	2		2.97	0.0562
Geographical Area	1		0.23	0.6300
Age of Respondents	3		2.46	0.0675

### 5.9.3 Time Availability

Position in the company was significant at 5% level. The p-value was less than 0.05. The analysis of variance (ANOVA) indicates that the position in the company is the only biographical variable that shows significant differences between the groups, with regards to time availability (please see table 56).



**Table 56: Time Availability**

Source	DF			F Value	Pr > F
Gender	1			0.49	0.4877
Years in the Company	3			1.62	0.1909
Position in the Company	2			10.83	<.0001
Geographical Area	1			0.00	0.9659
Age of Respondents	3			1.86	0.1427

#### 5.9.4 Autonomy

Position in the company and age of respondents proved significant at 5% level. Their p-values were less than 0.05. The analysis of variance (ANOVA) indicates that the position in the company and age of respondents are the only biographical variables that show significant differences between the groups, with regard to autonomy (please see table 57).

**Table 57: Autonomy**

Source	DF			F Value	Pr > F
Gender	1			0.78	0.3797
Years in the Company	3			0.37	0.7759
Position in the Company	2			18.91	<.0001
Geographical Area	1			1.73	0.1919
Age of Respondents	3			3.75	0.0137

#### 5.9.5 Management Support

Position in the company is significant at 5% level. The p-value was less than 0.05. The analysis of variance (ANOVA) indicates that the position in the company is the only biographical variable that shows significant differences between the groups, with regards to management support (please see table 58).

**Table 58: Management Support**

Source	DF		F Value	Pr > F
Gender	1		0.46	0.5008
Years in the Company	3		0.18	0.9088
Position in the Company	2		23.05	<.0001
Geographical Area	1		1.44	0.2335
Age of Respondents	3		2.67	0.0522

### 5.9.5 Rewards

Position in the company and age of respondents proved significant at 5% level. Their p-values were less than 0.05. The analysis of variance (ANOVA) indicates that the position in the company and age of respondents are the only biographical variables that show significant differences between the groups, with regard to rewards (please see table 59).

**Table 59: Rewards**

Source	DF		F Value	Pr > F
Gender	1		1.75	0.1889
Years in the Company	3		0.51	0.6776
Position in the Company	2		12.88	<.0001
Geographical Area	1		0.49	0.4870
Age of Respondents	3		4.01	0.0100

### 5.10 Duncan's Multiple Range Test

The above analysis of variance (ANOVA) determined that it was necessary to conduct a Duncan's Multiple Regression for biographical variables that had significant differences with the independent variables.

### 5.10.1 Risk-taking

The mean for middle managers and junior middle managers are not significantly different. The mean of Senior Managers is the highest (please see table 60).

**Table 60: Risk-Taking**

Duncan Grouping	Mean	N	Position in the Company
A	4.2358	41	Senior Manager
B	3.2889	30	Middle Manager
B	3.2667	30	Junior Middle Manager

With regards to age of respondents the group of 41-50, with 14 respondents having a mean of 3.0476, differed significantly from the 50+ group (please see table 61)

**Table 61: Risk-Taking**

Duncan Grouping	Mean	N	Age of Respondents
A	3.8690	28	50+
B	3.8175	42	31-40
B	3.4706	17	20-30
C	3.0476	14	41-50

### 5.10.2 Time Availability

With regards to position in the company, the scores of middle managers and junior middle managers are not significantly different, with a mean of 2.8. The mean of senior managers is significantly different, at 3.4 (please see table 62).

**Table 62: Time Availability**

Duncan Grouping	Mean	N	Position in the Company
A	3.4756	41	Senior Managers
B	2.8167	30	Middle Managers
B	2.8083	30	Junior Middle Managers

### 5.10.3 Autonomy

With regards to position in the company, the mean for senior managers is significantly different from that of middle managers and junior middle managers (please see table 63).

**Table 63: Autonomy**

Duncan Grouping	Mean	N	Position in the Company
A	4.2098	41	Senior managers
B	3.3333	30	Middle Managers
B	3.2400	30	Junior Middle Managers

The group aged 41-50 has the lowest mean, while the group aged 20-30 has the second lowest mean. The mean for the 50+ and 31-40 groups, do not differ significantly from one another (please see table 64).

**Table 64: Autonomy**

Duncan Grouping	Mean	N	Age of Respondents
A	3.9643	28	50+
A	3.7714	42	31-40
B	3.4118	17	20-30
C	3.0286	14	41-50

#### 5.10.4 Management Support

With regards to position in the company, the mean for senior managers is significantly different from that of middle managers and junior middle managers. The middle managers and junior middle managers have a similar mean (please see table 65).

**Table 65: Management**

Duncan Grouping	Mean	N	Position in the Company
A	4.2348	41	Senior Managers
B	3.3500	30	Middle Managers
B	3.3167	30	Junior Middle Managers

#### 5.10.5 Reward

With regards to rewards, senior managers display the highest mean. Middle managers and junior middle managers show similar means (please see table 65).

**Table 66: Reward**

<b>Duncan Grouping</b>	<b>Mean</b>	<b>N</b>	<b>Position in the Company</b>
A	4.2683	41	Senior Managers
B	3.6500	30	Middle Managers
B	3.6000	30	Junior Middle Managers

## **Chapter 6: Discussion of Results**

### **6.1 Introduction**

This chapter summarises the results of the quantitative research. This chapter also answers the questions posed in Chapter 3.

Some studies are very advanced when it comes to staff retention (Andrews & Dziegielewski, 2005; Cowden et al., 2011; Duffield, Roche, Blay, & Stasa, 2011; Iliopoulou & While, 2010). The literature used in these studies looks at aspects that affect specific industries and does not focus on corporate entrepreneurship. The literature on corporate entrepreneurship included studies on corporate entrepreneurship in regard to staff retention and staff motivation (Baycan-Levent & Kundak, 2009; Monsen & Wayne Boss, 2009). The corporate entrepreneurship studies regarding staff retention, focus only on certain corporate entrepreneurship constructs, without taking an in-depth look at the other corporate entrepreneurship constructs, as discussed in Chapter 2. The results are based on the entrepreneurial strategy, with its effect on organisational factors, as discussed in the literature in Chapter 2. The model from Hornsby et al. (2002), is used and broken down into the various organisational factors (constructs).

The objective of the questionnaire used was to gain insight into factors contribute to corporate entrepreneurs leaving organisations by using the corporate entrepreneurship constructs.

For analysis a Likert-scale type survey was used, in which respondents were requested to provide answers on a scale of 1 to 5; 1= Strongly Disagree, 2= Disagree, 3= Neither Agree nor Disagree, 4= Agree and 5= Strongly agree.

### **6.2 Corporate entrepreneurship constructs**

#### **6.2.1 Risk-taking**

The questions on this construct were taken from Monsen et al., (2009). The questions were used to understand and to determine whether there is a link between risk and the intention, of corporate entrepreneurs at Gerber Gold Schmidt, to resign.

A greater percentage of respondents agreed that risk-taking was taking place at the organisation. This is in line with the literature from Hayton (2005), which states that an individual has to understand the risks associated with his/her work in order to be innovative. One definition on corporate entrepreneurship states that corporate entrepreneurs venture into unknown and uncertain territories; this is one of the factors that makes them unique Kuratko et al., (2011).

The mean for risk-taking turned out to be 3.67. This mean confirms the high percentage of respondents who agreed with the statement on risk-taking within their organisation. This means that corporate entrepreneurs at the company feel that they are being given the opportunity to take risks in carrying out their everyday tasks.

However, there are individuals who do not believe that that the company offers them the risks or provides them the opportunity to take risks. This can be seen in the standard deviation of 0.77, which means the results are scattered. Table 8 shows that almost 15% of the respondents did not agree with the statement that they were given the opportunity to take risks in the company. The literature states that that if employees feel that that they cannot be engaged in risk and engage in entrepreneurial activities in the organisation, they are more likely to perceive a misfit with the organisation and start thinking about leaving the organisation Hayton (2005).

This results from the majority of the respondents agreeing that they are given the opportunity to take risks, was expected. When one considers the definition of corporate entrepreneurship which states that corporate entrepreneurs venture into environments of perceived uncertainty and have the willingness of accepting the uncertainty, corporate entrepreneurs are thus distinguishable from non-entrepreneurs in their willingness to bear the uncertainty intrinsic to a possible profitable course of action (McMullen & Shepherd, 2006). If such corporate entrepreneurs are not afforded the opportunity to take the required risk to do their work, they would be in an environment that is not suited to what makes a corporate entrepreneur.

The correlation between risk-taking and intention to resign on 1% level was -0.488. As discussed in Chapter 5, the correlation between the independent variable and the dependent variable was negative.



A stepwise regression in Chapter 5 (Table 47) reveals that there was a certain percentage, however small, that did not agree with the statement that they were given the opportunity to take risks within the company. The stepwise regression in Chapter 5, section 5.7, illustrates that risk-taking is one of the five constructs that cumulatively contributes only 2% in the variance of the dependent variable. The two constructs that contributed the most are discussed in section 6.2.2 and 6.2.4

One can, therefore, conclude that because of the high 'agree' response from the corporate entrepreneurs at the organisation, it was expected that there would not be a correlation between the dependant variable (intention to resign) and risk-taking. The stepwise regression shows that risk-taking is not one of the predictors for the independent variable (intention to resign).

Even though the analysis of variance (ANOVA) for risk-taking and intention to resign is not significant, the researcher also performed an analysis of variance (ANOVA) to determine the effect of risk-taking to the biographical variables. The results are outlined in section 5.9.1. The results indicate that there is a significant difference for position in the company and the age of the respondents. The Duncan Multiple Range test indicates that the difference, with regards to the position in the company, is due to the difference in the mean. The middle managers and the junior middle managers show a similar mean of 3.2. The senior managers have a mean of 4.2. Even though these results do not necessarily have an effect on the dependent variable (intention to resign), they are, however, interesting in that they provide the researcher with an understanding of how the respondents answered the questions with regards to risk-taking and their positions in the company. It was expected that senior managers would be in charge of the entrepreneurial vision of the company (Hornsby et al., 2002, Monsen et al., 2009). It was expected that, due to their positions, they would respond to the question positively.

The Duncan Multiple Range test for the age of the respondents indicates that the 50+ group have a similar mean and that the 41-50 group have the lowest mean, while the mean of the 20-30 year olds is the second lowest mean. Interestingly enough, one would expect that the individuals who are in senior positions would be older, thus in the 41-50 group and 50+ group. However, the results above indicate that senior managers may be spread throughout different age groups. Corporate entrepreneurship does not necessarily specify the age of the corporates entrepreneur. In the definition of a corporate entrepreneur, fundamentals are mentioned, as discussed in Chapter 2. It

can, therefore, be argued that corporate entrepreneurs may be found in different positions in the company, regardless of age.

## 6.2.2 Organisational Boundaries

Organisational boundaries were used to understand whether these have an impact (or effect) on the dependent variable (intention to resign). The results were supposed to provide information as to whether the company has certain organisational boundaries that can have an impact on corporate entrepreneurs leaving the organisation. Related questions were discussed separately, because they contribute differently to the organisational boundaries construct.

The third question asked the respondents whether they clearly understood the level of work performance expected from them; 78% of respondents agreed and strongly agreed. The fourth question inquired whether respondents experienced any uncertainty about their jobs and 65% answered in the affirmative.

These two questions dealt with role ambiguity, as covered in the literature, with regards to respondents understanding exactly what is required from them. However, for both these questions, there were 30 respondents who were neutral and 27 respondents who disagreed. The literature states that when a corporate entrepreneur perceives his/her role in the organisation to be uncertain or not properly defined, it can lead to the corporate entrepreneur having certain reactions like hesitancy, indecision, procrastination and ultimately, leaving the organisation (McMullen, Shepherd, 2006).

The other questions under organisational boundaries, dealt with standard procedures and rules. The majority of the respondents agreed that there are many rules and procedures relating to doing their jobs. Even though some respondents did not agree, it can be assumed that those who did not agree are senior managers and the discussion on senior managers in section 6.3.3, explains this assumption.

The last question on the questionnaire dealt with whether senior managers discuss work performance with staff members. The majority of respondents agreed that their senior managers discuss their performances with them on a regular basis. The literature states that lack of recognition and praise can lead to discontent, poor morale

and reduced productivity, and is one of the reasons for high turnover among staff (Gess et al., 2008).

The questionnaire results show that the mean for organisational boundary is 3.63. This illustrates that the majority of the respondents agreed with the statements in this section. The standard deviation was 0.522, which shows that the responses were not too scattered.

A large number of respondents agreed that the company has organisational boundaries (rules and procedures) that prevent them from doing their jobs. *Certain respondents disagreed that their senior managers discuss their performance with them regularly.* The literature states that corporate entrepreneurs need fewer rules and procedures in order to be creative and innovative.

The stepwise regression illustrates that the respondents viewed loose boundaries as a very important factor when it comes to them wishing to leave the company. The stepwise regression analysis for organisational boundary revealed R-Square 1.97. This was found to be one of the best predictors for intention to resign. The second best predictor is discussed in 6.2.4.

This finding was expected because of what was found during the Literature Review. Throughout the literature of corporate entrepreneur, it is stated that rules and procedures are considered to be impediments for a thriving entrepreneurial environment.

### **6.2.3 Time Availability**

Time available for corporate entrepreneurs was analysed to determine its impact on the independent variable (intention to resign).

The questions were worded in such a way that an 'agree' or 'strongly agree' answer would mean that the respondents have sufficient time to complete their work as well as spend time on new ideas, long-term problem solving, and solving wider organisation problems. The majority of the respondents agreed that they do not have sufficient time for all these activities. However, what is significant is that a greater percentage of respondents replied neutrally to these questions.

The questions on this construct were taken from Hornsby (2002). The mean of the results from Hornsby was 2.24, thus illustrating that the respondents in his study did not have time constraints. The mean of the current study is 3.08, which reflects that the respondents were neutral to time available. Even though a greater percentage of the responses gave neutral answers, individual responses to each question indicates that the majority of respondents agreed that they do not have enough time available. This is also reflected in the standard deviation of 0.52, illustrating that the responses were not very scattered.

The results of the questionnaire, regarding time availability, are contrary to what was expected. The researcher expected results similar to those of the study done by Hornsby (2002), thus with more of the respondents saying they have time to spend on organisation activities that can create value for the organisation. From his study, Adonisi (2012) concluded that flexibility in the work environment can create and promote a corporate entrepreneurship culture. When we look at the questions asked by the researcher, we can see that respondents did not have any flexibility in their work environments. The literature states that individuals need time in order to pursue innovative ideas, without being overloaded with bureaucratic activities (Finkle, 2012a; Marvel et al., 2007). It is the responsibility of corporate entrepreneurs to find value where there is none, and to do this, they need time. If they do not find time, according to literature, they will be frustrated and this will lead to detachment from their jobs and the ultimate desire to leave the company (Singh & Dubey, 2011).

The mean of 3.08, regarding time availability, with a standard deviation of 0.52 indicates that the responses were not very scattered. A stepwise regression was conducted to predict the independent variable with the dependent variable.

The stepwise regression in section 5.7 illustrates that time availability is one of the five constructs that cumulatively contributed only 2% in the variance in the dependent variable. The two constructs that contributed the most are discussed in 6.2.2 and 6.2.4.

This researcher concludes that time availability has no impact on the intention to resign.

Even though the analysis of variance (ANOVA) for risk, time availability and intention to resign is not significant, the researcher performed an analysis of variance (ANOVA) to

determine the effect of time availability to the biographical variables. The results are outlined in section 5.9.3. The results indicate that there is a significant difference in responses, depending on position in the company.

The Duncan Multiple Range test indicates that the difference, with regard to the position in the company, was due to the difference in the mean. The middle managers and the junior middle managers show a similar mean of 2.8. The senior managers have a mean of 3.4. Even though these results do not necessarily have an effect on the dependent variable (intention to resign), they are interesting in that they provide the researcher insight into how the respondents answered the questions with regards to time availability and their positions in the company. Marvel et al. (2007), state that one of the ways of motivating entrepreneurs is to give them the opportunity to interact with others in order to come up with innovative ideas, as well as provide them with freedom in terms of time to come up with their own ideas. In their study, Marvel et al. (2007), makes a clear distinction between senior managers and junior staff.

From the result above, the researchers concludes that, even though there is no significant difference between intention to resign and time availability, there is, however, a difference in the way employees holding different positions in the company answered the questions on time availability.

#### **6.2.4 Autonomy/ Work Discretion**

The autonomy and work discretion construct was used to understand whether corporate entrepreneurs at the organisation had autonomy in their work and whether a lack of autonomy had a correlation to such employees staying or leaving the organisation.

Five questions were used for this construct, taken from Hornsby (2002). Related questions are grouped together and discussed separately.

The respondents answered two questions differently from the rest of the questions. These questions were very similar, even though they were worded differently. The first question stated that “I feel that I am my own boss and do not have to double-check all of my decisions”, while the fifth question stated that “I have autonomy in my job”. The respondents provided similar responses to both these questions. Even though they

agreed to having autonomy in their jobs, their responses were almost 10% lower than responses to the other three questions in this section. The two questions mentioned above also had the highest rate of respondents disagreeing that they had autonomy in their jobs. Tables 23 to 29 illustrate these differences.

The other 3 questions in this section received a majority of affirmative responses (respondents agreeing that they had autonomy in their work). The results of the three questions are confirmed by the literature, which states that corporate entrepreneurs want to feel when they are engaged in corporate entrepreneurial activities in the company, they expect that management will listen to them and encourage them to bring these entrepreneurial ideas into fruition (Alpkan et al., 2010). The significant difference between the responses to the two questions above, was due to the fact that the other questions dealt with autonomy more directly, which then gave rise to a higher percentage of the respondents disagreeing.

The mean of the autonomy construct is 3.6. When compared to Hornsby's (2002) study, with a mean of 4.2, this current study's mean is lower. The standard deviation is second highest for the independent variables, at 0.75, as indicated in Table 44. This indicates that the results are scattered, as confirmed by the discussion above, this is due to the two direct questions having results that differ from the results of the other three questions.

The mean, in regard to autonomy/work discretion, indicates that the respondents agreed that they enjoyed autonomy in their jobs. To indicate the significance of the responses that did not agree, and their impact on the dependent variable, a stepwise regression was done. This stepwise regression illustrates that autonomy contributed 33.8% of the variance in the independent variable. This figure is the highest, while the second highest is the organisational boundary. These two constructs contributed 35.8.

The results regarding autonomy/work discretions were expected because these are in line with the literature. However, when looking at the company and the history of corporate entrepreneurship in the company, as discussed in Chapter 4, the researcher expected that the result would show that the organisation gives its corporate entrepreneurs autonomy. Iliopoullou & While (2010) state that autonomy can be viewed as an important factor that can have an effect on job satisfaction, which could, in turn, lead to staff retention problems. These authors add, however, that this effect will only take place if staff members views autonomy as important. Nonetheless, the

current study clearly shows that respondents in the company viewed autonomy as an important factor and, therefore, if they are not given autonomy/work discretion, they will consider leaving the organisation.

The work of Morris & Kuratko (2002) confirms the findings of this researcher. These authors state that corporate entrepreneurs are driven by the fact that they have the ability to change their environments, as well as by the desire to change both their venture and destiny. They further state that some of the lack of autonomy may be wrongly perceived by the corporate entrepreneur, because organisations need to have some control in certain areas, so that systems and procedures will operate effectively.

As discussed above, when corporate entrepreneurs feel as though they do not have autonomy in their jobs, they may consider leaving the organisation.

The requirement of autonomy is not only unique to corporate entrepreneurship. Recent MBA dissertations have highlighted the need for autonomy in other professional disciplines. Daniels (2011) found that knowledge workers in technology start-ups require flexible time to do their work. Milne (2007) found that autonomy can be a factor in motivating knowledge workers; this can be achieved when management removes impediments that may cause knowledge workers not to perform at their full potential.

The above MBA thesis findings concur with Adonisi's (2012) findings, which state that economic growth and corporate entrepreneurship are served by a collaborative relationship between market orientation, flexibility and job satisfaction. He further states that senior management plays a critical role in ensuring that such collaboration exists.

Corporate entrepreneurs require management support. However, to perform at their best, they also require their autonomy. Rock (2010) illustrates the effect that management can have when he states that employees feel threatened by someone of higher status, who could affect their performance and ultimately their motivation in the work environment. Rock (2010) adds that employees would like to see their managers, with regards to supporting them, but they do not want to feel their presence. From Rock's (2010) findings we can conclude that employees want participatory managers.

When linking the sponsorship models of Pinchot (1985) and Kuratko (2011) to Rock's (2006) "create model", the importance of management support, with regards to autonomy, becomes evident. In his "create model", Rock (2006) states that

management should listen to the input of staff members regarding problems, assist staff to think that they already have the solution to the problem, offer insights and advise indirectly (only when invited to do so), and finally, motivate staff to use their own energy to solve the problem. Rock (2006) says that this approach gives staff members freedom to operate in their environment, as well as motivates them to complete their tasks and improve their performance.

However, one also finds contradictions to these views in the literature, amongst others, the view that if individuals are not given work schedules and procedures to do their work, they may be demotivated (Syed, Anka, Jamal, & Shaikh, 2012). However, Marvel et. al. (2009), clarify this when stating that formal structures are good for creating a positive entrepreneurial environment, provided such structures exist in flat structures where management involvement does not impede innovation and new ideas.

Interestingly enough, motivation, both extrinsic and intrinsic, can be improved by the perceived positive outcome, which can ultimately reduce apathetic motivation (Levin, Hansen, & Laverie, 2012).

One can argue that when employees are not given the autonomy they require from the organisation, they will be demotivated and could ultimately consider leaving the organisation.

Analysis of variance (ANOVA) for autonomy and intention to resign was significant; however, the researcher performed an analysis of variance (ANOVA) to determine the effect of autonomy on the biographical variables. The results are outlined in section 5.9.4 and 10.3. The results indicate that there is a significant difference in responses, depending on the position in the company and the age of the respondents.

The Duncan Multiple Range test indicates that the difference, with regards to the position in the company, is due to the difference in the mean. The middle managers and the junior middle managers show a similar mean, of 3.3 and 3.2 respectively. The senior managers have a mean of 4.2. These results also explain the effect of autonomy on the intention to resign.

The Duncan Multiple Range test for the age of the respondents indicates that the 50+ group have a similar mean and the 41-50 group has the lowest mean, while the 20-30 year olds have the second lowest mean. Interestingly enough, it would be expected



that the individuals who are in senior positions would be older, for instance, in the 41-50 and 50+ groups. However, the results above indicate that senior managers may be spread throughout the different age groups. Corporate entrepreneurship does not necessarily specify the age of corporates entrepreneurs.

### **6.2.5 Management Support**

This construct was used to understand whether there is a correlation between management support and the dependent variable (intention to resign). The researcher asked eight questions, taken from Hornsby (2002).

The majority of the respondents agreed that they enjoyed management support. The questions on management support included support for new ideas, innovative ideas, tolerance for entrepreneurial staff and money (resources) for new projects. These questions are in chapter 3 and in chapter 5.

One of the questions asked whether money was being made available for new projects. This question dealt with one of the sub-constructs discussed in Chapter 2. The results of this question are similar to that of the other questions and, therefore, do not require separate discussion.

The results show that the mean for management support is 3.70. This mean confirms that the majority of respondents agreed that they enjoy support from their management. The standard deviation is 0.70, which indicates that the results are scattered.

The literature mentions that corporate entrepreneurs want to feel as though they engage in corporate entrepreneurial activities in the organisation and will be listened to (Alpkan et al., 2010). This statement agrees with the questions on management support in Chapter 3. The corporate entrepreneurs in the company agreed that their organisation encouraged them to explore their own ideas and the result corroborates the literature, which states that corporate entrepreneurs should be encouraged to bring their ideas into fruition (Alpkan et al., 2010).

To bring products to fruition, management has to ensure that there are resources available for such activity. Sykes (1986) states that non-allocated resources must be available for innovative activities.

Hornsby's (2002) mean on management support construct was 3.028. This means that the respondents were neutral to questions asked about management support. The corresponding mean of the current research is 3.70. This is not surprising because, as discussed above, the respondents agreed that they were being supported by management in their corporate entrepreneurial activity.

Alpkan (2010) states that when corporate entrepreneurs do not feel supported it, can lead to an atmosphere of fear and loneliness. The researcher took this statement to mean that failure to support a corporate entrepreneur can lead to low retention. Rock & Donde (2008) confirm this contention when stating that internal support can increase staff retention and ultimately, return on investment.

Stepwise regression was conducted to establish the best predictor for the dependent variable. The stepwise regression analysis indicates that management support is one of the five constructs that contributed only 2% to the predictor to the dependent variable.

This result was expected, because it is in line with the literature as well as with the corporate entrepreneurial spirit within the company. However, because there are employees in the organisation who indicated that they will leave the organisation because of organisational boundaries and lack of autonomy, one also expected that they would have mentioned lack of management support as a critical factor that would contribute to making them wanting to leave the company. Senior management is responsible for strategic entrepreneurship, which includes autonomy and organisational boundaries. This is mentioned in the Literature Review in Chapter 2.

Even though the analysis of variance (ANOVA) for management support and intention to resign was not significant, the researcher performed an analysis of variance (ANOVA) to determine the effect of time availability to the biographical variables. The results are outlined in section 5.9.5 and 5.10.4. The results indicate that there is a significant difference in the responses, depending on the position held in the company.

The Duncan Multiple Range test indicates that the difference, with regards to the position held in the company, is due to the difference in the mean. The middle managers and the junior middle managers have a similar mean, namely 3.3, rounded off. The senior managers had a mean of 4.2. Even though these results do not necessarily have an effect on the dependent variable (intention to resign), they are interesting in that they provide the researcher with an understanding of how the respondents answered the questions with regards to management support in view of their position in the company.

From the result above the researcher concludes that, even though there is no significant difference between intention to resign and management support, there is, however, a difference in how corporate entrepreneurs answered the questions on management support.

### **6.2.6 Rewards**

This construct was used to establish whether there is a correlation between rewards and the dependent variable (intention to resign). The researcher used eight questions, taken from the Hornsby (2002).

Some of the questions are discussed separately, because they contribute to construct differently.

The third question stated that management will give corporate entrepreneurs special recognition if their performance is good. The majority of the respondents agreed. It, therefore, means that corporate entrepreneurs employed by the company see the special recognition from management as being very critical for work environments. Recognition by management can be seen as one of the intrinsic motivators for staff because, as Marvel (2007) states, one of the duties of management is to create an environment that fosters intrinsic motivation. Recognition and praise for the contributions of corporate entrepreneurs in the organisation, is a major motivating factor, (Gess et al., 2008) & Marvel (2007) adds that corporate entrepreneurs should be remunerated in such a manner that they stand out from their colleagues in the organisation. When corporate entrepreneurs feel that they are not recognised and praised for their work, it may lead to discontent, poor morale and reduced productivity, which can ultimately lead to high staff turnover (Gess et al., 2008).

This intrinsic motivation (recognition and praise) also explains the results of the fourth question, which asked respondents whether they faced many challenges in their jobs. The affirmative response was also high. Figure 2.2 in Chapter 2 illustrates the expectations of a corporate entrepreneur in the organisation, with regards to rewards.

The majority of the respondents agreed that the rewards received were adequate. The mean was 3.88, with a standard deviation of 0.58. The standard deviation indicates that the results were not too scattered.

The overall results regarding rewards are very surprising, because most employees feel that they are worth more than they are paid and corporate entrepreneurs are salaried professionals. Pinchot (1985) confirms this when stating that one of the rules for corporate entrepreneurship is to come to work and be willing to be fired.

The literature mentioned above seems to indicate there is a link between management support and reward. The correlation in section 5.6 confirms such a link. At the significant level of 1% the correlation between management support and reward is 0.898. The correlation between these two constructs is one of the highest.

The stepwise regression in section 5.7 illustrates that rewards are one of the five constructs that cumulatively contribute only 2% of the variance in the dependent variable. The two constructs that contributed the most are discussed in sections 6.2.2 and 6.2.4.

Even though the analysis of variance (ANOVA) regarding rewards and intention to resign was not significant, the researcher performed an analysis of variance (ANOVA) to determine the effect of rewards to the biographical variables. The results are outlined in section 5.9.5 and 5.10.5. The results indicate that there is a significant difference in response, based on the position held in the company and the age of the respondents.

The Duncan Multiple Range test indicates that the difference with regards to the position held in the company, is due to the difference in the mean. The middle managers and the junior middle managers show a similar mean of 3.6, rounded off. The senior managers have a mean of 4.3. Even though these results do not necessarily have an effect on the dependent variable (intention to resign), they are interesting in that they gave the researcher greater insight as to how respondents

answered the questions pertaining to rewards, depending on the positions they held in the company.

The Duncan Multiple Range test for the age of the respondents indicates that the 50+ group display a similar mean with the 31-40 age group, while the 41-50 age group has the lowest mean and the 20-30 year olds, the second lowest mean. While one would expect that individuals that are in senior positions would be older, for instance in the 41-50 and 50+ age groups, the results above indicate that senior managers may be spread throughout different age groups.

## 6.3 Biographical Variables

An analysis of variance was performed to determine the effect of the biographical variables to the dependent variable (intention to resign)

:

- Gender
- Period in the Company
- Position in the Company
- Geographical Area
- Age of Respondents

By making use of ANOVA analysis, the researcher attempted to determine which of the biographical variables had a p value of less than 0.05 ( $P < 0.05$ ). A p value of less than 0.05 indicates that the biographical variable shows a significant difference between the groups, with regards to intention to resign.

The correlation between the biographical variables in the company and the independent variable (intention to resign) was negative. This means that the lower the mean, the less likely it is that corporate entrepreneurs will leave the organisation.

### 6.3.1 Age of Respondents

The respondents were grouped into categories according to age, as discussed in section 5.8.1. The researcher wanted to determine which age grouping, among the four groups, had the lowest mean. The 41-50 group has the highest mean and the 31-40 group, the second highest. The 20-30 year old group has the second lowest mean,

while the 50+ group has the lowest, which means that respondents who were 50 years and older are less likely to leave the organisation.

The respondents, who are second less likely to leave the organisation, are the 20-30 olds. This result of the 50+ group being least likely to leave the organisation was expected, but to establish the second lowest mean to be that of the 20-41 group, was not expected; the finding contradicts the theory, which states that senior managers will perceive risk differently in the organisation and, therefore, will be less likely to leave when compared to junior staff members (Hayton, 2005) However, other researchers also noted that that junior staff member who are twenty something (sic), require a manager who creates an atmosphere of mentorship which supports staff (Wieck et al., 2010). Therefore, this researcher concludes that staff members of between 20-30 years old in the employ of the organisation, feel that that they are being supported by senior managers, which means that they are less likely to leave, when compared to the 31-40 and 41-50 year old groups.

The p value of the age of respondents was 0.18. This means that the age of respondents did not have a significant influence with regards to their intention to resign.

### **6.3.2 Geographical Area**

The mean for both the South African and 'other' respondents (China, Japan & South Korea) is virtually identical, at 2.09 and 2.03 respectively.

South Korea, Japan and China are highly developed economies compared to South Africa. They also have very stable political systems. The literature shows that the general environment of countries should have an impact on the retention of employees. The results of this study contradict the literature. According to the literature, there are push and pull factors that make individuals want to stay in a particular country (Lehmann et al., 2008). This study illustrates that there are differences between South Africa and other countries with regards to their political and economic climate, however, the results indicate that this difference does not have an impact on the intention to resign.

### **6.3.3 Position in the Company**

The findings determined the mean for senior is 1.65, that of middle managers as 1.65, while it is 2.41 for junior managers. The highest number of respondents, 41, were senior managers, while 30 middle managers as well as 30 junior middle managers responded. It was interesting to note that the highest number of respondents were senior managers. The only conclusion that can be derived from this high response, is that corporate entrepreneurs consider themselves to be very autonomous; this is also explained in stepwise regression. Therefore, the researcher concludes, individuals who are autonomous consider themselves more senior than they would otherwise be.

The results of a mean of 1.65 for senior managers means that senior managers are less likely to leave the organisation, when compare to middle managers and junior middle managers. The p value for the position in the company is 0.0043 and this figure is below 0.05 range. This indicates that the position held in the company, plays a role in the retention of corporate entrepreneurs. This is explained by the literature, in which it states that senior managers are in a position to diversify their risks so that they take advantage of opportunities within the organisation (Monsen et al., 2009). Monson also found that by means of engaging and taking advantage of such risks, senior managers are able to engage in entrepreneurial activities. The reverse of this theory is that junior middle managers and middle managers are have less likely to be in a position to engage in such risk-taking activities and are, therefore, more likely to resign.

In his MBA thesis on psychological contract, Shuping (2009) found that position in the company increases the relational psychological contract, with the resulting effect being staff retention. This means that the effect of the position in the company may not only be relevant for corporate entrepreneurs, but also for other professional disciplines.

### **6.3.4 Years with the Company**

The length of time an individual has been in the employ of the organisation also plays a role in the retention of staff in the organisation. Four groups were created to simplify analysis of the results. Respondents who had been with the company for less than five years, scored the highest mean, which means that they are the most likely to leave the organisation. Respondents, who have been with the company for less than 10 years,

show the second highest mean. The group that had been with the company between 11-15 years, had the second lowest mean and the 16+ group scored the lowest mean.

The figures above indicate that longer the longer have been in the employ of the company, the less likely they are to resign. When looking at the p value for the period in the company, it was found to be 0.2646 and this shows no significant difference between the period in the company and the independent variable (intention to resign). Iliopoulou & While (2010) state that the length of time in the organisation, as well as experience, can play a role in the autonomy that the organisation allows an individual. As stated in the Literature Review, regarding autonomy, lack of autonomy can lead corporate entrepreneurs to become demotivated, which might result in low staff retention.

#### **6.3.4 Gender**

An analysis was done on the gender variable to determine whether gender showed a significant difference with regards to the independent variable (intention to resign).

The mean for male respondents was found to be, at 2.04, lower than the mean for females, at 2.19. The difference of the means of males and females is not big enough to be considered significant. Because the mean was calculated on a scale of 1 to 5, it means that that corporate entrepreneurs, whether male or female, wish to stay in the organisation and do not intend to resign.

The literature revealed that individuals generally leave the organisation due to various and differing reasons. Woman leave the organisation because of marriage or due to family matters, while men leave organisations because of economic reasons (Lehmann et al., 2008) This researcher, however, has established that corporate entrepreneurs leave the organisation because of a lack of autonomy.

#### **6.4 Intention to Resign**

Intention to resign was the dependant variable. All the independent variables were correlated to the dependant variable, to determine whether there is a significant



difference with regards to the mean, ANOVA correlation and stepwise regression. The biographical variables were also used to determine such significant difference.

The dependent variable was negatively coded, which means that if respondents agree with a question, they are intending to resign, as is discussed in Chapter 5. The majority of respondents disagreed with the statement that they are intending to resign. Table 39 to 41 display all the results.

The mean for intention to resign is 2.08, with a standard deviation of 0.86. The standard deviation indicates that the responses were scattered.

The discussion above illustrates that organisational boundaries and autonomy contribute the most to the intention to resign, as revealed by the regression analysis that was conducted. The discussion also illustrates that individuals in senior position are less likely to leave the organisation. The literature, that provides greater insight into these findings, was also discussed.

## **Chapter 7: Conclusion**

### **7.1 Introduction**

In Chapter 1 the research problem was discussed, along with the motivation for the research. Chapter 2 provides a review and discussion of the relevant literature on staff retention and corporate entrepreneurship, from which the researcher formulated propositions, which are outlined in Chapter 3. Chapter 4 investigated the appropriate methodology of the study, and the results of the study are reported in Chapter 5, followed by a discussion of the results in Chapter 6. The results and findings of this study are based on empirical data.

The purpose of this chapter is to illustrate how the findings of this study contribute to the literature on corporate entrepreneurship, and to some extent, to the literature on human resources. This chapter also consolidates the findings.

### **7.2 Research Findings**

The purpose of the research was to determine whether the corporate entrepreneurship model from Hornsby can be used to determine its effect on the intention of corporate entrepreneurs, to leave the organisation. Hornsby's model was used in conjunction with other models relating to staff retention. The study established that this model can be used, but that there are also exceptions. Each construct is discussed separately.

#### **7.2.1 Research Proposition 1**

The research proposition aimed to determine whether the ability of corporate entrepreneurs, to take risks in the organisation, has an effect on these individuals staying with the organisation.

The key findings were as follows:

- The analysis of variance (ANOVA) and the regression analysis illustrates that risk does not play a role in corporate entrepreneurs staying with the organisation.
- However, an analysis of variance for the biographical variables and risk-taking determined that there is a link between risk-taking and position held in the company, as well as the age of the respondents. The results indicate that corporate entrepreneurs, who hold senior positions in the organisation, have or perceive to have the opportunity to take risks in the organisation. The results also show that the position a corporate entrepreneur holds in the company, may not be related to age. This can also be understood from the literature, in which all the definitions or studies on corporate entrepreneurship do not mention age as a prerequisite for innovative ideas.

## 7.2.2 Research Proposition 2

The research proposition aimed to determine whether organisational boundaries in the organisation have an effect on corporate entrepreneurs staying with the organisation.

The key findings were as follows:

- The analysis of variance (ANOVA) performed determined that organisational boundaries do not have an effect on corporate entrepreneurs staying or leaving the organisation. The regression analysis determined that organisational boundaries explained 1.97% of the variance in the independent variable. This number, however statistically significant, is considered to be small. An analysis of variance (ANOVA) was also performed on the biographical variables and the organisational boundaries. The results illustrated these factors are of no significance.
- In this study, organisational boundaries do not seem to have an effect on corporate entrepreneurs in the organisation. This contradicts the Marvel's (2007) research, which found that corporate entrepreneurs need structures in the organisation to be motivated.

### 7.2.3 Research Proposition 3

The research proposition aimed to determine whether time available for entrepreneurial activities has an effect on whether corporate entrepreneurs stay with the organisation.

The key findings were as follows:

- The regression analysis and the analysis of variance determined that there is no significant difference. This illustrated that time availability does not play a role on corporate entrepreneurs staying with the organisation.
- An analysis of variance (ANOVA) on the biographical variables and the organisational boundaries, determined, however, that the position a corporate entrepreneur holds in the company, is significant. The results indicate that senior managers have enough “time available” in the organisation. Even though this construct does not contribute to corporate entrepreneurs leaving the organisation, it does, however, indicate that middle managers and junior middle managers do not have time for entrepreneurial activities. These findings contradict the literature which holds that when corporate entrepreneurs do not have time for entrepreneurial activities, they may consider leaving the organisation (Singh et al., 2011).

### 7.2.4 Research Proposition 4

The research proposition aimed to determine whether the autonomy given to corporate entrepreneurs has an impact on them staying with the organisation.

The key findings are as follows:

- The analysis of variance (ANOVA) performed determined that the autonomy corporate entrepreneurs are allowed has an effect on these employees staying in the organisation. The stepwise regression analysis confirmed this, as the researcher established that autonomy explained 33.8% of the variance in the independent variable. This finding conforms to the literature, as discussed in section 6.2.4.
- Marvel (2009) (2012), Adonisi (2012) & Rock (2006) agree that while management is required in the organisation, the manager should not be seen to

take control. Marvel (2007) also illustrates the importance of management support; however, the presence of the manager should not be felt. Autonomy is the only one of the six constructs that proved to have an effect on staff retention. The research of Cummings & Worley (2009), confirm this result as they showed state that employee involvement with regards to power (given to the employee) and information (given to make the right decisions), can motivate the employee to perform.

### **7.2.5 Research Proposition 5**

The research proposition aimed to determine whether the support management provides to corporate entrepreneurs has an effect on such employees staying in the organisation.

The key findings are as follows:

- The analysis of variance performed (ANOVA) determined that management support construct does not have an effect on the dependent variable (intention to resign). Furthermore, the regression analysis also confirmed this finding.
- Autonomy, however, has an effect on dependent variable and it can be argued that managers are in charge of giving the autonomy. Therefore, contrary to the findings, management does indeed play a role in the retention of corporate entrepreneurs.
- The analysis of variance (ANOVA) on the biographical variables determined that position in the company is significant. The results show that middle managers and junior middle managers have the lowest mean, which indicates that they only slightly agreed with the statement that they enjoyed management support. Only senior managers agreed, convincingly, that they received management support.

### **7.2.6 Research Proposition 6**

The research proposition aimed to determine whether the rewards the organisation gives to corporate entrepreneurs has an impact on them staying in the organisation.

The key findings are as follows:

- The analysis of variance (ANOVA) performed determined that that the rewards did not have an effect on the dependent variable (intention to resign). The regression analysis confirmed this finding, as discussed in section 6.2.6.
- The analysis of variance for the biographical variable and the reward variable determined that these factors are significant for position in the company and for age of the respondents. Again, the findings illustrate that even though the results do not have an effect on the dependent variable, senior managers and middle managers answer questions differently.

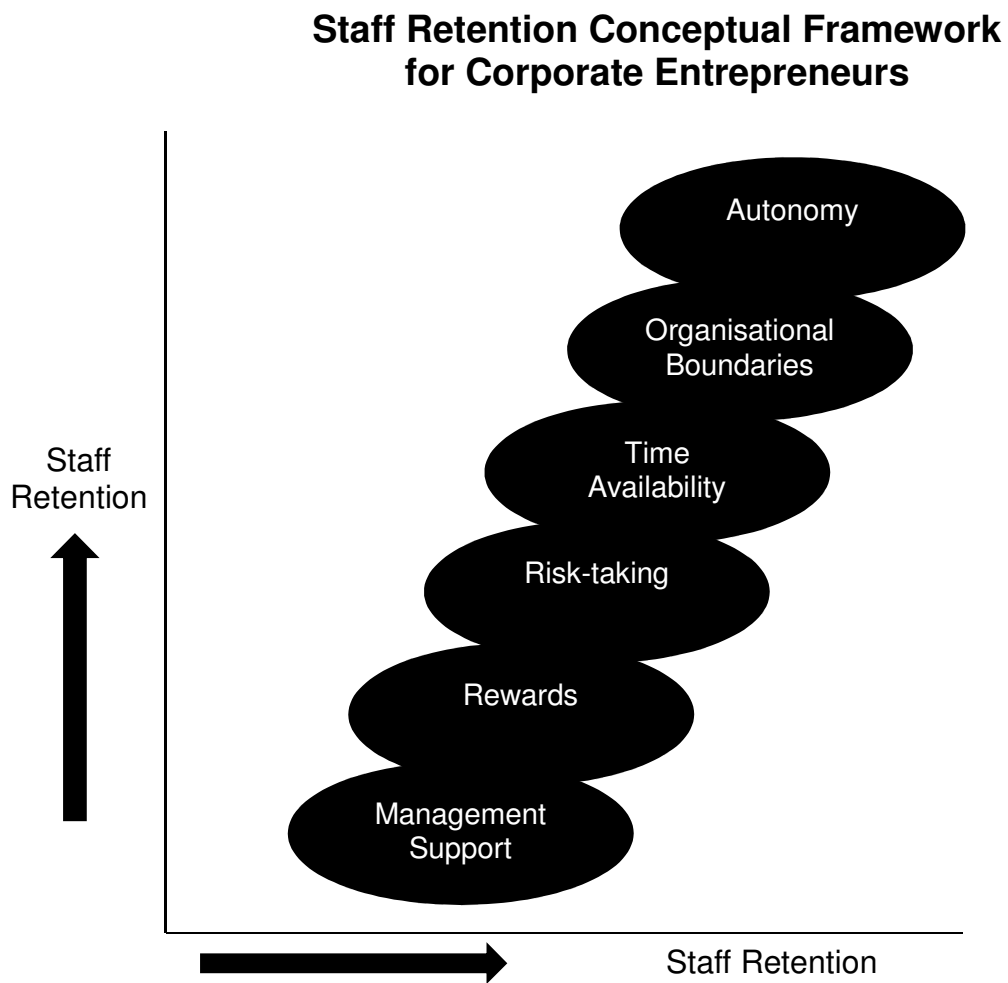
### **7.3 Conceptual Framework on Staff Retention and Recommendations to Stakeholders**

Figure 7.1 below is a conceptual framework based on the findings of this study. The researcher combined all the different constructs in this on corporate entrepreneurship and designed a conceptual framework that explains how managers in an entrepreneurial organisation can motivate their corporate entrepreneurs and, therefore, retain them in the organisation.

This study indicates that corporate entrepreneurs want autonomy and if they do not receive it, they may consider leaving the organisation. Therefore, if an organisation wishes to minimise its staff turnover, it has to allow its employees autonomy in their work environments. Autonomy forms the basis from which organisations have to operate, followed by organisation boundaries. The literature shows that when the structures in the organisation prevent staff from being entrepreneurial, employees become demotivated. This was confirmed by regression analysis this researcher conducted on organisation boundaries. Time availability enables new projects to get off the ground; Finkle (2012) confirmed this in his study of Google Inc. Providing corporate entrepreneurs with the opportunity to take risks, is fundamental to corporate entrepreneurship. A reward is the final factor in retaining corporate engineers in the company, as discussed in Chapter 2, and this includes intrinsic and extrinsic motivation. All the constructs are connected to one another, because they are not mutually exclusive.

Management support, however important, is seen as a supporting structure that combines all the different constructs (organisational factors). Lack of management support can have an impact on corporate entrepreneurs staying with the organisation. However the management support should be participatory rather than exercise total control. The importance of the organisational factors increases as you go up the figure, finishing off with autonomy being the most important.

**Figure 7.1: Staff Retention Conceptual Framework**



## 7.4 Limitations and Recommendations for Future Research

- Quantitative research was used for the study. However, some of the questions could have been done using qualitative research, because the researcher could have probed deeper and posed questions that required more explanation, for instance, the questions regarding rewards.
- Only six constructs were researched. The eight constructs in the CE strategy, as identified by Adonisi (2012), can be used for future research.
- Another factor that can contribute to the failure of retaining corporate entrepreneurs is the lack of understanding both intrinsic and extrinsic motivation. Even though management support, reward and work environment cover these two constructs, they lack the in-depth study that is required to yield meaningful results.
- A factor analysis could not be performed because the sample was too small. Future research could make use of a bigger sample, thus ensuring that factor analysis can be performed.
- This study researched a private company; future study can repeat such research in the public sector.

## 7.5 Conclusion

Corporate entrepreneurship is critical for entrepreneurial organisations and for the economy of South Africa. The findings show that the current literature on staff retention, however helpful, is limited when it comes to understanding how corporate entrepreneurs can be retained in the organisation. In this researcher's view, the ability of management to allow employees autonomy, is a skill that demonstrates maturity on the part of the manager; this view is corroborated by Hamel (2007).

The research findings, despite its limitations, can be useful in understanding more about corporate entrepreneurship and staff retention.



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# Appendix A